

Q3 2017 (Unaudited)

Consolidated Statement of Profit or Loss

	Sep 17 N'000	Sep 16 N'000
Revenue	383,350,174	227,845,948
Gross profit	71,207,720	13,091,557
Other operating income	14,142,268	33,416,939
Impairment of receivables	(2,680,329)	(21,563,927)
Administrative expenses	(47,722,838)	(69,436,850)
Operating profit/(loss)	34,946,821	(44,492,281)
Finance costs - net	(25,448,936)	(43,023,650)
Profit/(loss) before income tax from continuing operations	9,497,885	(87,515,931)
Income tax (expense)/credit	(7,104,133)	33,169,686
Profit/(loss) for the period from continuing operations	2,393,752	(54,346,245)
Profit after tax for the period from discontinued operations	4,731,265	18,459,575
Profit/(loss) for the period	7,125,017	(35,886,670)
Profit/(loss) attributable to:		
Owners of the parent	1,119,527	(37,912,198)
Non-controlling interest	6,005,490	2,025,528
	7,125,017	(35,886,670)

Consolidated Statement of Financial Position

	Sep 17 N'000	Dec 16 N'000
Property Plant & Equip.	286,679,486	293,541,702
Intangible assets	363,268,699	361,530,468
Other non-current assets	139,971,654	145,765,053
Current assets (including disposal group)	143,198,393	190,707,752
	933,118,232	991,544,975
Financed by		
Share capital & reserves	197,938,684	192,344,579
Total borrowings	229,614,415	246,117,715
Other non-current liabilities	241,863,544	240,620,495
Other current liabilities (including disposal group)	263,701,589	312,462,186
	933,118,232	991,544,975

Consolidated Statement of Cash Flows

	Sep 17 N'000	Sep 16 N'000
Cash flows from/(used in) operating activities	26,293,821	(25,877,358)
Cash flows (used in)/from investing activities	(6,288,921)	10,756,460
Cash flows (used in)/from financing activities	(16,327,468)	85,358,694
Net change in cash and cash equivalents	3,677,431	70,237,795
Cash and cash equivalents at the beginning of the year	10,596,470	(48,781,363)
Cash and cash equivalents at end of the period	14,273,901	21,456,432

By order of the Board



Ayotola Jagun
Company Secretary

“Despite prevailing headwinds, we continue to create value as seen in our improved performance four quarters in a row”

Our third-quarter financials are reflective of the success of our strategic initiatives of Growth through our dollar earning upstream portfolio; Deleverage through recapitalization and asset divestments and the expansion of our oil export trading business. The proceeds from our business restructuring have been successfully used in improving our balance sheet with a reduction of N21 billion in our net debt position from N230 billion as at December 2016 to N209 billion today. Despite prevailing headwinds, we continue to create value as seen in our improved performance four quarters in a row and remain confident about the resilience of our business model.

Wale Tinubu
Group Chief Executive

Operational Update:

Upstream

Oando Energy Resources (OER) recorded an average production of 39,844 boe/day in the nine months ended September 30, 2017 compared to 43,617 boe/day in the comparative period of 2016. This was primarily due to significant reductions in gas production and delivery caused by a ruptured Gas Transmission System (GTS-4) gas line which supplies gas to the Nigerian Liquefied Natural Gas Limited (NLNG). Downtime suffered by the Trans Forcados pipeline led to repairs and planned maintenance activities that resulted in reduced production from Ebendo (OML 56). OER recorded a net income of N26.97 billion (\$88.2 million) compared with N2.51 billion (\$8.2 million) in the comparative period of 2016. The increase in profitability was primarily due to improved revenue from higher oil prices and lower production expenses.

Midstream

Following the partial divestment of our midstream subsidiary Oando Gas & Power (OGP) to Helios Investment Partners, a premier Africa-focused private investment firm, OGP changed its corporate identity and rebranded to Axxela Limited. Axxela was appointed as a shipper on the West Africa Gas Pipeline positioning the Company to supply gas along the West coast. The company also completed the Greater Lagos IV (GLIV) 12 inches x 9km pipeline expansion network from Ijora through Lagos Island to Bonny Camp, Victoria Island creating an opportunity for the Company to increase its current 175 customer base by supplying gas to industrial customers looking for alternative, cheaper and more efficient power sources.

Downstream

Oando Trading (OTD) witnessed a 25% growth in traded volumes year-on-year, led by a solid increase in Crude Oil trading activity whilst turnover grew by a creditable 48% to N305.75 billion (\$1 billion) compared to N206.69 billion (\$676 million) in the comparative period of 2016. This is as a result of improved activity and oil price recovery. Year-to-date Crude Oil volumes have exceeded 11 million bbls, while over 800,000 MT of Refined Petroleum Products were traded within the same period. OTD continues to solidify its relationships with key leading International and African banks, securing access to over N215.4 billion (\$700 million) of immediately available Structured Trade Finance facilities, enabling the Company to achieve greater trading capacity and in turn, more volumes.

The Lagos Midstream Jetty (LMJ) and petroleum off-loading facility, officially commenced operations receiving its first product vessel on the 31st of May 2017; to date it has received a total of 10 vessels. This novel infrastructure will provide substantial savings estimated at over \$120 million annually to product importers and the country as a whole