



Oando *news*

A Quarterly In-house Journal of Oando Group
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UK Trade and Investment host Oando Energy Services in Aberdeen, Newcastle and London

The UK Trade and Investment in partnership with the NOF recently organized a road show for Oando Energy Services (OES) to meet with leading UK suppliers and major contractors in the Oil and Gas Sector in Aberdeen, Newcastle and London. The first inward visit of this nature, the road show is aimed at exploring UK/Nigeria trade opportunities in this sector.

During the visit, the OES team met with over forty companies including KCA Deutag, Subsea 7, Wellstream International, Sonsub (Saipem Subsidiary) and DUCO (Technip). Oando Energy Services, which currently operates four Product Service Lines (PSLs) with plans to expand to six PSLs by the end of the year, has identified mutually beneficial partnerships with leading UK Companies to further exploit trade opportunities in the existing and prospective PSLs.

Oando Energy Services is already in a strategic alliance with Halliburton Energy Services. The companies have been working together to provide first class integrated upstream oil services through the supply of drilling and completions fluids and Security DBS drill bits to operators in Nigeria.

According to Edwin Bowles, Trade Development adviser for Africa and Middle East, "Nigeria is the leading region for foreign investment in the Oil and Gas Sector, the Government has approved approximately \$70 billion to projects over the next 6 years in Onshore and Offshore Oil, Upstream, Downstream and Gas projects. In addition, the Nigerian Government has targeted 70% local

content for providers of energy services by 2010. The opportunity therefore exists for UK companies to partner with reputable Nigerian companies, like Oando for transfer of technologies and expertise."

Joanne Leng, International Business

relationship with the organisation."

Kamar Bakrin, MD/CEO Oando Energy Services comments, "Oando's Energy Services business has migrated from managing supply chain function to also providing oil fields services



(L-R) Mr. Kamar Bakrin, MD/CEO Oando Energy Services, Mr. Kevin Joseph, Executive Director Oando Energy Services, listening to the presentation of Mr. Edwin Bowles, UK Trade and Investment Manager at the UK Trade meeting in Newcastle.

Manager of NOF comments, "Nigeria is a priority oil and gas market for the suppliers in the UK. We see a significant amount of opportunities in Nigeria for British companies and through support from NOF we will ensure British companies continue to capitalize on these opportunities. The NOF would like to thank Oando Energy Services for the time and effort in making the road show a great success and look forward to developing a long lasting

to operators. With the consolidation of its existing and expansion into other PSLs, Oando Energy Services is positioned to be the leading African integrated oil service company in the Gulf of Guinea. Furthermore, with the Government's Local Content policy and our track record as the dominant indigenous oil service provider, the company, is the partner of choice for foreign partnerships to drive the local content vehicle."

Gaslink Holds Seminar

Gaslink, a subsidiary of Oando plc held a one day Stakeholder's Technical Forum with the theme: "Natural Gas-Increasing Productivity Through New Technologies".

The event which held on Wednesday, October 11, 2006 at the Protea Hotel, Oakwood Park, Lekki-Epe Expressway, Lagos was targeted at current and potential customers of Gaslink. Various stakeholders in the Gas Industry from within and outside Nigeria were also in attendance.

The Technical Forum, which had in attendance, international experts on Natural Gas Transmission & Distribution, looked into the following:

- Gas Metering/Pressure Regulation and Remote Reading
- Plastic Pipes Technology and its Use
- Gas Generation, Sizing and Maintenance
- Boilers and Burners
- Tips on Conversations and Combustion technology
- Independent Power Plant (IPP) Power options
- Environment, Health, Safety & Quality (EHSQ) Issues

Papers were presented by representatives of Clarke Energy, a leading worldwide Energy Systems Company based in England offering a wide range of power generation solutions. As a 'total solution' provider of gas engine

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EDITOR'S Note

As the year comes to a close, Our Company Oando Plc has continued to make giant strides in all its activities.

Our lead story for this edition is the participation of Oando Energy Services during the UK Trade & Investment Road Show that held in Aberdeen, Newcastle and London. This was an opportunity for the company to meet with major players in the Oil and Gas sector in the UK.

Oando Plc during this quarter, released its third quarter results and the results highlight the Group's strong performance in its traditional and new business lines.

Oando Marketing sponsored the DPR/Major Marketers/Depot

Owners Annual General Meeting as well as commenced LPG supplies from its Sokoto plant. As usual Oando News was there to cover the event

Other interesting activities during the quarter was Gaslink's Technical Forum which had gas experts from around the globe in attendance, Oando's participation in the NSE/JSE conference in Abuja, the appointment of a new Business Development manager for OES, and so on.

All these articles/ events have been highlighted in this edition especially for you.

Happy Reading!



Project Synergy: The birth of the future

"...This is going to change our lives, especially the way we work. If 10,000 fortune 500 companies have implemented this and it's working for them, there's absolutely no reason why it shouldn't work for us. I urge you to join the train. You will instantly become a global player as a result of your participation" **Mr. Wale Tinubu, Group CEO, Oando Plc.**

There is no better way to sum it up. Project Synergy is living up to its billing as the biggest thing happening in Oando Plc today. From the planning stages and now execution, there is a lot of promise in terms of the effect this implementation will have on our work lives.

Three months into the project, despite the barrage of challenges, we have also recorded considerable progress. We have assembled a good team, comprising team members from all the business entities in the Group. We have created a project team location where the project team is housed and we have also concluded the first training program; an oracle Demo Walk-Through training for all team members.

Project Diary

Project Synergy began with a Question and Answer Session at Apapa terminal and the Head Office, where staff had the opportunity to bare their concerns regarding the project. The Chief Strategy Officer was available to answer all the questions.

Kick off Events

The Lagos Kick off event, which was held at the Eko L'meridian Hotel on August 10, 2006 had an

impressive turnout with the GCEO and other members of executive management in attendance. Also present was Desi Lopez, Oracle's Vice President for Africa. The objective of the event was to create a general awareness about the project and also to build on the Q&A

sessions that had taken place at the head-office and Apapa. The train moved to Kaduna on August 29th 2006 to intimate staff in Kaduna lube plant, Kano, Sokoto and Maiduguri, who converged in Kaduna. The Chief Strategy Officer, Project Manager and our consultants were on hand to provide answers to the questions posed by staff at both events.

