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OANDO ENERGY RESOURCES ANNOUNCES YEAR END RESULTS

CALGARY, ALBERTA April 1, 2014 – Oando Energy Resources Inc. ("OER", the "Company" or the "Group") (TSX:OER), a company focused on oil and gas exploration and production in Nigeria, today announced financial and operating results for the year ended December 31, 2013. The audited consolidated financial statements the ("Financial Statements") and management's discussion and analysis (the "MD&A") pertaining to the period are available under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and by visiting www.oandoenergyresources.com. All monetary figures reported herein are U.S. dollars unless otherwise stated.

Operational Highlights

- Produced (Sales) 1.457 Million Barrels (mmbbls), which averaged 3,991 barrels per day (bbls/d) in production for the year ended December 31, 2013. This represented a 1% decrease from the prior fiscal year;

- Average gross sales price realized per barrel of oil produced was $110 for the year ended December 31, 2013;

- Capital expenditure of $120.0 million for assets in 2013.

- Drilled 8 new development and exploration wells in 2013, adding 4,890 bbls/d of production capacity.

- Progressed construction of the 45,000 bbls/d Umugini pipeline, designed as an alternative evacuation route for the OML 56 asset. Construction is expected to be completed by November 2014;

- First oil from Akepo planned for Q3, 2014; and

- Commencement of production from Qua Ibo anticipated in Q4, 2014.

Financial Highlights

- Revenue was $127.2 million for the year ended December 31, 2013. This represented a 6% decrease from the prior fiscal year. The decrease was primarily a result of increased crude losses due to crude oil theft from the OML 56 asset;

- Net Income was $(38.2) million for the year ended December 31, 2013. The net loss was a result of financing expenses relating to the deposit paid for the COP Acquisition;

- Cash flow from operating activities was $77.4 million, prior to adjustments in working capital, for the year ended December 31, 2013. This represented a 30% decrease from the prior fiscal year;

- Cash and cash equivalents were $12.7 million for the year ended December 31, 2013. This represented a 63% increase from the prior fiscal year; and

- Working capital deficiency of $661.0 million, largely due to borrowings of $620.8 million as at December 31, 2013. This represented a 23% increase from the prior fiscal year. The increase was primarily a result of additional loans used to finance the COP Acquisition. Approximately $614 million of these loans were converted to equity through the issuance of 432,565,768 shares and 216,282,884 warrants on February 26, 2014.

"2013 was a pivotal year for our company, as we were able to successfully secure the financing necessary to fully fund our proposed acquisition of ConocoPhillips' Nigerian upstream oil and gas business," said OER CEO, Pade Durotoye. "This was a key accomplishment that significantly progresses our transformation into Nigeria's leading indigenous upstream company."

Selected Year End Results

$'000 except as otherwise indicated		Year ended December 31		Three months ended December 31	
	2013	2012	2011	2013	2012
Revenue	127,211	135,200	157,268	23,976	27,746
Barrels of oil equivalent produced (boe)	1,456,818	1,482,522	1,797,651	406,029	326,819
Average sales price per barrel (Gross)	110.3	110.2	110.78	111.4	111
Average sales price per barrel (Net)[1]	87.32	91.20	87.49	59.05	84.90
Cash flows from operating activities	77,409	23,991	54,797	34,523	(10,938)
Comprehensive income/(loss)	(38,230)	16,021	(2,596)	(41,008)	(9,625)
Net income/(loss) per share: Basic	(0.36)	0.16	(0.03)	(0.32)	(0.08)
Net income/(loss) per share: Diluted[2]	(0.36)	0.16	(0.03)	(0.32)	(0.08)
Total assets	1,299,422	1,127,050	947,593	1,299,422	1,127,050
Total non-current financial liabilities	275,195	177,699	113,947	275,194	177,699

[1] Price excludes royalties (8% on OML 125 and 5% on the Ebendo Marginal Field),the Nigerian Government profit share of profit oil in the production sharing contract in respect of OML 125, crude losses, and unrecognised revenues related to increased underlift receivables on OML 125.
[2] In determining the diluted EPS of the Group in 2013, the impact of the warrants, the stock based compensation and the convertible loam have been considered as their impact is antidilutive.

