

Facts Behind The Figures

FYE 2016 & Q1 2017 Performance Review

Presented by Wale Tinubu - Group Chief Executive



This presentation does not constitute an invitation to underwrite, subscribe for, or otherwise acquire or dispose of any Oando Plc (the “Company”) shares or other securities.

This presentation includes certain forward looking statements with respect to certain development projects, potential collaborative partnerships, results of operations and certain plans and objectives of the Company including, in particular and without limitation, the statements regarding potential sales revenues from projects, the both current and under development, possible launch dates for new projects, ability to successfully integrate acquisitions or achieve production targets, and any revenue and profit guidance. By their very nature forward looking statements involve risk and uncertainty that could cause actual results and developments to differ materially from those expressed or implied. The significant risks related to the Company's business which could cause the Company's actual results and developments to differ materially from those forward looking statements are discussed in the Company's annual report and other filings. All forward looking statements in this presentation are based on information known to the Company on the date hereof. The Company will not publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise, other than is required by law.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

All estimates of reserves and resources are classified in line with NI 51-101 regulations and Canadian Oil & Gas Evaluation Handbook standards. All estimates are from an Independent Reverses Evaluator Report having an effective date of 31st December 2015.

BOEs [or McfGEs, or other applicable units of equivalency] may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bbl [or an McfGE conversion ratio of 1 bbl: 6 Mcf] is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

Reserves: Reserves are volumes of hydrocarbons and associated substances estimated to be commercially recoverable from known accumulations from a given date forward by established technology under specified economic conditions and government regulations. Specified economic conditions may be current economic conditions in the case of constant price and un-inflated cost forecasts (as required by many financial

regulatory authorities) or they may be reasonably anticipated economic conditions in the case of escalated price and inflated cost forecasts.

Possible Reserves: Possible reserves are quantities of recoverable hydrocarbons estimated on the basis of engineering and geological data that are less complete and less conclusive than the data used in estimates of probable reserves. Possible reserves are less certain to be recovered than proved or probable reserves which means for purposes of reserves classification there is a 10% probability that more than these reserves will be recovered, i.e. there is a 90% probability that less than these reserves will be recovered. This category includes those reserves that may be recovered by an enhanced recovery scheme that is not in operation and where there is reasonable doubt as to its chance of success.

Proved Reserves: Proved reserves are those reserves that can be estimated with a high degree of certainty on the basis of an analysis of drilling, geological, geophysical and engineering data. A high degree of certainty generally means, for the purposes of reserve classification, that it is likely that the actual remaining quantities recovered will exceed the estimated proved reserves and there is a 90% confidence that at least these reserves will be produced, i.e. there is only a 10% probability that less than these reserves will be recovered. In general reserves are considered proved only if supported by actual production or formation testing. In certain instances proved reserves may be assigned on the basis of log and/or core analysis if analogous reservoirs are known to be economically productive. Proved reserves are also assigned for enhanced recovery processes which have been demonstrated to be economically and technically successful in the reservoir either by pilot testing or by analogy to installed projects in analogous reservoirs.

Probable Reserves: Probable reserves are quantities of recoverable hydrocarbons estimated on the basis of engineering and geological data that are similar to those used for proved reserves but that lack, for various reasons, the certainty required to classify the reserves as proved. Probable reserves are less certain to be recovered than proved reserves; which means, for purposes of reserves classification, that there is 50% probability that more than the Proved plus Probable Additional reserves will actually be recovered. These include reserves that would be recoverable if a more efficient recovery mechanism develops than was assumed in estimating proved reserves; reserves that depend on successful work-over or mechanical changes for recovery; reserves that require infill drilling and reserves from an enhanced recovery process which has yet to be established and pilot tested but appears to have favorable conditions

Strategic Overview	04
Asset Overview	07
FYE 2016 Operational Update	09
FYE 2016 Financial Highlights	13
Q1 2017 Operational Update	22
Q1 2017 Financial Highlights	24
Strategic Highlights	33
Q & A	37

Strategic Overview



5-Point Strategic Agenda

The new organization is driven by the achievement of our 5-Point Strategic Agenda

- ✓ **US\$210million Downstream Recapitalization by HV Investments**
 - Expansion of Downstream footprint across West Africa
 - Immediate cash injection into Oando Downstream
- ✓ **N108billion Debt Restructure with 11 Nigerian Banks**
 - Refinance Oando debt
 - Lower interest rate
 - Three year moratorium on principal
- ✓ **70% Equity buy-in of Oando Gas and Power (OGP) for US\$115.8million**
 - Expansion of gas footprint across Nigeria
 - Immediate cash injection into OGP and the group
- ✓ **Conversion of OODP Notes to Equity**
 - Interest savings and increase in shareholders' funds
- ✓ **N156bn Deleveraging of Group Balance Sheet through OES Divestment**
 - Management buyout of OES