Other kick-off events have been scheduled to hold in Abuja, Port Harcourt and Benin respectively.

Business Requirements Gathering

This phase of the project entailed the documentations of Oando's business processes as at today. Functional team leads, in conjunction with their Heads of departments and Subject Matter Experts (SMEs) did a marvelous job.

Training

The consultants organized a 2 day technical training for technical and functional staff on the project which highlighted the technical architecture of Oracle and system administration functions.

During the functional demo training, held at the Lagos Resource Center, participants were taken through HR/ Payroll, Inventory, purchasing, accounts payables and receivables, cash management, fixed assets and order management modules. At the end of the day, everyone expressed satisfaction that the application would meet Oando's requirements.

Other training sessions called Conference Room Pilots (CRP) will be hands on, and will involve taking users through the application to perform the tasks they would normally perform on a daily basis. The trained users will in turn train other users. This concept is called the train-the-trainer approach. There would be at least two CRP sessions during the course of this project.

Chart of Account (COA)/Set of Books

For any ERP implementation, the decision on the structure of the Chart of Accounts and Set of books is arguably the most critical and important decision to be taken. It is the bedrock upon which all other decisions' relating to the implementation is built.

The Chart of Accounts is a list of all account names and numbers illustrating Oando's organization hierarchy. The COA is used to classify revenue, expenses, assets and liabilities in accordance with an organization's management structure, to ensure the appropriate people are responsible for the costs that they control and allow reporting by different categories

Oracle Workshop / Project Health Check

The Customer Care Manager from Oracle Dubai, Mohammed Owais was around from October 3-4th 2006 to do a health check on the project. He met with members of the project team and consultants to ask certain questions regarding the project. At the end of the exercise, he passed a clean bill of health on the project, he did say there were areas in which the project team needed to work on but thankfully these areas do not directly affect the well-being of the project and they are being worked on already.

Meet the consultants

They are from Global Technology Services (GTS), a subsidiary company of Emirates National Oil Company (ENOC), Dubai. ENOC has 54 subsidiaries and GTS is its IT division.

Abdulaziz Salam – Project Manager with over 14 years experience in ERP implementation. Oando's implementation is his 15th ERP implementation.

Gaurav Thakur: Trainer extra-ordinaire, he is fondly called "G.T" in the project office. He is the Senior Supply Chain Mgt. Consultant.

Ramesh Subramanian: Finance consultant.

Ramakrishnan Ramachandran: Snr. Finance Consultant.

P. Santosh: HR/Payroll Consultant.

Agarwal Vineet: Finance Consultant

Prabhu Ranjith: Supply Chain Mgt Consultant.

Mirza Abid: DBA Consultant.

Last Word

Over the next few months expect to hear more about the project as the team continues to work hard to build a foundation for the Oando of tomorrow. We will be carrying out our first Conference Room Pilot in November as we work for HR 'GO – LIVE' in Quarter one 2007. We have developed a robust role for our change agents strategically located all over the country and we should start working with them on this in the next few days. We want to welcome Dabota Willie-Pepple to our team as she joins as an addition Project Support Specialist.

I look forward to sharing more about the project as we march towards our first 'Go – Live', thanks for your support.

Cheers

Tunde Olajide
Project Support Specialist

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Oando Announces 3rd Quarter Results

Our results highlight strong performance from our traditional business lines and the steady increase in contribution from our new business ventures. In a bid to secure long term sustainable profit growth, the company continues to tighten operational efficiency whilst intensifying growth in its diversified platform.

Oando is well positioned to take advantage of the reform driven environment in Nigeria. The quarter witnessed a substantial improvement in product throughput via hitherto underutilised retail assets, as a result of the commencement of operations of the petroleum subsidy fund.

In the short term, we envisage significant earning contributions from Gas distribution and Upstream Oil services as we begin to aggressively extract value from an expanded energy platform.

Barring unforeseen circumstances, the Board of Directors expect the trend of sustainable profit growth to continue into the final quarter of 2006.

	30-Sep-06	30-Sep-05	Increase/(Decrease)
	N' 000,000	N' 000,000	%
Turnover	224,024	136,475	64%
Profit before tax and exceptionals	3,017	2,424	24%
Tax (Estimated)	(694)	(411)	69%
Profit After Tax	2,323	2,013	15%
Minority Interest	321	419	-23%
Attributable to Shareholders	2,002	1,594	26%
Earning Per 50K share(Kobo)	350	279	26%
Total Assets	23,364	23,773	-2%
Authorized Share Capital	400.0	400.0	0%
Number Of 50k shares issued and fully paid up (Millions)	572.3	572.3	0%

Oando Plc Participates in the NSE/JSE Conference in Abuja

Oando Plc, the leading energy solutions provider, and the first Nigerian Company to be listed on the Johannesburg Stock Exchange was an affiliate sponsor at the just concluded NSE/JSE International Conference on the Globalization of the Capital Market.

The 3-day conference held from Sunday September 3, to Tuesday September 5, 2006 at the Presidential Villa, Abuja and was declared open by Chief Olusegun Obasanjo, President, Federal Republic of Nigeria.

The Conference afforded the two leading stock exchanges in Africa, an opportunity to interact

with the Directors and Senior management staff of quoted companies, and was aimed at improving communication and aligning policies and actions as major stakeholders in the markets. As Self-regulating organisations, the exchanges are seeking partnerships with all actors in the market for efficient and effective regulatory initiatives

The conference also afforded the participants an opportunity to look at the first outward secondary listing by a company quoted on the Nigerian Stock Exchange - Oando Plc, which was a landmark transaction, with the attendant

lessons to be learnt by other companies seeking to list on either the NSE or JSE.

During the conference, the Group Chief Executive of Oando Plc, Mr Wale Tinubu delivered a presentation titled "Oando Cross Border Listing: the Lessons Learnt". In the paper, he looked at the corporate structure of Oando Plc, obstacles that were encountered in the company and how they were overcome as well as their future ambitions. Mr Tinubu spoke candidly about the rapid expansion of the company and the need for a larger capital base in order to support the expansion process of Oando. This he added, led to the listing on the JSE.



(L-R) Ms. Tokunboh Durosaro, Head Corporate Communications Oando Plc, Mrs Oredeji Delano, Group Head Legal Services, and Dr. Olaolu Mudasiru, DMD Vetiva at the NSE/JSE conference in Abuja.

