

Oando Plc
(Incorporated in Nigeria and registered as an external company in South Africa)
Registration number: RC 6474
(External company registration number: 2005/038824/10)
Share Code on the JSE Limited: OAO
Share Code on the Nigerian Stock Exchange: UNTP
ISIN: NG00000UNTP0
("Oando" or "the Company")

Unaudited results for the 9 months ended 30 September 2006

Highlights

- Turnover of \$1,741.61m
- Gross profit of \$101.04m
- Gross profit margin of 5.6%
- Operating profit of \$32.28m
- Profit after tax of \$21.09m
- Attributable profit after tax of \$18.60m
- Earnings per share of 3.25c
- Continued expansion of Oando and its subsidiaries (the "Group") into new business areas - Oil field and Energy Services, Oil field exploration and Production and Power

Review of results

Oando, which has a primary listing on the Nigerian Stock Exchange and a secondary listing on the JSE Limited ("JSE"), reports profit after tax ("PAT") for the 9 months ended 30 September 2006 of \$21.09.m.

Income statement analysis

The strong growth recorded in consolidated turnover of 68% to \$1,741.61m for the 9 months ended September 2006 from \$1,039.57m in 2005 is explained by two major underlying drivers:

- the impact of the Oando Energy Services business introduced in 2005; and
- increased product availability.

Since the start of 2006, Oando has positioned itself to make optimal use of the opportunities that arose from the ongoing liberalisation of the downstream petroleum sector including the introduction of a petroleum subsidy fund which makes it easier for well capitalised and properly structured corporations such as Oando, to source finished products for supply into the local market. This has led to improved product availability as well as an increase in activity in the sector.

As a result of increased turnover, overall gross profit grew by 18% to \$101.04m from \$85.81m in 2005, despite the tight margin environment. A tight rein on costs helped ensure a 37% increase in operating profit to \$32.28m. Selling and marketing costs increased by 15% due to Oando's increased product costs in the marketing business, while other administrative expenses grew by 13%, this is directly related to increased operational costs. The impact of this was, however, dampened by the rise in net finance costs which was as a result of increased financing needs for the import of petroleum products.

Based on the foregoing, PAT increased by 15% to \$21.09m from \$18.33m in the same period in 2005. PAT attributable to ordinary shareholders rose by 17% to \$18.60m from \$15.87m in the 9 months of 2005. This resulted in a corresponding rise in earnings per share from 2.77c to 3.25c for the 9 months ended 30 September 2006.

Balance sheet analysis

Oando's total assets rose by 85% to \$891.57m compared to \$480.72m in the third quarter of 2005 and total liabilities grew by 139% to \$707.37m from \$295.8m, driven largely by the increased level of activity in all the businesses.

The Group continues to expand into higher margin segments and higher value areas of the energy value chain such as Upstream Exploration & Production, a strategy which we believe will yield significant returns in the near future.

Prospects

Oando's vision is to expand our current platform into one of the foremost integrated energy players in Africa. Oando Exploration and Production is currently firming up on its farm-in agreements with its partners for the development of the Obodugua/Obodeti field in the OML 56 block. The Company continues to explore other opportunities within this sector.

Further, Oando anticipates that the existing businesses - Marketing, Supply & Trading, Energy Services and Gaslink, will continue to report strong performance in the final quarter of the year.

For and on behalf of the Board

Mr J Adewale Tinubu
Group Chief Executive Officer
November 2006

Directorate:

- | | | |
|-----------------------------|---|------------------|
| 1. General M. Magoro (Rtd.) | - | Chairman |
| 2. Mr. J. A. Tinubu | - | Group CEO |
| 3. Mr. O. Boyo | - | Deputy Group CEO |
| 4. Mr. O. P. Okoloko | - | Director |
| 5. Prince F. N. Atako JP. | - | Director |
| 6. Mr. A. Akinrele SAN | - | Director |
| 7. HRM Oba A. Gbadebo | - | Director |
| 8. Mr. O. Ibru | - | Director |
| 9. Alhaji H. Mahmud | - | Director |
| 10. Mr. I. Osakwe | - | Director |
| 11. Mr. O. Osifo | - | Director |

Company Secretary: Mrs. Oredeji Delano

Registered office in Nigeria: Stallion House, 2, Ajose Adeogun Street, Victoria Island, Lagos, Nigeria

Registered office in South Africa: 1st Floor, 32 Fricker Road, Illovo Boulevard, Sandton, 2196, South Africa