Asset Overview

	Description	Operational Assets
UPSTREAM	 Exploration & Production • Largest indigenous producer in Nigeria	• Producing assets; OMLs 60-63, OML 125, OML 56 & OML 13 • Development assets; OML 90, OML 122, OML 134 • Exploration assets; EEZ 5, EEZ 12, OML 321 & 323, OML 131 and OML 145
MIDSTREAM	 Gas & Power • First private sector company to enter gas distribution in Nigeria	• 2 Gas Pipeline franchises: - GNL: 120km Lagos(110 mmscf/d Capacity) - CHGC: 6km East • Compressed Natural Gas: 5mmscf/day capacity • Central Processing Facility: 150kscm/day capacity
DOWNSTREAM	 Trading • Experienced international commodities supply and trading company	• Trading desks and operations in Nigeria South Africa & Dubai • Trading consultants in the United Kingdom
	 OVH • Leading Oil and Marketing Retailer	• Over 320 retail outlets across Nigeria • 7 terminals with over 110ml storage capacity • 3 lube blending plants with 130m litres annual capacity • 3 aviation fuel depots • Apapa jetty and subsea pipeline with a 45,000MT dead weight tonnage cargo capacity

FYE 2016 Operational Update

Upstream Division

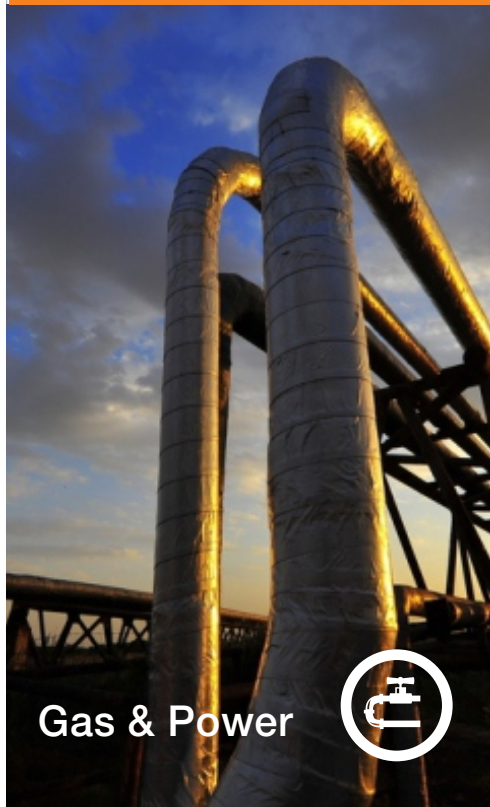


Exploration &
Production



- 2P Reserves increased by 5% from 445mmboe in 2015 to 469.3mmboe due to reservoir performance
- Oando concluded the sale of its interests in OMLs 125 and 134 to the Operators for cash proceeds of \$5.5m and assumption of \$88.5m in cash call liabilities due to the joint ventures.
- 2C Resources likewise increased by 70% from 122mmboe to 208mmboe.
- Delisted from Toronto stock exchange
- Oando Energy Resources (OER) through its 81.5% held subsidiary, Equator Exploration Ltd, successfully farmed out 65% participating interest in blocks 5 & 12 in the Exclusive Economic Zone of the Democratic Republic of Sao Tome and Principe to Kosmos Energy for a cash consideration of \$14m and a carry arrangement of up to \$20m on 2 wells.

Midstream Division



Gas & Power



- Oando Gas & Power commences development of a 20 mmscf/day Mini-LNG facility in Ajaokuta, Kogi State which will service a 1,000km radius in the Northern region of Nigeria with a current 200% subscription of total gas capacity
- Oando Gas and Power (OGP) concluded the sale of Akute Independent Power Plant for a transaction price of N1.9bn.
- Signs term sheet for the divestment of the 10.4MW Alausa Independent Power Plant (IPP)
- Oando PLC completes \$115.8 Million Midstream equity buy-in of Oando Gas and Power With Helios Investment Partners
- Oando Gas & Power achieved 55% completion of the Central Horizon Gas Company (CHGC) 8.5km pipeline expansion.

Downstream Division

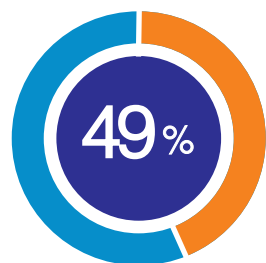


- Oando PLC concluded recapitalization of its downstream subsidiary via the injection of USD210million from Helios/Vitol JV.
- Oando Trading witnessed continued growth resulting in a 106% increase in traded volumes of Crude Oil and Refined Petroleum Products, accomplished through a number of structured and well executed initiatives.
- Physical volumes of 13 million barrels of crude oil and 3 million MT of refined petroleum products were transacted.
- Trading revenues hit a four-year high at \$1.4 billion.