Oando sponsored DPR, Major Marketers/Depot Owners' AGM

The Annual General Meeting was held on September 12, 2006 in Lagos. There were about 80 people in attendance including DPR officials led by Mr. Kuku, Controller, Operations; Mr. Buraimoh, Head Depot Operations; Mrs. Odunuga, Head, Depot and Jetty Operations, Lagos/Ogun State; Mrs. Akinkugbe, Head, Retail Operations, Lagos/Ogun State and others. Also in attendance at the AGM were guests from the major petroleum marketing companies and depot owners operating in Lagos and its environs.

Depot operators reviewed the operational challenges in the various depots and organizations as well as the roles expected of the regulatory agencies like the Department of Petroleum Resources (DPR) and Standards Organization of Nigeria (SON) in the development of the petroleum industry especially the downstream sector.

There were two presentations on the challenges facing major makers and the way forward. The Head, Customers Service and Logistics, Oando Marketing, Mr. Wale Fatoki presented a paper on "Problems with Products Importation and Delivery in Nigeria". The highlights of this paper are:

- Petroleum supply limitations
- Problems faced by major marketers in importation and delivery
- Government Agencies (DPR and others)
- Financial Institutions (Banks)
- Challenges ranging from documentation to operational hitches.
- Short and long term solutions for improvement in petroleum products processes.

Also, a paper by the Head, Downstream Operations, entitled "Safety of facilities and product quality control in downstream operations" was delivered by Mr. Kuku, Controller, Operations, DPR.

Members of the press from NTA, Guardian, Daily Trust, This Day, Punch and Financial Standards were in attendance to cover the event.

Oando's benefits from the sponsorship include

- This provided a sound contact platform for our personnel with regulatory agency to ensure access to support and understanding in our operations.
- A forum to express and explain our challenges at the depots and issues



(L- R) Mr. Kuku, Controller Operations, Mrs. Odunuga, Head Depot and Jetty Operations Lagos/Ogun states and Mr. Wale Fatoki, Head CSL, Oando Plc.

emanating therein with a view to addressing them.

- We were able to compare experiences and interact with competition on operational demands.

Oando Launches O to go franchise convenience stores in Lagos

Oando Marketing, Nigeria's leader in petroleum marketing is set to take its service offerings to another level as it launches **O to go** its retail convenience store franchise at its service station at number 166 Awolowo Road Ikoyi, today September 9, 2006. The launch officially heralds the O to go brand which is opening simultaneously at five of its service stations located within Lagos, namely: Muritala Muhammad Way-Yaba, Apapa Road, Ebute Metta, Marine Road Apapa, Itire Ishaga (Lawanson Surulere), Awolowo Road, Ikoyi.

Oando's chain of convenience stores is another value addition to Oando's quest in remaining the service leader, and also effectively engaging its customers on the forecourts with new ideas, innovations and service offerings to ensue customer loyalty in a one-stop shop type atmosphere.

O to go's value proposition is:

- Guaranteed Quality of Products
- Competitive Pricing
- Convenience and accessibility
- Wide variety of household, grocery and auto care products

Commenting on the introduction of the stores in Lagos, Chief Marketing Officer, Retail of Oando Marketing, Mr. Frank Okeke noted that with the recent introduction of the mega stations in Lagos, "Oando naturally moved to the next level in meeting its customers' needs by rolling out a chain of high value convenience stores in selected Oando service stations; to be

managed by Commercial Facilitators Limited (CFL) who have extensive experience outside Nigeria in managing chain supermarkets and grocery stores". Speaking further he urged Lagosians to take advantage of the **O to go** as a convenient alternative to the long tiresome drive to the supermarket; *fuel in your car, groceries in your bag.*

Speaking further on the launch of **O to go**, Mr. Frank Okeke, expressed delight at rolling out the first set of **O to go** outlets as a convenient alternative to long drives and hurried shopping "we all take time out to top-up our cars with fuel, it is only natural therefore that Oando in delighting its customers, has provided a convenient, high quality franchise to cater for our on-the-move shopping needs" he stated that while the first phase of the **O to go** shops were being launched at 5 stations in Lagos, the long term goal is to open **O to go** stores in more Oando service stations pan-Lagos, and ultimately, Pan Nigeria.

O to go is a franchise property owned by Oando Plc



O-to-go Store at Oando filling station, Awolowo way, Ikoyi, Lagos

Oando Launches In-Support™

Inventory Management Product for Corporate Clients

In accordance with its strategy of exceeding customer expectations with innovative products and excellent services, Oando Marketing has introduced a new product, **Oando In-Support™**, to the market.

Oando In-Support™ is a Vendor Managed Inventory (VMI) service that readily provides fuel (Automotive Gas Oil (Diesel), Lubricants and Chemicals) at the premises of clients with excellent support services.

With **Oando In-Support™**, payments for fuels and other services is based on usage at agreed intervals, while the cost for holding inventory is borne by Oando, since the customer pays for

only what is consumed over a specified period. The storage facility will however be provided by the customer, with Oando assisting in the provision of auxiliary items.

The key objective of **Oando In-Support™** is to improve the customer's supply chain efficiency, which will enable the customers/clients to focus on their core business functions without the distraction of day-to-day product supply issues.

Benefits that will accrue to customers of **Oando In-Support™** include a reliable and excellent logistics system that will take care of delivery of all products to the customers' plants and offices.



Mr. Tsola Barrow, Chief Marketing Officer, Commercial, Oando Marketing

Other advantages of **Oando In-Support™** to customers are:

- Reduced holding costs and enhanced working capital for other uses.
- Provision of a cushion during periods of epileptic supply or scarcity.
- Competitive prices of products.
- Operations based on world class Environmental, Health and Safety Standards.
- Excellent after sales support from Oando's marketing team.

Oando has already signed on several multinational manufacturing companies to **In-Support™**. Companies like Cadbury Plc, Nigerian Breweries Plc, British American Tobacco (BAT), Guinness Plc, and West African Portland Cement Company Plc (WAPCO), have started taking advantage of this service.

