Oando Plc

YTD September 2011 Conference Call
October, 2011

Cautionary Statement

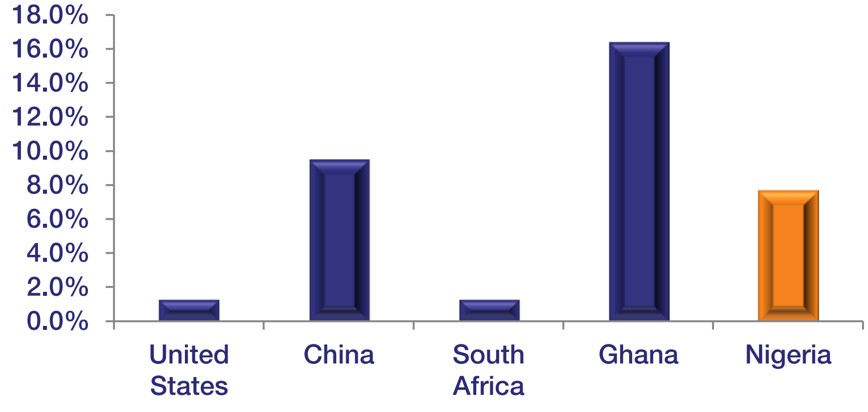
The information presented herein is based on sources which Oando Plc ("Oando") regards dependable. This presentation may contain forward looking statements. These statements concern or may affect future matters, such as Oando's economic results, business plans and strategies, and are based upon the current expectations of the directors. They are subject to a number of risks and uncertainties that might cause actual results and events to differ materially from the expectations expressed in or implied by such forward looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, regulatory developments, competitive conditions, technological developments and general economic conditions. Oando assumes no responsibility to update any of the forward looking statements contained in this presentation.

Contents

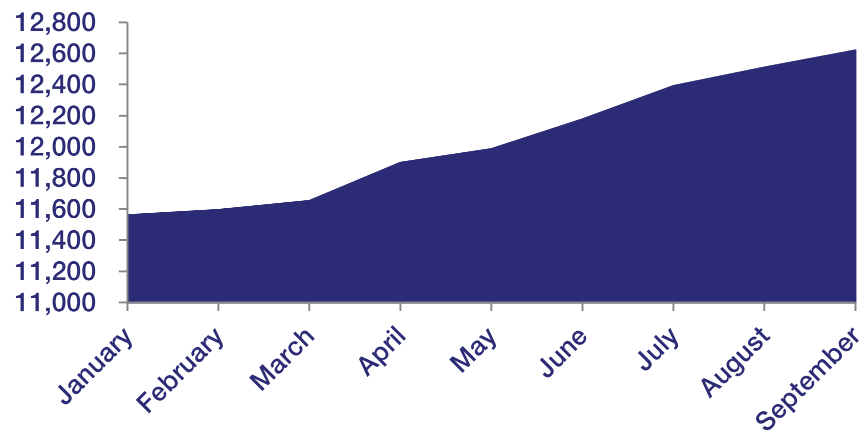
Operating Environment

- Nigeria's real GDP growth rate as at Q2 was 7.79% compared to 7.43% in Q1 2011, due to:
    - Stable foreign exchange rate (+2.40%);
    - Improved wholesale and retail trade (11.4%); and
    - Growth in both Oil sector (1.81%) and Non-oil sector (8.82%)
- The improvement in the Oil sector was largely due to:
    - High oil prices (avg $111.88/bbls); and
    - Average crude production as at Q2 stood at 2.45mbpd against 2.35mbpd in the same period last year.
- The non-oil sector continued to be a major drive of growth recording 8.82% growth in Q2 driven by activities in:
    - Agriculture - 5.87% (early rains and various governmental interventions)
    - Telecommunications (increased competition led to a 33.9% Q2 growth in the sector)
    - Wholesale/retail trade (increase in consumer demand led to 11.4% growth)

Strong GDP Growth*



Broad Money Supply (NGN Million)