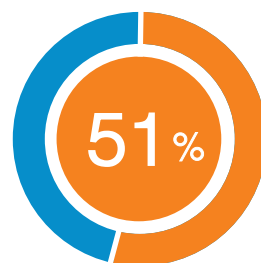
FYE 2016

Financial Highlights

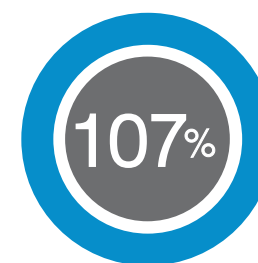
FYE 2016 Profit & Loss Highlights Vs. FYE 2015



Turnover
 ₦ **569** Bn



EBITDA
 ₦ **71** Bn



Profit After Tax
 ₦ **3.5** Bn

N'Million	FYE 2016	FYE 2015	Variance
Turnover	569,197	381,741	49%
Gross Margin	48,553	77,676	(37%)
Non-interest Expenses	(84,480)	(70,350)	20%
Other Operating Income	106,923	39,759	169%
EBITDA	70,995	47,085	51%
Loss from associate	(4,662)	(879)	431%
Net Finance Costs	(49,365)	(50,905)	(3%)
Depreciation & Amortization	(18,663)	(33,070)	(44%)
Impairment of Receivables	(31,118)	(13,368)	133%
Loss before Tax (LBT)	(32,813)	(51,137)	(36%)
Income Tax Credit	36,307	1,447	2409%
Profit After Tax (PAT)	3,494	(49,690)	107%

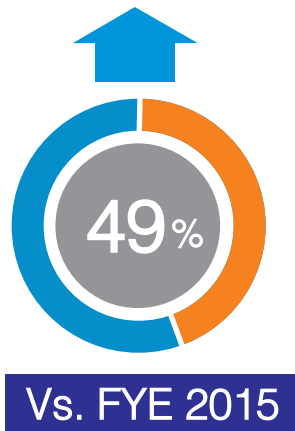


FYE 2015 Reconciled (As a result of OGP HFS)

N'Million	FYE 2015	Discontinued Operations	2015 as Reported
Revenue	161,490	41,942	203,432
Gross Profit	54,737	(8,078)	46,659
Other Operating Income	35,080	(1,566)	33,515
Selling & Marketing Costs	(47)	46,504	-
Administrative Expenses	(74,078)	4,308	(69,770)
Impairment of Assets	-	-	-
Operating Profit	15,693	(5,290)	10,403
Net Finance Costs	(47,550)	(1,088)	(48,638)
Share of loss from Associates	(879)	-	(879)
Loss before income tax	(32,736)	(6,378)	(39,114)
Income Tax Credit	1,538	2,655	4,193
Loss from continuing operations	(31,198)	(3,723)	(34,921)
Discontinued operations			
Loss from discontinued operations	(18,492)	3,723	(14,769)
Loss for the period	(49,690)	-	(49,690)

OGP has been shown as discontinued operations while OTB was excluded from discontinued operations to comply with IFRS

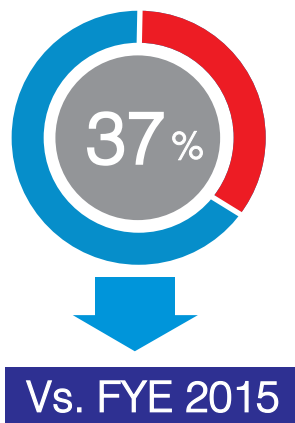
Turnover



Turnover for the period increased by N187bn, 49% above actual in comparative period in 2015 due to;

- Increase of N337bn from DSDP & OPA
- Reduced by:
- Downstream: 6 months in 2016 vs 12 months in 2015 of N130bn.
- OES: 3 months in 2016 vs 12 months in 2015 of N4.8bn.
- OGP: arising from lower volume of gas sold of N2.2bn.
- OER: Crude price reduction of N12.4bn.

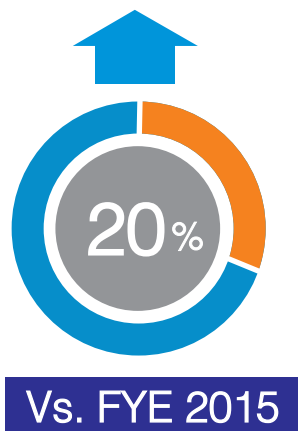
Gross Margin



Gross margin (GM) decreased by N29.1bn, 37% below actual in 2015 due to:

- Decrease in OER production volumes as a result of decrease in revenue – N18bn.
- Lower margin of N15.5bn driven by 12mths to 6mths comparison due to the downstream divestment.
- Improved by GM from OTD of N4.4bn.