Commenting on **Oando In-Support™**, Mr Tsola Barrow, Chief Marketing Officer-Commercial, stated that "the introduction of **Oando In-Support™** is another display of our unparalleled commitment to customer satisfaction through innovative services at Oando. We are conscious of the challenges companies face in getting fuels in a timely and seamless fashion and **Oando In-Support™** is a partnership that helps companies manage their inventory better and cost effectively".

Also commenting, Mr Ayo Ajose-Adeogun, Chief Operating Officer, Oando Marketing, declared "At the beginning 2006, we made it clear that our strategy for the year was to continually add value to customers, thereby increasing our sales volumes. continually add value to customers, thereby increasing our sales volumes. **Oando In-Support™** is a clear shift from product marketing to service delivery marketing. With this initiative, what we are offering our customers is a complete 'one-stop' solution to their petrochemical supply requirements. Our customers will now access all their fuels, lubricants and chemicals from their premises along with several value-added services."

Oando In-Support™ is a service product that will enhance our customers businesses, thus increasing our share of customers' purchases volumes. This improves the consistency of our shareholder value delivery in a highly competitive market, he added.

Oando Commences Cooking Gas Supplies from Sokoto Plant

As part of its commitment to be the first point of reference in the marketing and distribution of Liquefied Petroleum Gas, (LPG), otherwise known as cooking gas, Oando Marketing has commenced distribution of Cooking Gas from its LPG Filling Plant in Gasau, Sokoto State.

The plant, located opposite the Federal Government Girls College, Gasau, Sokoto State, has an installed capacity of 55 (Fifty-five) Metric Tonnes, and will operate at 100 per cent installed capacity. The plant is capable of filling over 500 cylinders per day.

The Oando Marketing LPG Sokoto Plant is expected to service the market in the North Western region of the country. This includes such cities as Gasau, Dutse, Damaturu, Sokoto, Birnin Kebbi, Kebbi, and Argungu.

Different categories of customers will benefit from the services being rendered, namely:

- **Distributors:** These are resellers who can buy and fill a minimum of 50 cylinders from the plant. Oando will brand such distributors' sale outlets at no extra cost. They will also enjoy technical support services such as free delivery service; replacement of leaking valves, refurbishment of old cylinders, and free training.
- **Commercial Customers:** Independent gas filling plants owners who buy in bulk from the plant. They will enjoy some level of

discounts to ensure they make good margins from re-sale of the gas.

- **Industrial Customers:** These are industries, hotels and schools with boarding facilities who use large volumes of cooking gas. The gas will be delivered to their location at no extra cost. Where appropriate, Oando will also provide storage facilities at the customers' sites.
- **Retail Customers:** Individual consumers who come to the plant to refill their cylinders. Buyers in this category will enjoy improved supply of cooking gas at reasonable prices. They will also have their faulty cylinders refurbished and enjoy excellent customer service at the plant.

Also, Oando Marketings five retail outlets near the Sokoto Filling Plant will take advantage of the proximity to make cooking gas available to consumers. They are:

1. Railway Crossing, Gasau, Zamfara State.
2. Ahmadu Bello Way Service Station, Sokoto
3. Gasau Road Service Station, Sokoto
4. Sultan Bello Road Service Station, Sokoto
5. Argungu Service Station, Argungu, Kebbi State.

Commenting, Oando Marketing Chief Operating Officer, Mr. Ayo Ajose Adeogun says, "The re-launch of our Sokoto Plant is in line with our unparalleled commitment to customer satisfaction at Oando. We are aware of the gaps in cooking gas supply in the north-western part of Nigeria and this plant will guarantee a steady supply of LPG to all residents of Sokoto and its environs. For the rest of 2006, we will continue to enlarge our LPG market presence and we expect our 8 (eight) plants across the country to significantly contribute to increased sales and profitability.



OES UK Road Show



Mr. Kamar Bakrin, MD/CEO Oando Energy Services making a presentation at the NOF/UK Trade meeting in Newcastle

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Cross-Section of participants at the NOF/UK Trade meeting in Newcastle



(L-R) Mr. Kevin Joseph, ED, OES, Joanne Leng, Oil and Gas International Manager, NOF and Mr. Edwin Bowles, UK Trade and Investment Manager



Mr. Edwin Bowles, UK Trade and Investment Manager making a presentation at the NOF/UK Trade meeting in Newcastle



(L-R) Joanne Leng, Oil and Gas International Manager, NOF, Mr. Edwin Bowles, UK Trade and Investment Manager, Mr. Kamar Bakrin, MD/CEO OES at the dinner organized in respect of Oando Energy services in Aberdeen.



(L-R) Mr. Kamar Bakrin, MD/CEO OES, Mr. Tom Campbell, CTC Marine, and Sue Buckley of Geolink



(L-R) Mr. Edwin Bowles, UK Trade and Investment Manager, Mr. Kamar Bakrin, MD/CEO OES sharing ideas with Mr. George Rafferty, Head of NOF in his office



(L-R) Mr. Colin Black of Caledus, in a discussion with Mr. Kevin Joseph, ED, Oando Energy Services



(L-R) Mr. Steven Moirhead of Global Marine Services with Mr. Sola Falodun, BDM, Oando Energy Services



(L-R) Mr. Colin Black of Caledus in a discussion with Mr. Sola Falodun, BDM, OES



Cross-section of guest at the dinner organised in respect of Oando Energy Services in Aberdeen.

Gaslink Technical Forum

Gaslink, a subsidiary of Oando Plc, held a one day Stakeholders Technical Forum with the theme: "Natural Gas-Increasing Productivity Through New Technologies".

The event which held on Wednesday, 11th of October, 2006 at the Protea Hotel, Oakwood Park, Lekki-Epe Expressway, Lagos was targeted at current and potential customers of Gaslink. Various stakeholders in the Gas Industry from within and outside Nigeria were also in attendance.

The Technical Forum, had in attendance, international experts on Natural Gas Transmission & Distribution.