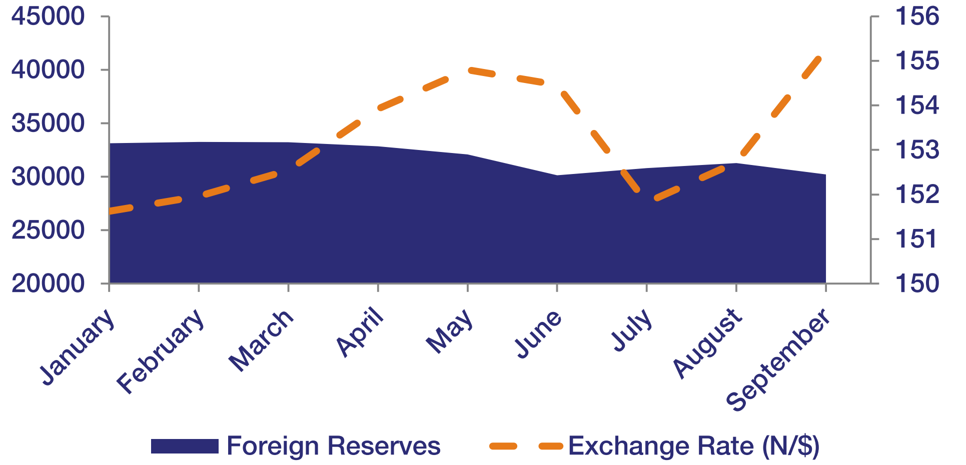


Source: Central Bank of Nigeria (CBN)
** GDP Growth as at Q2*

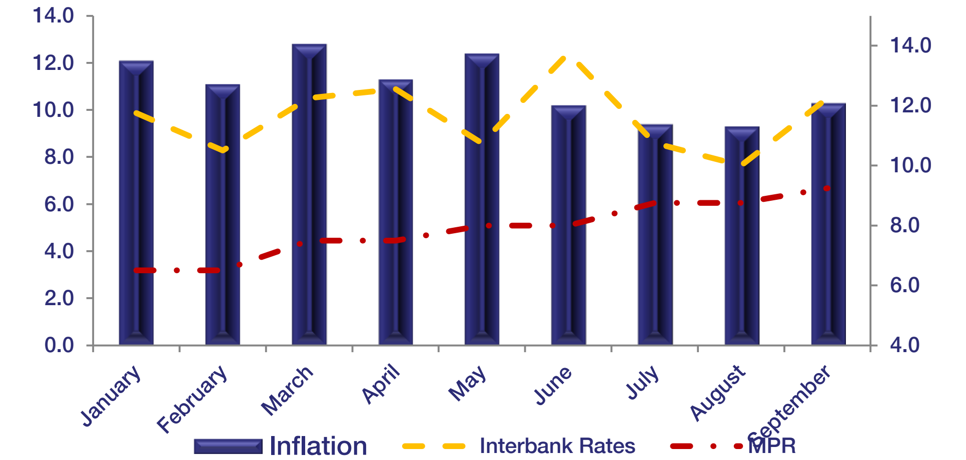
Operating Environment

- Foreign Reserves experienced a year-to-date drop of 8.80% despite rising crude oil revenues (crude oil export of 1.74mbd in Q2 against 1.64mbd in Q1)
- Futhermore, the following remain a major threat to reserves build up:
  - Payment of oil subsidies (over N1.20 Trillion YTD); and
  - Increasing demand of FX (Q2: $10.59 Billion)
- The economy experienced stable exchange rates due to:
  - A CBN policy to maintain stability
  - Rising demand was equally matched by an increase in the supply of FX (Q1: $9.17 Billion)
- Inflation closed September at 10.30% representing a year-to-date drop having started the year at 12.10%.

Healthy Reserves ($/bbl) & Stable Exchange Rate (N/$)



Stable Inflation Rate (%)



Source: Central Bank of Nigeria (CBN)

Operating Environment

Petroleum Industry Bill (PIB):

- Passage of the PIB before the new government was sworn in at the beginning of the year failed to be realized.
- We expect the bill to be passed early 2012 as the Bill must be read and signed off by all tiers of the new government/legislature.

Deregulation:

- Deregulation is imminent as the Federal Government is taking active steps towards its implementation. The implementation plan, however, is yet to be concluded. Subsidy burden to the Federal Government this year has exceeded N1.20 Trillion.

Power Sector Road Map:

- The power sector roadmap was unveiled in August 2010.
- 6 power generation and 11 distribution companies of the PHCN are to be privatized through the sale of 51% equity.
- The Multi Year Tariff Order (MYTO) has been reviewed and the new electricity tariff structure to be announced shortly.