South African transfer secretaries: Computershare Investor Services 2004 (Proprietary) Limited (Registration number: 2004/003647/07)
70 Marshall Street, Johannesburg, 2001. PO Box 61051, Marshalltown, 2107
Auditors: PricewaterhouseCoopers, Plot 252E Muri Okunola Street, Victoria Island, Lagos
E-mail: info@oandopl.com

Consolidated Balance Sheet
As at 30 September 2006

ASSETS	2006 US\$m	2005 US\$m
Non current assets		
Property, plant and equipment	102.17	94.97
Intangible assets	103.73	75.78
Long-term receivables	25.60	26.77
	231.50	197.52
Current assets		
Inventories	154.63	43.59
Work-in-progress	1.05	-
Trade and other receivables	447.82	215.79
Held for sale investment	-	0.08
Cash and cash equivalents	56.57	23.82

	660.07	283.20
Total assets	891.57	480.72
EQUITY		
Capital and reserves attributable to equity holders		
Share capital	2.22	2.17
Share premium	123.88	121.06
Revaluation reserve	18.79	18.36
Retained earnings	27.74	28.24
	172.63	169.83
Minority interest	11.58	15.52
Total equity	184.21	185.35
LIABILITIES		
Non current liabilities		
Borrowings	26.97	25.95
Deferred income tax liabilities	1.79	3.55
Retired benefit obligation	1.22	1.10
Provisions	0.18	-
	30.16	30.60
Current liabilities		
Trade and other payables	125.49	265.21
Dividend payable	0.02	0.01
Current income tax liabilities	8.12	-
Reserves for bonus issues	62.18	-
Borrowings	481.42	-
	677.23	265.22
Total liabilities	707.39	295.81
Total equity and liabilities	891.60	481.16

Consolidated Income Statement
For the 9 months ended 30 September 2006

	2006	2005
	US\$m	US\$m
Sales	1,741.61	1,039.57
Cost of sales	(1,640.57)	(953.76)
Gross profit	101.04	85.81
Selling and marketing costs	(58.59)	(51.02)
Administration expenses	(14.34)	(12.69)
Interest received	0.03	0.01
Other operating income	4.13	1.47
Operating profit	32.27	23.58
Share of profit for associates	-	-
Finance costs	(5.81)	(2.12)
Profit before tax	26.46	21.46
Income tax expense	(5.38)	(3.11)
Profit after tax	21.08	18.35
Attributable to:		
Minority interest	2.49	3.17
Equity holders of the Company	18.60	15.87
	21.09	19.04

Summarised Consolidated Cash Flow Statements
As at 30 September 2006

	2006	2005
	US\$m	US\$m
Cash and cash equivalents at the beginning of the period	50.42	51.26
Net cash inflow used in operating activities	(38.20)	25.10
Cash used in investing activities	7.91	16.20
Net cash flows (used in)/generated from financing activities	17.96	36.89
Exchange gains / (losses) in cash and cash equivalents	1.19	1.10

Cash and bank overdrafts at end of period	(12.45)	24.37
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Consolidated Statement of changes in Shareholder's Equity
Attributable to equity holders of the Company
As at 30 September 2006

	Share Capital US\$m	Share Premium US\$m	Revaluation reserve US\$m
Balance as at 1st Jan. 2005	2.16	120.74	18.31
Currency translation adjustments		0.10	0.01
Restatement of residual value of property, plant and equipment			
Deferred tax effect of residual value restatement			
Net expense recognised directly into equity			
Retained profit for the period			
Total income recognised for half year			
Dividend relating to 2004			
Minority interest in subsidiary			
Interest in subsidiary excluded from consolidation			
Interest in share capital transferred			
Balance as at 31st December 2005	2.16	120.84	18.32
Balance as at 1st January 2006	2.16	120.84	18.32
Currency translation adjustments	0.06	3.04	0.48
Net expense recognised directly into equity	0.06	3.04	0.48
Retained earnings for the period			
Total recognised income for the half year	0.06	3.04	0.48
Dividend relating to			