Bolaji Osunsanya, MD Gaslink giving his welcome address at the forum



Rene Gardsvig, Flonidan making his presentation at the event



(L-R) Mr. Akintemehin, NGC, Bolaji Ososami (Xcel Energy Ltd.) and Bolaji Osunsanya, MD Gaslink



(L-R) Russell Grady, COO Gaslink, Rene Gardsvig, Flonidan, and Bolaji Osunsanya, MD Gaslink



(L-R) Lere Odusote, BDM, Oando Power with a participant at the event



(L-R) Haydn Rees and Bill Ball, Clarke Energy in a discussion with Russell Grady, COO Gaslink and Bolaji Osunsanya, MD Gaslink



A cross-section of participants at the forum



(L-R) Mr. Bolade Soremekun, Alternative Energy Providers and Dr. Emmanuel Fmavbere



(L-R) Tunde Baba-Agba, RM Gaslink, Kayode Bamisaye, FA Gaslink, with Sunday Asade, Cadbury Plc.



The representative from Clarke Energy in discussion with some participants at the forum



(L-R) Rene Gardsvig, Flonidan and Arthur Hubert, Wavin

Oando Energy Services appoints new Business Development Manager

In the drive to further strengthen its Management team and to achieve its goal of being Africa's leading indigenous integrated energy services company, Oando Energy Services has announced the appointment of Olusola Falodun as its Business Development Manager.

Under this new role, the Mr. Falodun will be responsible for developing the most effective strategies, business plans and budgets for growing Oando's Energy Services' business by seeking new energy services opportunities within and outside Nigeria.

According to the Managing Director/CEO of Oando Energy Services, Mr. Kamar Bakrin, "we have set a definite expansion strategy for our existing/new Product Service Lines which requires superior human resource to extract optimal value. With a proven track record in various capacities in Nigeria, Saudi Arabia and the United States, we are confident of Sola Falodun's ability to exceed expectations with regards to managing existing business relationships and developing new ones".

Below is the profile of the new appointee:

Olusola Falodun: Business Development Manager, Oando Energy Services.

Mr. Falodun is the Business Development Manager for Oando Energy Services. He assumed this position in July 2006. He completed his first degree in Chemical Engineering (1990) at the Obafemi Awolowo University, (formerly The University of Ife, Nigeria). His compulsory one year National Youth Service

programme was with Shell Petroleum Development Company in Warri in 1990-1991; where he was employed as a trainee petrophysicist.



Mr. Sola Falodun, BDM, Oando Energy Services

Olusola's over fifteen years well rounded career began in 1991, when he was employed by Petrolog Nigeria Ltd, as a Mud Logging Engineer. In 1994, he was promoted to Base Supervisor where he led a

team of 25 field staff and oversaw contracts, ensuring his team met management targets. In 1997, he moved to Baker-Hughes Inteq. Nig. Ltd as the Lead Engineer in Field Services, from there Olusola went to Halliburton in 1998 where he stayed until June 2006. He was promoted several times during this period, from field engineer in 1998-1999, to senior field engineer in 1999-2003; and finally Account Manager/Business Development from 2003 to 2006 before joining Oando Energy Services.

Olusola attended several training programmes and has authored several papers including "Optimal Horizontal Wellbore Placement Using New Drilling Technology in the Niger Delta" which was delivered in South Africa at the World Petroleum Congress, September 2005.

Quick Update

Drill Bits

Drill Bits PSL recorded a superb performance with the successful execution of a contract for the provision of fixed cutter bit series for a major operator in the Niger Delta between August and October 2006.

The superior performance of the Bits fastened the drilling process thereby minimizing non-productive time and saved rig days - with an offshore rig rate in excess of \$380,000 per day, this translated into significant cost savings to the delight of the customer.

As a result of this feat, the happy customer assured Oando (Security DBS bit) of continued consideration in their Oil Well programmes going forward.

Congratulations to the Drill Bits PSL team led by Joseph Omokwale.

Drilling & Completion Fluids

OES, in conjunction with her technical partner, will commence the contract for the supply of Drilling & Completion Fluids to the Chevron Joint Venture. The contract valued at \$37m will commence on November 1, 2006 for an initial term of 2 years.

The PSL is also positioned to take advantage of an anticipated upswing in drilling activities in Q1 of 2007.

Other PSLs

OES will continue to pursue strategies to consolidate its Oil Well Cement and Upstream Fuels businesses in line with its catchphrase - *'Fix the business and Grow the Business'*

And Oil price drops

In a dramatic twist, Oil prices began to decrease at the end of the summer of 2006, closing below \$66/barrel on September 11. Reasons for the recent price decreases have included easing tensions with Iran, ample supply and the lack of hurricane activity (thank God!) in oil-producing regions of the Gulf of Mexico.

However, many oil traders still feel that oil supplies might be reduced in the coming months. One of the most important is growing turbulence in the Middle East, the world's largest oil-producing region. The war in Iraq, Iran's nuclear programme, and internal instability in Saudi Arabia could all lead to a dramatic fall in the supply of oil. Outside the Middle East other oil producers with their own issues have caused worry for investors, such as the strikes and political problems in Venezuela and potential instability in West Africa.

Below is a historical summary of oil price fluctuations:

2001 - 9/11

Oil prices decline sharply following the September 11, 2001 terrorist attacks on the United States, largely on increased fears of a sharper worldwide

economic downturn (and therefore sharply lower oil demand).

2002 - OPEC cuts

Prices then increase on oil production cuts by OPEC and non-OPEC at the beginning of 2002, plus unrest in the Middle East

2003 -Venezuela and Iraq invasion

Continued unrest in Venezuela and military action in Iraq causes prices to rise.

2005 - Hurricane Katrina

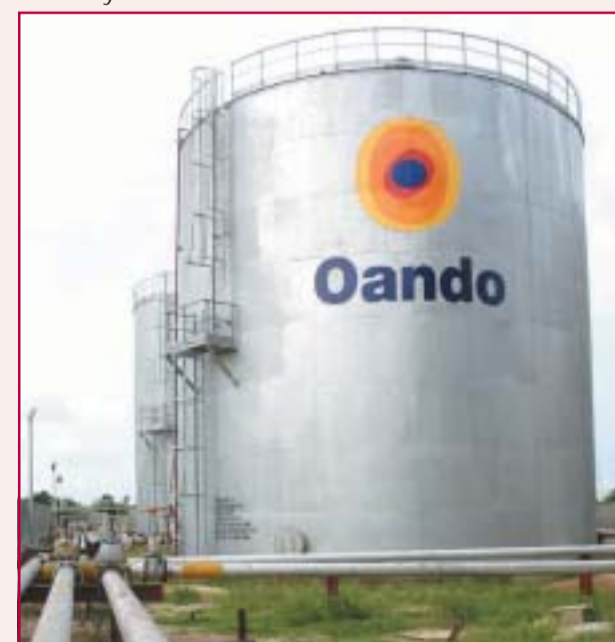
Hurricane Katrina had a major impact on oil prices - Gasoline prices soared after the closing down of the major pipelines connecting the gas of the Louisiana region to the entire East Coast.