Gas Infrastructure:

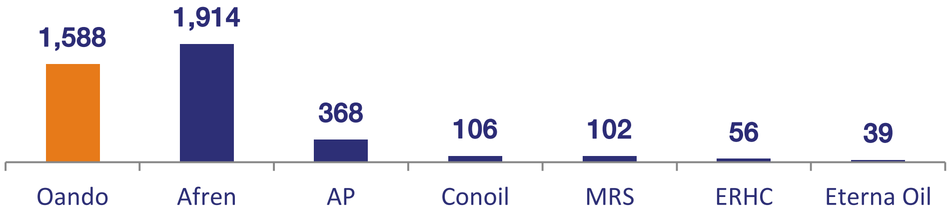
- Gas infrastructure contracts have been awarded by the FGN to the private sector.
- Oando was recently awarded a mandate by the Rivers State government to operate, rehabilitate and expand the distribution of natural gas in the Greater Port Harcourt Area, Rivers State located in the South-South region of Nigeria.

Source: ThisDay

Company Overview

- Oando is the largest publicly quoted energy company in Nigeria and sub-Saharan Africa's largest indigenous energy company, based on revenues
- Headquartered in Lagos, Nigeria
- Primary listing on the Nigerian Stock Exchange with a secondary listing on the Johannesburg Stock Exchange
- Commenced business as a petroleum marketing company in Nigeria in 1956
- Oando has since diversified across the full value chain of the oil and gas spectrum. Integrated across:
  - Upstream through Oando Exploration & Production and Oando Energy Services
  - Midstream through Oando Gas & Power
  - Downstream through Oando Marketing, Oando Supply & Trading and Oando Refining & Terminals

Sub-Saharan African Listed Energy Peers by EV ($m)



Source: Bloomberg as at 24-Oct-2011.

Company Overview

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	Upstream Division		Midstream Division	Downstream Division	
	Exploration & Production	Energy Services	Gas & Power	Supply & Trading	Marketing
Market Position(a)	A leading indigenous player	#1	#1	#1	#1
Description	• Rapidly expanding business line • Primary assets are located in Nigeria	• Largest swamp drilling fleet in Nigeria	• First private sector company to enter gas distribution in Nigeria • Consists of Gaslink Nigeria Limited, Akute Power and East Horizon Gas Company Limited.	• Largest indigenous supply and trading player in the sub-Saharan region • ~25% market share in private PMS importation in 2010.	• Nigeria's leading retailer of refined petroleum products with ~20% market share • Large distribution footprint with access to over 1,980 trucks and 159.5m litres storage capacity.
Key Assets	• Producing assets: OML 125 & OML 56. • Development & appraisal: OML 134, OML 90 & OPL 236. • Exploration: OPL 278, OPL 282, OPL 321, OPL 323, OML122 & JDZ	• 5 swamp rigs: 2 Working Assets and 3 under refurbishment. • Drill bits and engineering services • Total fluids management.	• 100 km gas distribution pipeline in Lagos. • 128 km gas pipeline in the East of Nigeria spanning Akwa Ibom and Cross River states. • Akute captive Power Plant • Riv Gas.	• Trading desks in Nigeria and Bermuda. • Trading consultants in the UK and Singapore.	• 600+ retail outlets in Nigeria, Ghana and Togo • Eight terminals (159.5ML) • 3 Aviation fuel depots • Two lube blending plants (55m litres / annum) • Seven LPG filling plants

Operational Overview

Upstream:

- Average production circa 5,000 bopd from 2 producing assets OML 125 and Ob-Ob (OML 56).
- OEPL executed agreements for the Reverse Takeover of Exile Resources Inc., a Canadian listed oil company, for the creation of Oando Energy Resources Inc (OER). OER's listing creates an International Platform to fund the substantial investment required for our E & P growth. Expected closure of transaction in Q4, 2011.
- Continued asset development on OML 90 and OML 56 targeted at production increases in Q4, 2011.

Midstream:

- Completed construction and testing of the 128km EHGC pipeline in the South East of the country. Pipeline to generate revenue from Q4, 2011.
- Increase in gas customers on the Lagos gas pipeline grid.
- Commencement of the 3rd pipeline franchise in Rivers State; refurbishment and operation of Port Harcourt's gas infrastructure.

Downstream:

- Maintained pole position in the supply and distribution of petroleum products across the country.
- Additional cash flow generation anticipated in Q4 2011 from high seasonal demand.