2005

Minority interest
dividend in subsidiary

Balance as at 30th September 2006		2.22	123.88	18.79
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	Cumulative translation adjustment US\$m	Retained earnings US\$m	Minority interest US\$m	Total equity US\$m
Balance as at 1st Jan. 2005	(0.25)	11.96	10.73	163.65
Currency translation adjustments	(2.13)		(1.59)	(3.62)
Restatement of residual value of property, plant and equipment		7.09		7.09
Deferred tax effect of residual value restatement		(2.13)		(2.13)
Net expense recognised directly into equity	(2.13)	4.96	(1.59)	1.35
Retained profit for the period		15.81	1.95	17.79
Total income recognised for half year	(2.13)	20.77	0.36	19.11
Dividend relating to 2004		(8.65)		(8.65)
Minority interest in subsidiary		(2.67)		(2.67)
Interest in subsidiary excluded from consolidation			(0.07)	(0.07)
Interest in share capital transferred		(11.32)	0.02 (0.05)	0.02 (11.37)
Balance as at 31st December 2005	(2.38)	21.41	10.97	171.32
Balance as at 1st January 2006	(2.38)	21.41	10.97	171.32
Currency translation adjustments	2.38	-	0.10	6.05
Net expense recognised directly into equity	2.38	2.76	0.10	8.80
Retained earnings for the period		18.60	2.49	21.09
Total recognised				

income for the half year	2.38	21.36	2.59	29.89
Dividend relating to 2005		(15.03)		(15.03)
Minority interest dividend in subsidiary		(15.03)	(1.97) (1.97)	(1.97) (17.01)
Balance as at 30th September 2006	(0.00)	27.74	11.58	184.20

Notes to the condensed unaudited results for the 9 months ended 30 September 2006

1. General information

Oando (formerly Unipetrol Nigeria Plc) was registered by special resolution as a result of the acquisition of the shareholding of Esso Africa Incorporated (principal shareholder of Esso Standard Nigeria Limited) by the Federal Government of Nigeria. The Company was partially privatised in 1991. It was however fully privatised in the year 2000 consequent upon the sale of the Federal Government's 40% shareholding in the Company. 30% was sold to core investors (Ocean and Oil Investments Limited) and the remaining 10% to the Nigerian public. In December 2002, the Company merged with Agip Nigeria Plc following its acquisition of 60% Agip Petroli's stake of Agip Nigeria Plc in August of the same year. The Company formally changed its name from Unipetrol Nigeria Plc to Oando in December 2003.

The Group has its primary listing on the Nigerian Stock Exchange.

The Group has marketing and distribution outlets in Nigeria, Ghana and Togo and other smaller markets along the West African coast. During the year, the Group's beneficial ownership in two subsidiaries, Oando Trading (Bermuda) and Oando Supply and Trading, was increased from 49% to 51%.

Oando Trading and Oando Supply and Trading have been treated as subsidiaries. The other investors currently having 49% respectively of Oando Trading and Oando Supply and Trading are Ocean and Oil Holdings (Nigeria) Limited and Ocean and Oil Holdings (BVI) Limited respectively. Furthermore, the Group invested in a new subsidiary, Oando Energy Services, in January 2005 to carry out its energy services business, holding a 51% interest while the remaining 49% is owned by Ocean and Oil Holdings (Nigeria) Limited.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of Oando have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and financial assets and financial liabilities at fair value through profit or loss. The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies.

Early adoption of standards

In 2004, the Group early adopted the IFRS below, which are relevant to its operations. These have been consistently applied in these financial statements.

IAS 2 (revised 2003) Inventories

IAS 8 (revised 2003) Accounting Policies, Changes in Accounting Estimates

and Errors

IAS 10 (revised 2003) Events after the Balance Sheet Date
IAS 16 (revised 2003) Property, Plant and Equipment
IAS 17 (revised 2003) Leases
IAS 21 (revised 2003) The Effects of Changes in Foreign Exchange Rates
IAS 24 (revised 2003) Related Party Disclosures
IAS 27 (revised 2003) Consolidated and Separate Financial Statements
IAS 28 (revised 2003) Investments in Associates
IAS 32 (revised 2003) Financial Instruments: Disclosure and Presentation
IAS 33 (revised 2003) Earnings per share
IAS 36 (revised 2004) Impairment of Assets
IAS 38 (revised 2004) Intangible Assets
IAS 39 (revised 2003) Financial instruments: Recognition and measurement
IFRS 2 (issued 2004) Share-based payments
IFRS 3 (issued 2004) Business Combinations
IFRS 5 (issued 2004) Non-current Assets Held for Sale and Discontinued Operations

The early adoption of IAS 10 has resulted in a change in the accounting policy for dividends. Proposed dividends, which were previously recognised in the year prior to the declaration, have been adjusted in accordance with IAS 10 and 37 respectively.

The application of IAS 16 has affected the accounting for fair value reserve relating to revalued land and buildings upon disposal.