2006 - Multiple factors

- Violence in Nigeria - Hostilities in Nigeria alone have caused a supply disruption of 675,000 bbl/day.
- North Korea missiles launch - geopolitical tensions

- Iran nuclear standoff - Continued concerns about Iran raised the oil prices
- Israel and Lebanon war.

At as Oando news production time, oil prices had began its steady decline, closing below \$66/barrel on September 11. Speculations are the oil price may even fall below \$60/barrel in October.



Gaslink Nigeria Limited Spends \$23m on Gas Pipeline Expansion Project

Gaslink Nigeria Limited a subsidiary of Oando Plc has concluded plans to commence the third phase of its gas pipeline expansion project in Lagos State which on completion will deliver 1.809 million standard cubic feet of natural gas to the Apapa industrial area (mmscf/d). The expansion project tagged GLIII (Greater Lagos three) will gulp a projected \$23 million in direct investment.

In 2001, Gaslink embarked on a phase pipeline expansion drive that witnessed the construction of a 11.2 kilometre pipeline network with a capacity to deliver 15mmscf/d from the Nigerian Gas Company's City Gate at Ikeja through Oba Akran, Lateef Jakande and Acme Road all within the Ikeja industrial scheme. Following the successful completion of the first phase of its expansion, the company commissioned its Ikeja 1B gas line with a capacity to deliver 5mmscf/d to companies within Oregun through to Mobolaji

Bank Anthony Way, Ikeja. By 2004, Gaslink's pipeline network was further expanded by an 84 kilometre distribution line designed to deliver a throughput of 65mmscf/d through Ojota, Isolo, Amuwo Odofin, Ilupeju, Matori and Isolo. With this, Gaslink has developed an extensive pipeline network covering the major industrial areas in Lagos State.

Managing Director of Gaslink Nigeria Limited (GNL), Mr. Bolaji Osunsanya comments, the expansion project which began in April 2006 will see the construction of a 38km pipeline and is expected to last for about six months this will significantly improve GNL's capacity to deliver increased volumes of gas to its customers especially within Tin Can Island and Apapa industrial Scheme. Gaslink has also concluded arrangements with relevant agencies to supply gas to some forthcoming key projects to be embarked on in Lagos State, such as the

planned development of an IPP for the Murtala Muhammed Airport, Lagos, Lagos State Water Corporation and a 500mw embedded power plant in Ijora.

In the near future, Gaslink plans to extend its business beyond Lagos State, to other parts of Nigeria and indeed, West Africa. Thus, preliminary work has already reached various stages in Calabar and Abuja, while further positioning itself as the preferred Local Distribution Company (LDC) for the West African Gas Pipeline (WAGP) that will transport natural gas from Nigeria to Ghana, Togo and Benin; the WAGP is currently under construction.

Oando Plc, the leading integrated energy solutions provider owns a 52% controlling stake in Gaslink Nigeria Limited

Gaslink Holds Technical Forum

Continued from cover page



generation and gas management, Clarke Energy has an unrivalled quality of product and service performance.

Others companies who presented papers and supported the forum include:

FLONIDAN

Flonidan, a company based in Denmark. Their core business comprises the development, design and sale of products for the gas, water and heating market.



Loos International of Germany, who are world-

famous specialists in boiler systems (Steam Boilers, Hot Water Boilers and Boiler Houses Components) of all sizes and performance classes.



Oando Power, a subsidiary of Oando Plc, is actively pioneering private sector participations in power solutions.

wavin

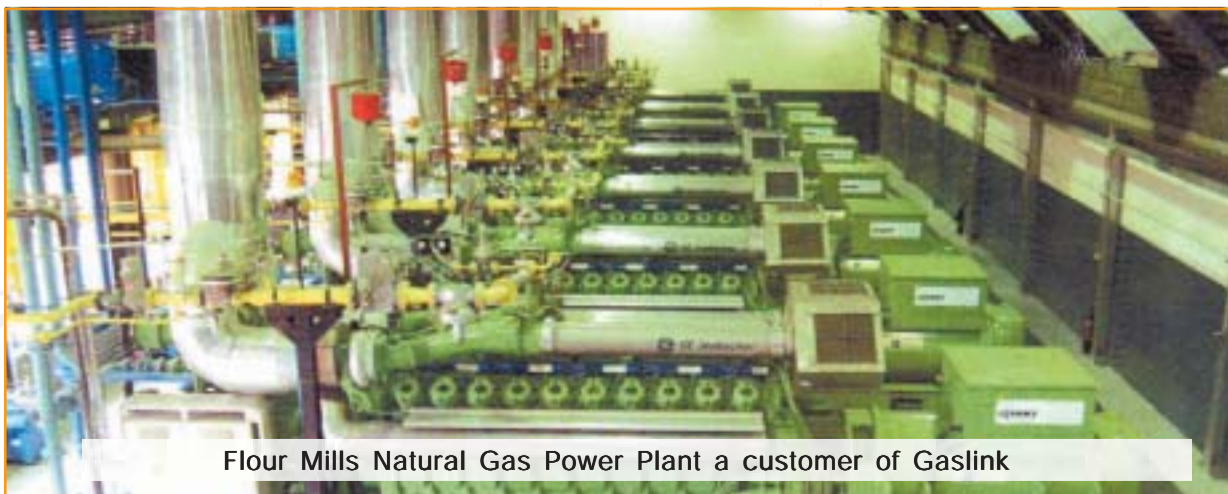
Wavin, Netherlands is Europe's leading supplier of plastic pipe systems and solutions. Wavin also provides integrated above and below ground solutions for water supply, sewer, drainage, infiltration, surface heating and cooling, soil and waste and last mile telecom.

Commenting on the technical forum, the Managing Director of Gaslink Nigeria Limited, Mr. Bolaji Osunsanya said "Gaslink has brought together experts in the gas industry to further educate end-users of gas on latest technologies in use today".