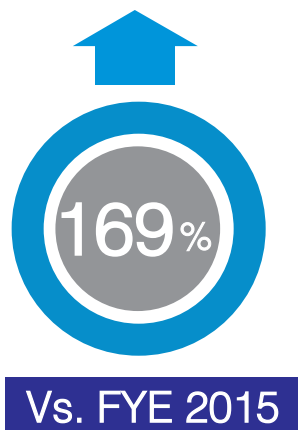
Non-interest Expenses



Non-interest expenses for the period increased by N14.1bn, 20% above actual in comparative period due to:

- Increase of N22bn due to foreign exchange loss compared to prior year.
- Increase of N7.6bn G & A in OER arising from foreign exchange translation.
- Above is reduced by non-recurring opex from OES -N14.2bn.
- Reduction of N1.4bn from the midstream division.

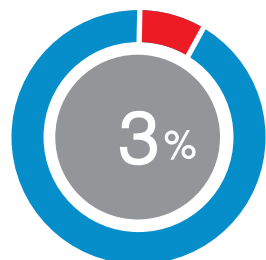
Other Operating Income



Other operating income increased by N67bn, 169% above actual in 2015 mainly due to:

- A net gain of N30.6bn from the sale of OES, Downstream, Akute and Mid stream division.
- Consent fee refund of N6.5bn.
- Increase in exchange gain over FYE 2015 of N10.5bn.
- N2.5bn profit from PFI sale to ODS.
- Brokerage income of N15.5bn earned.

Net Finance Costs

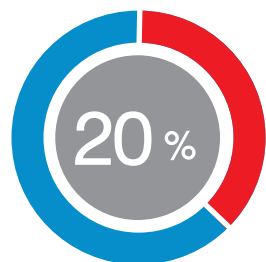


Vs. FYE 2015

Net finance cost decreased by N1.5bn, 3% below prior year due to:

- Lower financing expenses as a result of debt repayment on reserve based lending (RBL) and corporate facility (CF) – N3.4bn negatively impacted by movement in exchange rate resulting in increase by N5.2bn.
- Sale of downstream, OES division and midstream division in comparison to 12months finance cost in 2015 – N3.3bn.

Depreciation & Ammortization

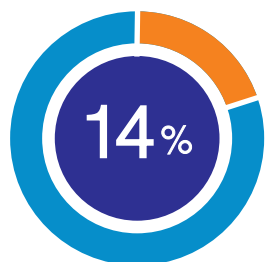


Vs. FYE 2015

Depreciation decreased by N14.4bn, 44% below actual in 2015 due to:

- Lower depreciation as a result of reduction in production year on year – N9.5bn.
- Lower depreciation of N5.1bn for Downstream, OES and Gas & Power companies as a result of held for sale classification.
- Higher depreciation in PLC of N236mn.

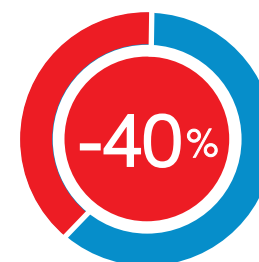
Group Balance Sheet Highlights



Fixed Assets
 ₦ **698** Bn



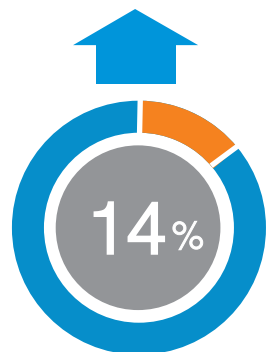
Long Term
Receivables
 ₦ **22** Bn



Total
Borrowings
 ₦ **248** Bn

N'Million	FYE 2016	FYE 2015	Variance
Non-current assets	698,150	614,867	14%
Long term receivables	22,034	7,335	200%
Stock	12,867	15,159	(15%)
Trade and other Debtors	109,304	145,923	(25%)
Bank and cash balances	17,135	44,425	(61%)
Trade and other Creditors	229,844	212,780	8%
Total Borrowings	247,746	411,329	(40%)
Retained Loss	152,287	199,723	(24%)
Equity & Reserves	192,345	50,894	278%

Non Current Assets



Vs. Q1 2015

PPE and intangibles increased by (14%), N83bn; due to;

- Capex additions, decommissioning asset and GL4 additions – N12.9bn.
- Translation differences on opening balances amounted to N256bn.
- Disposal of interest in subsidiaries- (N163.9bn).
- Assets disposal during the period –(N3.7bn).
- Depreciation and amortization of (N18.7bn).

Total Borrowings



Vs. Q1 2015

Total borrowings decreased by N163bn (40%) to N247.7bn due to:

- Nil borrowings from OES and downstream in 2016 as a result of disposal. N43.2bn and N128.9bn was recorded as borrowings in 2015 for the Downstream and OES division s respectively.
- OTD's loan reduced by N5.1bn in comparison to 2015
- Loan repayment by Mid stream division led to a reduction of N9.7bn.
- New MTL and other borrowings increased by N21.4bn (PLC) and N13.7bn in (OER).

