



Oando PLC



Increasing Possibilities

Higher oil production and reduced crude losses in our upstream business had an overall positive impact on the performance of the Group. OER grew its oil production by 22% as a result of a reduced shut in period and lower crude oil losses on OML 56. In addition, OML 125 experienced improved production efficiency as its producing wells achieved 98% optimisation.

In January 2014, Oando Energy Services achieved four years of continuous operations with a Zero Lost Time Incident (LTI) on one of its four rigs, "OES Teamwork". It further signifies our commitment to world class operating standards, with the proactive use of our EHSSQ and operational processes.

In the midstream, our Gas & Power business entered into a construction contract to extend the company's natural gas distribution network by 8km from Ijora to the Marina business district in Lagos state. The project is expected to have a positive environmental impact as natural gas displaces diesel and low pour fuel oil (LPFO) as the primary fuel source in industries and power generation plants in areas the pipeline covers. The pipeline when completed will increase our capacity in Lagos from 85mmscf/day to 115mmscf/day, positively growing revenue and profitability.

In the downstream, we continue to expand our footprint across the African continent, with retail outlet upgrades within West Africa, as well as the expansion of our trading arm into Southern Africa. We also commenced groundwork for the upgrade of our Apapa Terminal Facility, increasing white product capacity from 29 million litres to 84 million litres. Upon completion, the project is expected to increase the efficacy of the Apapa Single Point Mooring Jetty, by eliminating 3rd party throughput spends, and generating income for the company via throughput storage fees.

Wale Tinubu
Group Chief Executive

Q1 2014 (Unaudited)

Consolidated Income Statement

	Mar-14 N'000	Mar-13 N'000
Revenue	85,268,821	121,061,351
Gross profit	14,461,826	13,048,341
Other operating income	1,040,433	1,193,411
Administrative expenses	(10,845,569)	(8,399,765)
Operating profit	4,656,690	5,841,987
Finance costs - net	(4,711,399)	(1,552,113)
(Loss)/profit before income tax	(58,895)	4,289,875
Income tax expense	(2,657,733)	(1,841,399)
(Loss)/profit after tax	(2,716,628)	2,448,476
(Loss)/profit attributable to:		
Owners of the parent	(2,316,506)	2,416,850
Non-controlling interest	(400,122)	31,626
	(2,716,628)	2,448,476

Consolidated Statement of Financial Position

	Mar-14 N'000	Dec-13 N'000
Property, plant & equipment	176,375,066	172,209,842
Intangible assets	82,649,272	82,232,746
Other non-current assets	118,635,468	111,556,925
Current assets	278,599,865	188,414,313
	656,259,671	591,896,939
Financed by:		
Share capital & reserves	192,899,578	162,368,076
Borrowings	231,462,988	255,285,053
Other non-current liabilities	28,646,269	28,138,686
Other current liabilities	203,250,836	131,875,112
	656,259,671	591,896,939

Consolidated Statement of Cash Flows

	Mar-14 N'000	Dec-13 N'000
Cash flows from operating activities	45,644,813	32,888,267
Cash flows from investing activities	(9,344,412)	(41,803,532)
Cash flows from financing activities	21,407,294	33,770,400
Exchange (loss)/gain on cash and cash equivalents	-----	(56,787)
Net change in cash and cash equivalents	57,707,694	24,798,348
Cash and cash equivalents at the beginning of the year	(10,331,129)	(35,129,477)
Cash and cash equivalents at end of the period	(47,376,565)	(10,331,129)

By order of the Board

Ayotola Jagun
Company Secretary