Mr Osunsanya further added that end users of gas will benefit tremendously from the gathering as it has open them to a whole new world of opportunities in terms of knowledge of new products and services available within the global gas industry and how global best practices can ensure better gas usage in various applications.

Gaslink Nigeria limited, a subsidiary of Oando Plc, is an indigenous company established to promote gas distribution and utilization in Nigeria. The company is operating a 20-year Gas Sale and Purchase Agreement (GSPA) with the Nigeria Gas Company. Gaslink is the pioneer and one of the few companies in Nigeria involved in the piping and distribution of natural gas to industrial, residential and commercial consumers.

Oando Plc, Nigeria's integrated energy company, whose primary businesses include Petroleum Marketing, Supply & Trading, and Natural Gas distribution, Power, Energy Services and Exploration and Production is listed on both the Nigerian Stock Exchange (NSE) and the Johannesburg Stock Exchange Limited (JSE).



Flour Mills Natural Gas Power Plant a customer of Gaslink

The Role of Captive Power

Despite the commissioning of a number of Generation Plants by the Federal Government of Nigeria, there is still a shortfall in electricity. As the gestation period for large power projects is long, Nigeria will be able to complete very few projects in the near future and therefore face huge shortage of power.

There is a need to open an alternative route other than Private and PHCN's (Power Holding

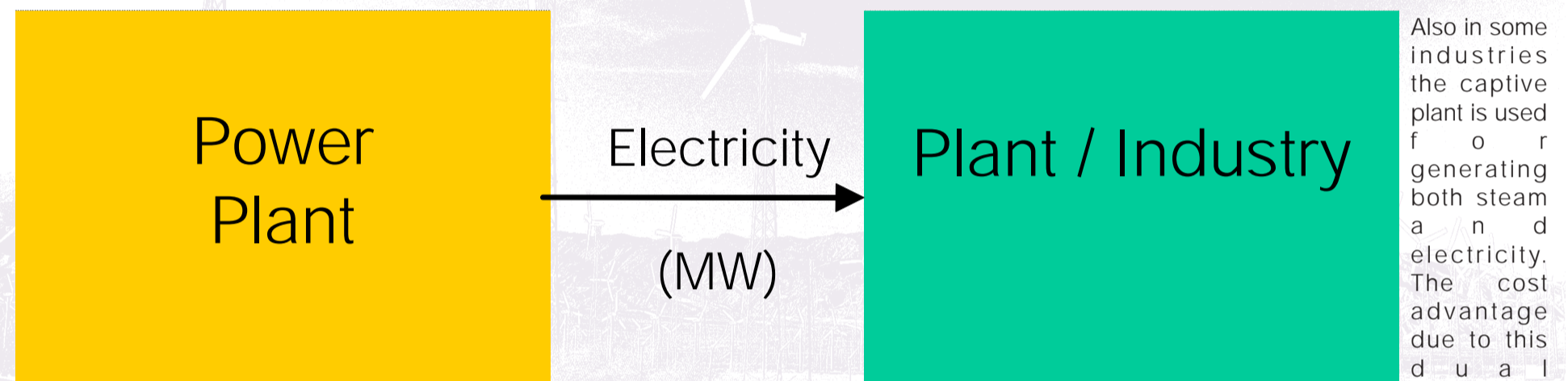
Captive Power refers to generation from a unit set up by industry for its exclusive use.

Industrial sector is one of the largest consumers of electrical energy in Nigeria. However, a number of industries are now increasingly relying on their own generation (captive and cogeneration) rather than on grid supply, primarily for the following reasons:

- Non-availability of adequate grid supply

Oando Power's Business - Generation and Distribution of Electricity

Power shortage is a severe problem and power is a very important input for any industry. Inadequate supply of power can reduce the production period and thus affect the production volume for the industries. Thus industries are going for captive power as an alternative source of energy so that they can hedge against the uncertainty of not receiving adequate electricity supply.



Company of Nigeria Plc) Generating Companies, where the industries themselves will be interested to meet their own power demand. Captive Power Plants offer such an alternative. The captive power plants of industries may be allowed to sell their surplus power, if any, to the Grid, on a remunerative tariff, as per mutually agreed terms. Setting up of captive power plants would quickly add to the generating capacity in the country. Small power production is an important ingredient of private power policy in a number of countries.

Captive Power

- Poor quality and reliability of grid supply

As a result, the captive potential has been increasing over the years and it is more than likely that nearly 30% of the requirements of the industrial sector are met from in-house generation.