Inventory

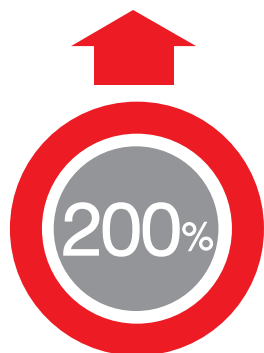


Vs. Q1 2015

Inventory decreased by N2.3bn due to:

- Disposal of OES division and Downstream gave rise to N2.6bn and N10.2bn respectively.
- Midstream decrease of N367mn
- OTD had inventory in transit of N10.7bn (2015:nil).
- OER's inventory increase of N189mn.

Long Term Receivables



Vs. Q1 2015

Long term receivables increased by (200%), N14.7bn due to:

- Loan Notes receivables of N9.7bn from Glover BV
The Loan Notes were part of consideration received for the sale of OGP.
- N3.3bn translation difference and N1.7bn receivables from Networks.

Q1 2017 Operational Update

Upstream Division



- Production decreased to 3.4 MMboe (average 38,125 boe/day) in Q1 2017 compared to 4.5 MMboe (average 49,365 boe/day) in Q1 2016
- Approximately 66% of crude production was hedged at \$65/bbl average with expiries ranging from July 2017 to January 2019 and further upside if certain price targets are met
- OER recorded a profit of N4.96bn in Q1 2017 compared to N815.5 million in Q1 2016 as a result of decreased production expenses

Midstream Division



- Concluded the sale of Alausa Power Plant for a transaction price of N4.6 billion

Downstream Division



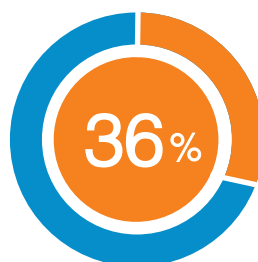
- 150% growth in crude and refined products volumes compared to Q1 2016.
- Increase in turnover to N115.6 billion compared to N4.4 billion in Q1 2016
- Increase in secured credit lines by N76.6 billion to a total of N214.4 billion

Q1 2017 Financial Highlights

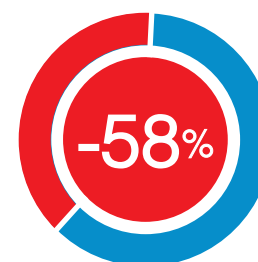
Q1 2017 Profit & Loss Highlights Vs. Q1 2016



Turnover
₦ **138.4** Bn



EBITDA
₦ **20.8** Bn



Profit After Tax
₦ **1.7** Bn

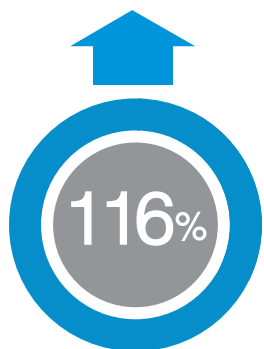
₦'Million	Q1 2017	Q1 2016	Variance
Turnover	138,413	63,973	116%
Gross Margin	13,409	8,786	53%
Non-interest Expenses	(8,762)	(13,839)	(37%)
Other Operating Income	8,567	25,815	(67%)
EBITDA	13,214	20,762	(36%)
Net Finance Costs	(8,265)	(13,262)	(38%)
Depreciation & Amortization	(4,580)	(7,960)	(42%)
Profit/(Loss) before Tax	494	(461)	(207%)
Income Tax	1,218	4,562	(73%)
Profit/(Loss) after Tax	1,712	4,101	(58%)



Reconciliation of Q1 2016 Actual to Financial Statements

N'Million	Q1 2016	Discontinued Operations	Q1 2016 as reported in FS
Turnover	63,973	43,494	20,479
Gross Margin	8,786	6,228	2,558
Non-interest Expenses	(13,839)	(4,880)	(8,958)
Other Operating Income	25,815	21,090	4,726
EBITDA	20762	22,437	(1,675)
Net Finance Costs	(13,262)	(496)	(12,767)
Depreciation & Amortization	(7,960)	(1,701)	(6,259)
(Loss) / profit before Tax (LBT)	(461)	20,240	(20,701)
Income Tax credit / (expense)	4,562	(756)	5,318
Profit from discontinued operations	-	19,484	19,484
Profit after Tax	4,101	-	4,101

Turnover

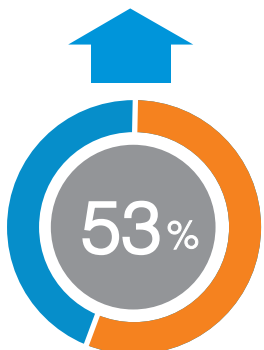


Vs. Q1 2016

Turnover for the period increased by N74.4bn, 116% above actual in comparative period in 2016 due to:

- Revenue of N115.6bn from OTD's Direct Sale & Direct Purchase (DSDP) and Offshore Processing Agreement (OPA) against a N4.4bn in 2016.
- Higher realised oil prices in 2017 compared to 2016 resulting in N6.2bn.
- This was negatively impacted by N34bn, N1.9bn and N7.6bn from downstream division, OES and OGP as a result of divestment.