Group P & L Highlights

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N 'millions	YTD Sept 2011	YTD Actual Sept 2010	Var (2011 vs 2010)
Turnover	392,304	277,524	41%
Gross Margin	49,639	43,588	14%
Non-interest expenses	(27,598)	(24,129)	(14%)
Other operating income	7,333	4,360	68%
EBITDA	30,998	27,967	11%
Interest expenses	(5,422)	(8,993)	40%
Depreciation and Amortization	(6,209)	(5,027)	24%
Profit before Tax (PBT)	19,367	13,948	39%
Profit after Tax (PAT)	10,167	7,563	34%

41%

Turnover of N392.3 Billion

39%

Profit before Tax of N19.3 Billion

34%

Profit after Tax of N10.2 Billion

Divisional Performance Analysis

N 'millions	Marketing	Supply & Trading	Gas & Power	Energy Services	Exploration & Production
Turnover	137,573	256,064	11,088	10,287	21,286
Gross Margin	16,242	5,815	3,384	7,978	16,432
EBITDA	6,286	2,435	4,015	4,817	14,790
Profit before Tax (PBT)	4,403	2,236	2,676	(57)	9,854
Profit after Tax (PAT)	**2,999**	**1,952**	**1,865**	**(39)**	**3,373**
PAT Margin	2.2%	0.8%	16.8%	(0.4%)	15.8%

* Total column does not equal sum of parts due to intercompany adjustments and Group costs

Balance Sheet Highlights

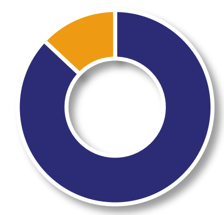
N'million	YTD Sept 2011	YTD Sept 2010	Increase/ Decrease
Fixed Assets	163,182	137,375	19%
Long Term Receivables	32,536	23,446	39%
Stocks	34,065	20,925	63%
Trade and other Debtors	102,027	88,606	15%
Bank and Cash Balances	19,603	11,288	74%
Trade and other Creditors	59,170	66,163	(11%)
Short Term Borrowing	105,308	63,669	65%
Long Term Borrowing	95,583	84,465	13%
Shareholders' Funds (Equity)	99,730	77,720	28%