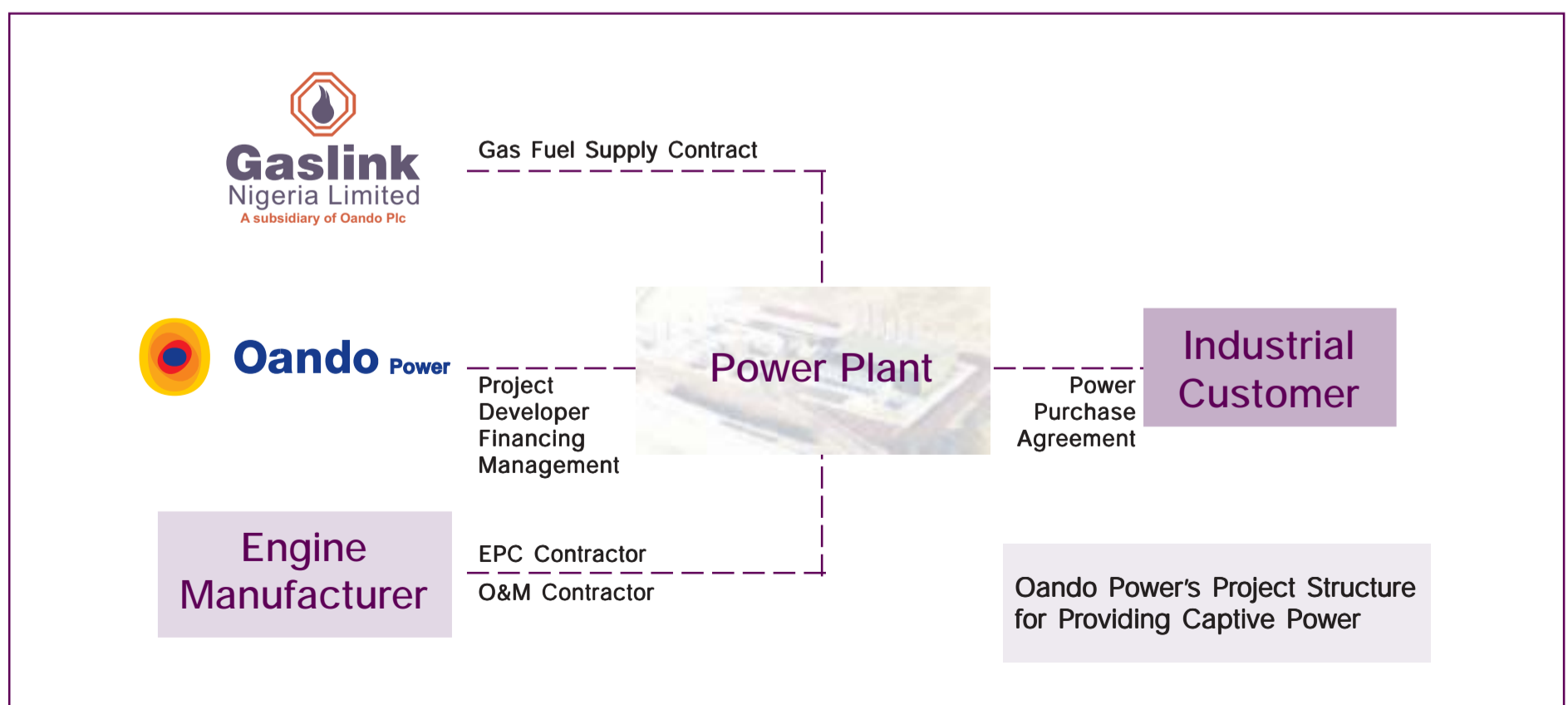
Industries representing primary producers of infrastructure material such as aluminum, cement, fertilizers, iron & steel, paper, and sugar have significant captive capacity to meet a significant part of their energy requirements.

generation makes the captive power plant economically viable.

Oando Power poised to capture this opportunity in generating and supplying power to single customers in their premises.

Oando Power's Captive Structure

Oando Power is positioning to play as a vertically integrated power company with interests in both generation and distribution sub-sectors. Our execution strategy is to focus on captive opportunities in the near term while remaining engaged in exploring distribution and non-captive opportunities.



Segun Oladele's Baby



Pricilla Oluwadarasimi Oladele, Segun's (IT Dept) lovely baby girl was born on wednesday, 8th October this year.

Birthday Boy



Wilson Okoh-Esene's (CC Dept) boy, Sammy celebrated his first birthday on the 2nd of August, 2006

SO FAR...

Though it has been so far ...,
Even it's been a while, Okoduwa!!!
But do you still remember?
Do you remember at all? Do you?

I remember...

I remember the day we stood like a fence un-mounted
That starry night by the bar beaches as the Ocean viewed

And we anticipated with great apprehension,
Wondering what shall become of this dotard Stallion
Wooed by Basket Mouth and Cool & His Gang

And right before our eyes
Like a despised Unicorn heading back to Saturn,
Old Stallion ascended way high, reborn a spectrum
of gyring rings
OANDO – THE FUTURE...

O boy... what a night,
A mystery chucked beneath my mortal skins
Longing for what the future will be or bring,

Little did we know that that night,
It had already begun,

But Miles apart are we now,
My friend and colleague
Truly a 20- Siblings will never stroll for a 20-Season
This same conquest has taken us place in the little
cycle it rules
Line on Line, precept on precept
A lot has happened but a few was told;

Of the 7 retributive laws of Kamar
(Honour your Master's Wealth),
You shall be duly paid, whether good or evil

Our western dues and Conducts,
Big Brother - is watching
(Casuals only of Fridays)

ISO-Merization - Ubong be praised
Keep your procedure plain,
Your records tight, thou shall not be booked!!!

Energy and Synergy Revolution
Gas-B!!! Gas-link dey try...

Of Failed Bids & Forceful Bidders..
Nija Exchange & Conquest of the South Exchange
We have made history, we have broken history
Time will forgive any error,
But no in-action shall be forgiven

Lighter ignited for those departed
A thorough salute for seniors retired

Dead visions and Divisions
When the appetite is enlarged
A handful Morsel of Wealth
Would hardly appease the expectation of Wise
Investors
The need for a Compact insurrection is inevitable

So the Prime Branding and Branches
Where engagers were engaged in the their rules of
engagements
And severer were severed in their sieve of severance

Our Western tactics and Trading
Proudly West African or Proudly Western?
See what has become of our O-&-O Spectrum of
Wonders...
Truly sometimes I am beleaguered in the riddle
That I must evolve even before the last formation.
The more things change, the more they really
change...

I have also dined with kings and men alike,
In this little kingdom and creek
People that I don't even know were my brothers...
Hallie gave a shoulder to O-Energy-Service

We reaped a gold mine trading with barges and boats
Backs were bent in these back-loading sequels
Ask Mobil they will tell,
Shell or Chevron will also testify ...

And heaven bless you, My Dear Onne!!!
If your good works are hastily forgotten,
I will remember you!!!
For the three of your works and for four,
I will not forget you!!!

Chris Imorkhuedes sendforth on August 11, 2006



Engr. S. Giwa, Head Engineering giving his remarks at the dinner



Chris in a jolly mood at the dinner

* For ISO-Standout,
* For your Stoop to conquer against all odd
* For you calm existence in trouble waters...
You are remembered...

Even if Okoduwa and other forget, I will not
I still remember...

Here is the future (if not longer for me)
For those that will come after,
That I might never know but will know me...
For History will always remind them
As I have tried to remind you today...

My dear Okoduwa

Ayoade Adeniyi
IT-Dept
Onne

Sumbo Olajubu's baby



Joel Olajubu, Sumbo Olajubu's (CC Dept) Baby Boy, was born 1st of July, 2006



Dear Customer,

Oando CCU: at your service, anytime

Our **Customer Care Unit (CCU)** is now within reach at Lagos, Port Harcourt and Kaduna Terminals. So take advantage of our 24hour-support service that helps :

- Monitor and Ensure efficient delivery of your products
- Receive your feedback
- Provide a wide range of support services

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Oando ...The future