Gross Margin

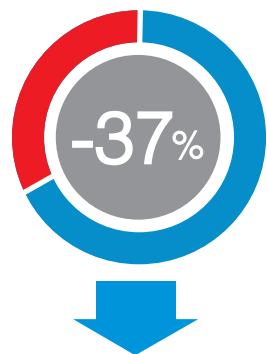


Vs. Q1 2016

Gross margin (GM) increased by N4.6bn, 53% above actual in 2016 due to:

- Higher revenues compensated by lower production expenses (N8.8bn); positively impacted by exchange translation of N1.6bn leading to a net increase of N10.4bn - OER.
- Higher GM from OTD compared to prior year –N214mn.
- Lower margin of N6.1bn as a result of the disposal of downstream, mid-stream and OES entities.

Non-Interest Expenses

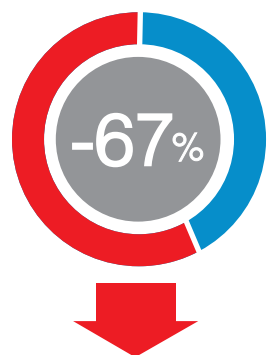


Vs. Q1 2016

Non-interest expenses for the period decreased by N5.1bn, -37% below actual in comparative period due to

- Non-recurring opex from the disposed entities of N5bn.
- N1.4bn reduction in PLC's opex compared to prior year
- Lower expenses of (N656mn) in 2017 driven by one-off consultant charges and unbudgeted travel expenses in 2016. However the differential in exchange rate led to an increase of N1.6bn.
- Higher opex from OTD compared to prior year N405mn.

Other Operating Income



Vs. Q1 2016

OOI decreased by N17.2bn, -67% below actual in 2016 mainly due to:

- Disposal of OES in March 2016-N20.8bn.
- Reduction of N158m as a result of divestment of OES, downstream and mid-stream divisions.
- Exchange gain increase over prior year-N2.4bn.
- Gain on disposal of stake in Alausa-N1.1bn

Net Finance Costs

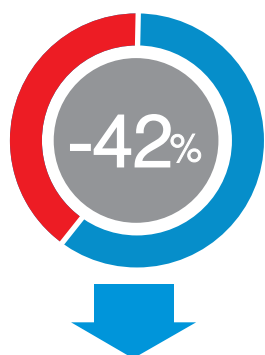


Vs. Q1 2016

Net finance costs decreased by N4.9bn, -38% below prior year due to;

- N5.2bn reduction in finance cost in PLC largely due to principal amount of the MTL loan being reduced from N108.3bn to N87.3bn in December 2016.
- Additional reduction of N623mn due to divestment of some entities.
- However a higher net finance income in 2016 as a result of one-off interest income from deposits and exchange gain resulted in increase of N987mn. (OER)

Depreciation

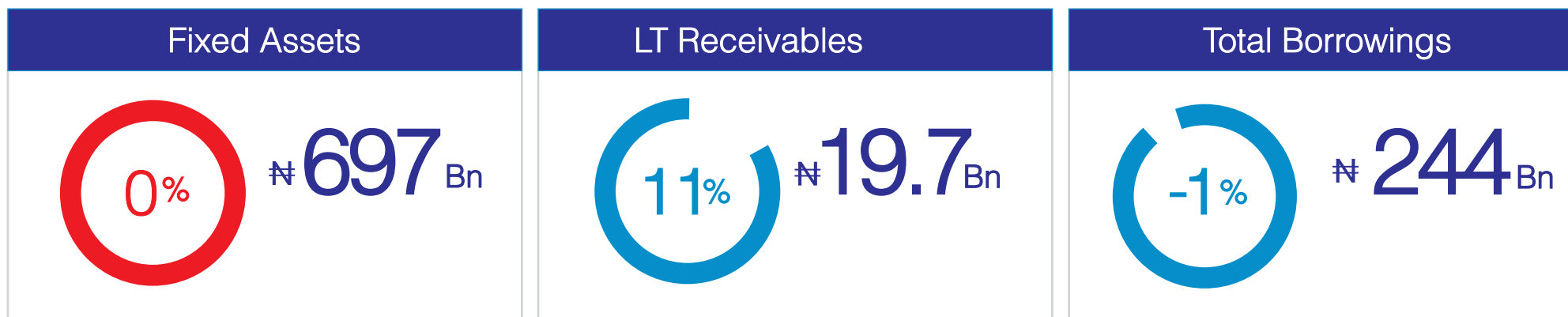


Vs. Q1 2016

Depreciation decreased by N3.38bn, -42% below actual in 2016 due to:

- Lower depreciation driven by reduced production on OML's 56 & OOL– N1.8bn.
- Lower depreciation of N1.7bn for Downstream, OES and Gas & Power companies due to disposal.
- Positively impacted by N109mn from PLC.