19%

Fixed Assets of N163.2 billion

74%

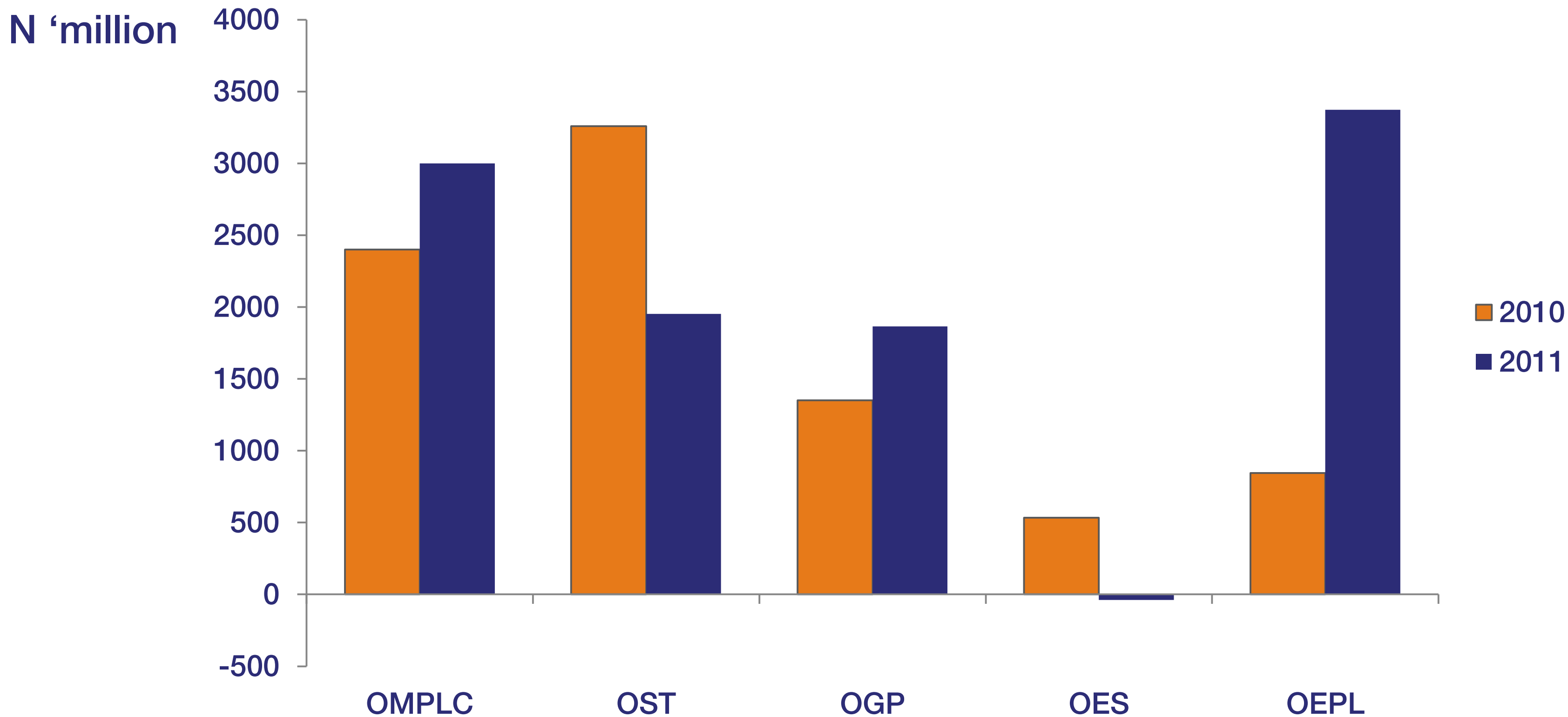
Bank & Cash of N19.6 billion



13%

L/T Borrowing of N95.6 billion

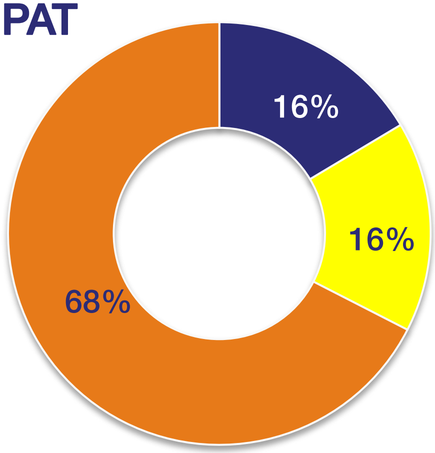
YTD Sept 2011 Divisional PAT Analysis



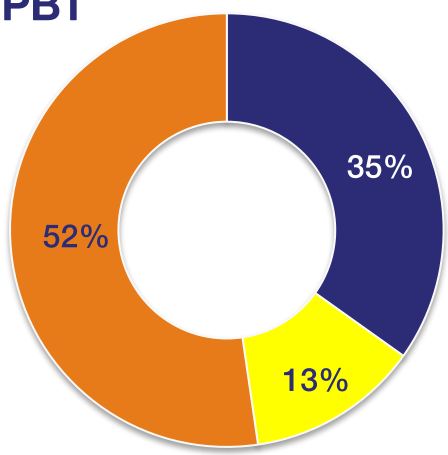
Sector Contributions

YTD Sept 2010

PAT

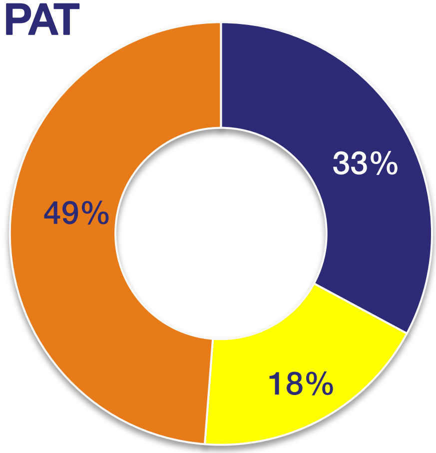


PBT

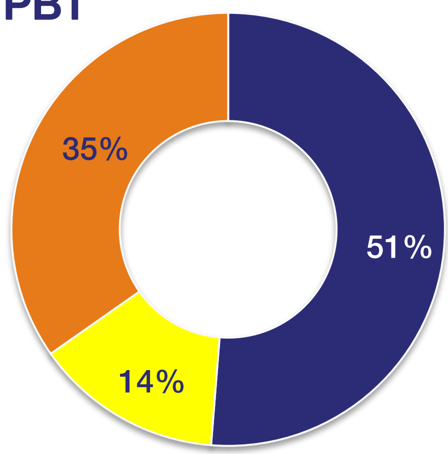


YTD Sept 2011

PAT



PBT



- Downstream
- Midstream
- Upstream

Sector Performance - Upstream

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Exploration & Production

Selected Data

Profit and loss NGN millions	YTD Sept 2011	YTD Sept 2010	Variance
Revenue	21,286	14,658	45%
Gross Margin	16,432	11,255	46%
EBITDA	16,009	9,566	67%
EBITDA Margin	75.2%	65.3%	
Profit before tax (PBT)	9,854	4,252	132%
Profit after tax (PAT)/Net Profit	3,373	844	299%
Net Profit Margin	15.8%		

Energy Services

Selected Data

Profit and loss NGN millions	YTD Sept 2011	YTD Sept 2010	Variance
Revenue	10,287	10,438	(1%)
Gross Margin	7,978	9,297	(14%)
EBITDA	4,817	4,652	4%
EBITDA Margin	46.8%	44.6%	
Loss before Tax (PBT)	(57)	791	(107%)
Loss after Tax (PAT)/Net Loss	(39)	533	(107%)
Net Loss Margin	(0.4%)		

Sector Performance - Midstream

Selected Data

Profit and loss NGN millions	2011 Actual	2010 Actual	Variance
Revenue	11,088	12,717	(13%)
Gross Margin	3,384	2,871	18%
EBITDA	4,014	2,231	80%
EBITDA Margin	36.2%	17.5%	
Profit before tax (PBT)	2,676	1,860	44%
Profit after tax (PAT)/Net Profit	1,865	1,351	38%
Net Profit Margin	16.8%		

Sector Performance - Downstream

Supply & Trading

Selected Data

Profit and loss NGN millions	YTD Sept 2011	YTD Sept 2010	Variance
Revenues	256,064	225,061	14%
Gross Margin	5,815	4,216	38%
EBITDA	2,435	4,287	(43%)
EBITDA Margin	1.0%	1.9%	
Profit before tax (PBT)	2,236	4,039	(45%)
Profit after tax (PAT)/Net Profit	1,952	3,258	(40%)
Net Profit Margin	0.8%		

Oando Marketing

Selected Data

Profit and loss NGN millions	YTD Sept 2011	2010 Actual	Variance
Revenues	137,573	126,468	9%
Gross Margin	16,242	14,236	14%
EBITDA	6,286	4,575	37%
EBITDA Margin	4.6%	3.6%	