OPERATIONAL UPDATE

COP Acquisition

- COP Acquisition awaits consent of the Nigerian Minister of Petroleum and is expected to close in April 2014;

- Terminated the Brass LNG Purchase Agreement with COP, which was previously announced in connection with the COP Acquisition, as it was considered non-strategic. The termination of this agreement reduced the effective purchase price pertaining to the COP Acquisition by US$198.4 million (after giving effect to purchase price adjustments);

- Completed series of debt and equity financings in Q1 2014 to fully fund the proposed acquisition of ConocoPhillips' Nigerian upstream oil and gas business (the **"COP Acquisition"**);

The estimated purchase price under the COP Acquisition, net of $500 million deposit, transaction costs of $74 million and estimated adjustments of $270 million, is $1.14 billion. Assuming that the current outside date of April 30, 2014, the $1.14 billion purchase commitment is expected to be financed as follows:

$'000 except as otherwise indicated

Proceeds from share issuance - $50 Million Private Placement	50,000
Proceeds from debt financing – $450 Million Senior Secured Facility	450,000
Proceeds from debt financing – $350 Million Corporate Loan Facility	132,000
Proceeds from debt financing – $1.2 Billion Oando Loan Facility	512,000
	1,144,000

The $450 million Senior Secured Facility expired in accordance with its terms on March 31, 2014. OER has obtained confirmation from the Mandated Lead Arrangers ("MLAs") under the Senior Secured Facility that all banks in the syndicate have confirmed they will extend the availability period of the Senior Secured Facility in March 31, 2014 to May 31, 2014. OER has paid the agreed commitment fee for the extension to the MLAs and OER has been advised by the MLAs that formal documentation reflecting the amendments has been circulated to all syndicate banks and it is expected that formal documentation reflecting the amendment will be executed promptly following confirmation by the syndicate banks of their agreement with the formal documentation. As of the date hereof, OER has been advised that all syndicate banks have approved the terms of the formal documents evidencing the extension.

For further details regarding financing activities relating to the COP Acquisition, please refer to the Financial Statements and MD&A.

OML 125 – Abo Field

Background

The Group owns a 15% participatory interest in OML 125, which it acquired in 2008 from NAE. The block is operated by NAE and is located in Nigeria's deep offshore segment with an acreage size of 1,983 km^2 (OML 125). Water depths for OML 125 range from 550m to 1,100m.

Production from the Abo field within OML 125 averaged 3,319 bbls/d light oil (net WI) boepd in 2013 as against 3,473 bbls/d, representing a 4% decline compared to the previous year. The Group's total production attributable for its interest was 1.12 MMbbls of light to medium oil in 2013 as against 1.27 mmboe. The Abo field produces though a Floating Production Storage and Offloading ("FPSO") vessel with oil capacity of 40,000 bbls/d, gas production capacity of 114 MMscf/d and a water production capacity of 9,000 bbls/d. The FPSO also has capacity to re-inject up to 30,000 bbls/d of water and 12 MMscf/d of gas.

Capital Projects

In the first quarter of 2013, Nigeria Agip Exploration (**"NAE"**) and the Group completed the work-over of Abo-9 well that was started in 2012. Abo-9 is a gas injection well that will provide pressure support for the Anom01 and Anom02 producing reservoirs. Gas injection was successfully restored in the first quarter of 2014, after solving issues with one of the gas compressors on the FPSO.

The Abo Phase 3 development commenced in January 2013 with the side track of Abo-4 well. Abo-4 was drilled and completed in the second quarter of 2013 on the B207 reservoir. Abo 4ST was producing light oil at a rate of 1,380 bbls/d (gross, WI) on December 31, 2013.

In June 2013, an up-dip side track of Abo-3 on B200 reservoir was completed, which only flowed for 72 hours (approximately) during testing before production ceased. Production ceased due to a sand blockage in the flow line to the Abo FPSO. The Group expects production to re-commence from Abo3-ST in the second quarter of 2014 on clearance of the sand blockage in the flow line

Finally, the Abo-8 well was re-entered in December 2013 and completed as an oil producer on the Anom01 and Anom02 reservoirs in the first quarter of 2014. Production has not commenced from Abo-8 as the required flow line is a long lead item, delivery of which is expected to be in the third quarter of 2014.

Budgeted Capital Expenditure

The capital expenditure budget represents the estimated level of required funding to support the planned growth, development and maintenance of the oil and gas field. The following expenditures are budgeted for 2014 and beyond:

- As noted above, additional capital expenditure is required prior to commencing production from Abo 8. As such, budgeted expenditure of $5.1 million has been agreed to fund the purchase of the flow line. This expenditure was initially expected to be incurred in 2013. However, due to long lead times, this expenditure has been delayed and is now expected to be completed by the third quarter of 2014.

- The capital expenditure budget includes $7.5 million to be spent on the initial drilling of Abo 12. Abo 12 is a development well with an exploration tail. The well is expected to be drilled during the second quarter of 2014. The well is planned to further drain the Anom02 reservoir and explore the shallow A197 reservoir and the deeper Anom3 reservoir.