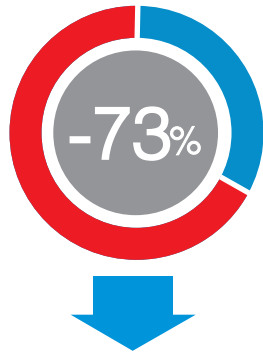
Q1 2017 Group Balance Sheet Highlights



N'Million	Q1 2017	FYE 2016	Variance
PPE & Intangibles	697,090	698,150	0%
Long term receivables	19,716	22,034	(11%)
Inventory	2,419	12,867	(81%)
Trade and other debtors	171,557	109,304	57%
Bank and cash balances	18,123	17,135	6%
Trade and other creditors	277,963	229,844	21%
Total Borrowings	244,066	247,746	(1%)
Equity & Reserves	196,114	192,345	2%



Provision for Tax



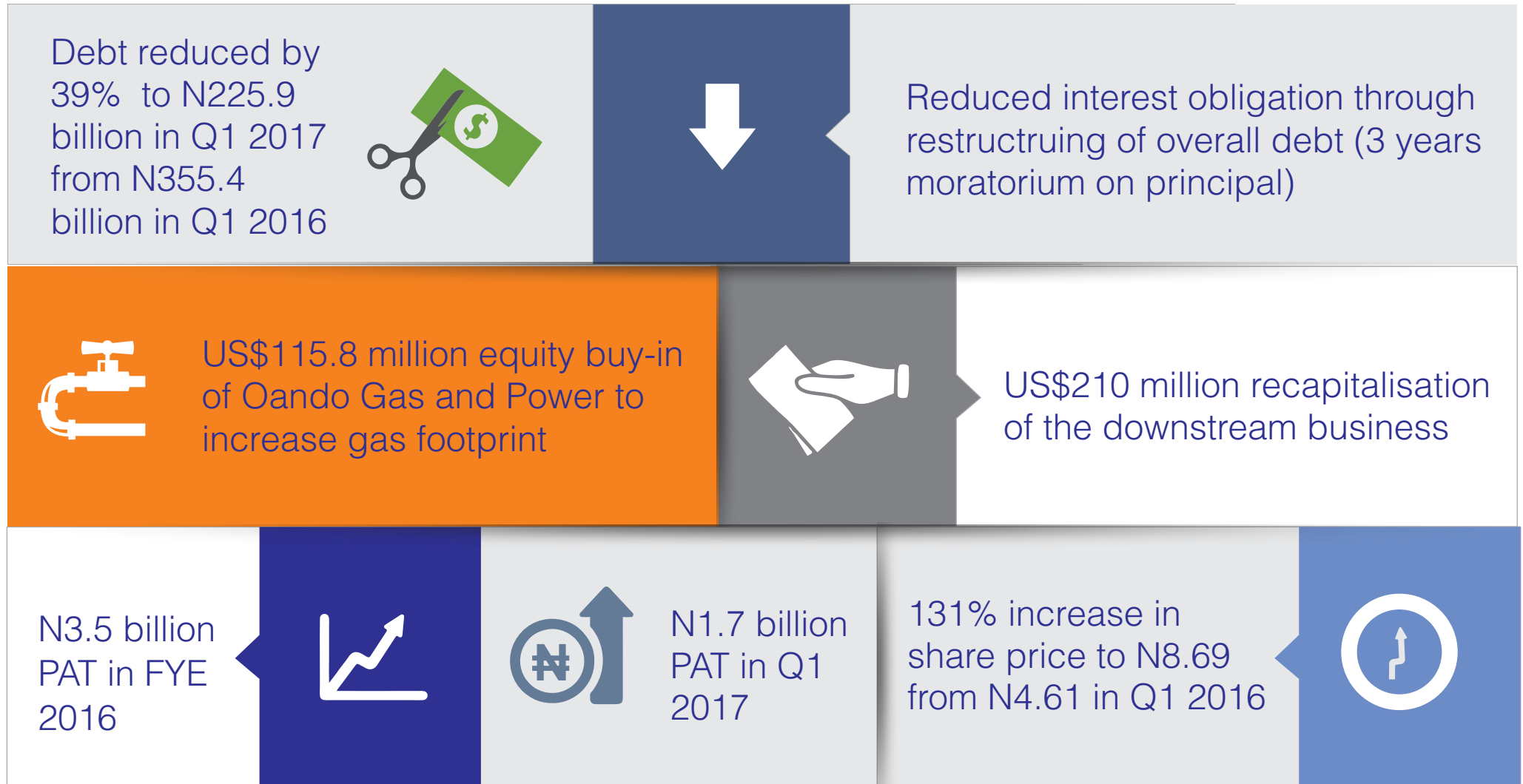
Vs. Q1 2016

Provision for tax

- Higher deferred tax recovery gained on OOL in 2016.