Under previous GAAP, the revaluation surplus included in equity in respect of an item of property, plant and equipment were transferred to the income, when the asset is disposed of, to determine profit on disposal. Adjustments have been passed to transfer the related amounts directly to retained earnings in accordance with IAS 16. Also, early adoption of IAS 16 (revised 2004) has necessitated the disclosure of prior year comparatives for all movements in property plant and equipment.

IAS 21 (revised 2003) has affected the translation of foreign entities' income statements, on which closing rates were previously applied but now amended and translated at average rates. The functional currency of each of the consolidated entities has also been re-evaluated based on the guidance to the revised standard. All the Group entities have the same functional currency as their presentation currency. These financial statements have been presented in a currency other than the Company's functional currency, being US Dollars, to meet the filing requirements of the JSE.

IAS 24 (revised 2003) has affected the identification of related parties and some other related-party disclosures.

IAS 27 (revised 2004) has affected the consolidation of subsidiaries. Certain subsidiaries, which were not included in the consolidation under previous GAAP, have now been consolidated.

The early adoption of IAS 33 has resulted in a change in the computation of earnings per share. Earnings per share, which were previously computed on the basis of the number of shares in issue at the end of the reporting period, have been adjusted on the basis of the weighted average number of shares in accordance with IAS 33

The early adoption of IAS 39 has resulted in a change in accounting for financial assets and liabilities.

Although the Group did not have any share-based payments as at the balance sheet date, upon adoption of a scheme, which is currently being considered by the Group, all share based payments will be accounted for under IFRS 2.

The early adoption of IFRS 5 has resulted in a change in the accounting for non-current assets held for sale and discontinued operations as qualifying assets have been reclassified accordingly.

The early adoption of IFRS 3, IAS 36 (revised 2004) and IAS 38 (revised 2004) resulted in a change in the accounting policy for goodwill. Until 31 December 2002, goodwill was:

- Amortised on a straight line basis over a period ranging from 5 to 20 years; and
- Assessed for an indication of impairment at each balance sheet date.

In accordance with the provisions of IFRS 3:

- The Group ceased amortisation of goodwill from 1 January 2003;
- Accumulated amortisation as at 31 December 2002 has been eliminated with a corresponding decrease in the cost of goodwill; and
- Goodwill was tested for impairment at 1 January 2003, the transition date. Also, from the year ended 31 December 2003 onwards, goodwill is tested annually for impairment, as well as when there are indications of impairment. The Group has also reassessed the useful lives of its intangible assets in accordance with the provisions of IAS 38. No adjustment resulted from this reassessment.

All changes in the accounting policies have been made in accordance with the transition provisions in the respective standards.

The early adoption of IAS 1, 2, 8, 17 28, and 32 (all revised 2003) did not result in substantial changes to the Group's accounting policies. In summary:

- IAS 1, 2, 28 and 32 had no material effect on the Group's policies.
- IAS 8 (revised 2004) has resulted in the disclosure of the impact of new standards.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries include all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of the acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed and the date of plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. All balances and unrealised surpluses and deficits on transactions between Group companies have been eliminated. Where necessary, accounting policies for subsidiaries have been changed to be consistent with the policies adopted by the Company. Separate disclosure (in equity) is made of minority interests.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition. The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of the associates are consistent with the policies adopted by the Group.

Goodwill included in the carrying amount of an investment is neither amortised nor tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36, Impairment of Assets. Instead, the entire carrying amount of the investment is tested under IAS 36 for impairment.

All subsidiaries and associates have uniform calendar year ends.

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Group is the Naira. The consolidated financial statements are presented in US dollars, which is the Company's presentation currency for the purpose of filing outside Nigeria.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
2. Income and expenses for each income statement are translated at average exchange rates; and all resulting exchange differences are recognised as a separate component of equity.
3. On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity. Upon disposal of part or all of the investment, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

3. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of shares in issue during the period.

holders of the Company (\$'000)	18,603	15,870
Weighted average number of shares in issue (thousands)	572,301	572,301
Basic earnings per share (cents)	3.25	2.77
Diluted earnings per share (cents)	3.25	2.77
Headline earnings per share to earnings basis (cents)	3.25	2.77
Diluted headline earnings per share (cents)	3.25	2.77
Net assets per share (cents)	32	30
Tangible assets per share (cents)	161	132

4. Adjustments to prior year results

We have made adjustments to prior year results to enable like for like comparisons with current year results

5. Post balance sheet events

There are no significant post balance sheet events.

| 6. Independent review by the auditors

These results for the 9 months ended 30 September 2006 have not been reviewed by Oando's auditors.

Sponsor to Oando:

Deutsche Securities (SA) (Proprietary) Limited

7 November 2006