Profit before tax (PBT)	4,403	3,528	25%
Profit after tax (PAT)/Net Profit	2,999	2,400	25%
Net Profit Margin	2.2%		

Strategic Road Map

Oando

Transformation from a downstream giant to a full value chain indigenous champion across West Africa

Oando

	Upstream Division		Midstream Division	Downstream Division		
	Exploration & Production	Energy Services	Gas & Power	Supply & Trading	Marketing	Refining & Terminals
Current	• Enhance Production from producing Assets and accelerate near term development opportunities	• Fully contract Rig fleet to International Oil Companies	• Complete ongoing Gas pipeline projects and commence construction of 2 new franchise areas • Enhance operations and sign new customers	• Intensify white product supply by leveraging efficiencies • Intensify new product offerings	• Increase distribution efficiency and expansion into high margin volumes, Lubes & LPG distribution	• Development of the Marina Jetty and subsea pipelines in the Lagos Port
Mid Term	• Harness preferential resource access to dormant acreage due to indigenous status	• Leverage local content policy opportunities • Expand product offering (MWD, etc)	• Expand gas distribution network in Nigeria, 2 new franchises. • Commence construction of 3 new pipeline franchise areas and 1st CPF	• Substantially increase crude oil market share • Increase white products market dominance by leveraging new import infrastructure.	• Divestment of up to 49% and listing on the NSE	• Development of a 210,000MT terminal facility in Lekki Free Trade Zone
Long Term	• Target 100kbopd and 300mmbbls (2P) reserves by 2015 through a mixture of organic and inorganic growth	• Consolidation of position as market leader and expansion into other countries	• Commence construction of 2nd CPF and 3 more gas pipeline franchise areas in West Africa	• Increase geographical presence	• Expansion of business across the sub-Saharan region	• Commence FEED • Expand white product storage facilities in Nigeria

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Q & A

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