Impact on the Company



Strategic Highlights

Upstream



Exploration &
Production

Current: 2017	Midterm: 2018	Long Term: 2019 - 2020
• Production of ~44 Mboepd (2016 Average Net Production) • 2P Reserves of 469.3 MMboe • Increase production on OMLs 60 - 63 (Production Optimization) • Increase production levels from Ebendo (OML 56) through facility enhancements • Complete Qua Ibo 3D Seismic Acquisition on Qua Ibo (OML13) • Complete EEZ Block 5 & 12 3D Seismic Acquisition	• Production Target: > 80kboepd • 3yr rolling average RR Ratio $\geq$ 1.0 • Organic Growth: Accelerated development programme on OMLs 60 - 63 • Inorganic Growth: Take advantage of indigenous status by participating in FGN bid	• Production Target: >100kboepd • 2P Reserves Target: >500mmboe

Midstream



Gas & Power

Current: 2017	Midterm: 2018	Long Term: 2019 - 2020
• Grow aggregate gas pipeline utilization portfolio to an average of 70mmscfd • Complete CHGC expansion pipeline project • Commence operation of gas trading platform • Design and commence implementation of appropriate financing plan for OGP business • Commence construction of 20mmscfd/day mini LNG facility • Achieve FID on Ghana Gas Grid Development • Invest in acquisition of NIPP/Grid connected power utilities	• Grow aggregate gas pipeline utilization portfolio to an average of 100mmscfd/day • Complete development and commence operation of at least 20mmscfd Mini LNG Business • Complete development and commence operation of 50MW embedded/grid power generation • Commence operation of Floating Storage & Regasification Units (FSRU) facility • Commence phased development of EIIJ gas pipeline • Commence phased development of gas distribution system in Tema industrial area (Ghana)	• Grow aggregate gas pipeline utilization/ contracts to an average of 200mmscfd/day • Complete development and commence operation of 150MW embedded/grid power generation • Commence development of gas processing facilities • Commence operation of completed phase of EIIJ gas pipeline



Downstream



Trading

Current: 2017

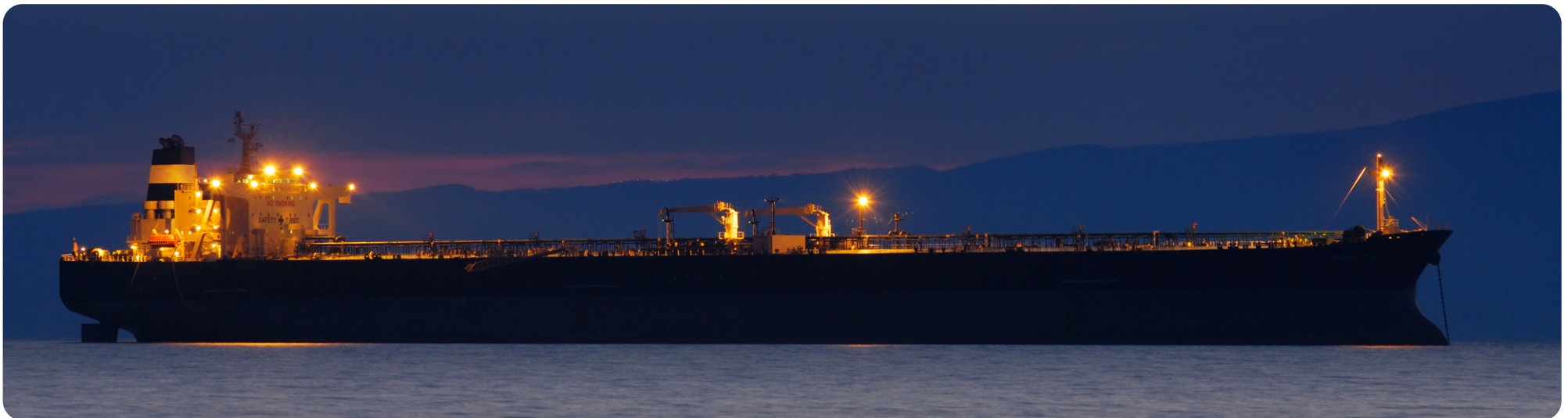
- Diversify markets, deepen relationships with refineries in order to increase West-Africa presence

Midterm: 2018

- Expand operations across Africa, specifically to SADC and EAC

Long Term: 2019 - 2020

- Assets acquisitions to drive forward expansion into all other major African Markets



Q&A

www.oandopl.com