- The capital expenditure budget also includes an additional $19 million to fund the completion of both the Abo 8 and Abo 12 wells and $5.9 million to extend the life of the existing FPSO unit. Both capital projects are expected to be completed by the end of 2014.

- Until the re-processed seismic data for OML 125 has been reviewed during the course of the year by NAE, and prospectively re-assessed, there are no further plans to drill exploration wells on any of the other prospects in OML 125.

OML 134 – Oberan Field

Background

The Group owns a 15% participatory interest in OML 134, which it acquired in 2008 from NAE. The block is in the exploration phase and is operated by NAE. The block is located in Nigeria's deep offshore segment with an acreage size of 1,132 km^2. Water depths for OML 134 range from 550m to 1,100m.

Capital Projects

Based on results of a seismic interpretation from data processed in 2012, an exploration well was drilled into the Minidiogboro prospect in the fourth quarter of 2013. A number of shallow (H245, H310, H350, H355) and intermediate (H520, H522, H524) sands were targeted by the drilling, with an average probability of success of 26%. Four of the target sands in the shallow zone were found to be gas-bearing while two were found to be water-bearing. In the intermediate zone, only one water-bearing sand was penetrated before the well had to be suspended due to

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increasing pressures. The well has been suspended as a gas discovery, whilst the field undergoes further appraisal. The capital expenditure incurred in drilling the well was $7.3 million.

Budgeted Capital Expenditure

The capital expenditure budget represents the estimated level of required funding to support the planned growth, development and maintenance of the oil and gas field. The following expenditures are budgeted for 2014 and beyond:

- Based on results from the drilling of the exploration well into the Minidiogboro prospect, the Group plans to continue exploration and evaluation activities throughout the course of 2014. Budgeted expenditure associated with the project is estimated to be $7.4 million.

OML 56 - Ebendo Marginal Field

Background

The Group holds a 42.75% working interest in the Ebendo field area with acreage size of 65 km2 carved out from OML 56. The field was awarded by the Federal Government of Nigeria during the marginal field allocation round in 2003. The asset is operated by Energia Ltd.

After losses, oil and gas production (gross, WI) from the Ebendo Field in 2013 averaged at 671 bbls/d of light oil plus 2.5 Mscf/d of sales gas, representing a 14% increase in production due to additional well capacity and the optimisation of crude storage and injection. Net of losses, average oil production also increased by 14% compared to the previous year.

As at December 31, 2013, there were four production wells on the Ebendo field. Three wells were active producers in 2013. OER's total oil and gas production attributable to its working interest for 2013, net of crude oil losses, was 0.4 MMboe (0.24 MMbbls.of light oil plus 871 MMscf of natural gas). In 2013, The Group's share of total losses on Ebendo oil production amounted to 0.08 MMbbls.

Capital Projects

Ebendo oil production is currently evacuated to a third party gathering facility at Umusadege and then, via the Kwale-Akri pipeline, to the NAOC JV crude oil transportation infrastructure for export at the Brass River Terminal. The asset experienced notable downtime in 2013 and 2012 due incidents of sabotage and crude oil theft on the export pipeline. In 2013, NAOC allocated crude oil losses of 25% to the production from the Ebendo field (2012 – 17%).

In addition to losses experienced due to crude oil theft and sabotage, the current evacuation route through the Kwale-Akri pipeline is subject to capacity restrictions on the volumes of oil that can be transported. In an effort to increase pipeline capacity, evacuation options and to reduce losses from theft and sabotage, the Group is involved in the construction of an alternative 45,000 bbls/d, 51km pipeline. The Umugini pipeline will provide an alternative evacuation route through the Trans Forcados export pipeline. The Trans Forcados export pipeline will deliver crude oil from to the Forcados export terminal operated by Shell. To date the Group has contributed $3.72 million for their share of costs. Construction was suspended at the start of the third quarter of 2013 due to rising water levels in the seasonally flooded areas of the terrain over which the pipeline is being constructed. The pipeline is now expected to be completed by November 2014. It is expected that capital expenditures of $4.33 million will be required from the Group to complete the pipeline. Negotiations regarding the crude handling agreement with the pipeline and export terminal operators are ongoing.

In addition to the pipeline construction, the Group spent $19.1 million on completing wells Ebendo 5 and Ebendo 6 on OML 56. The well discovered two shallow reservoirs (XIIa and XIII sands) and encountered five hydrocarbon bearing reservoirs (XV, XVI, XVII, XVIIIa and XVIIIb). The Ebendo 6 well was perforated on levels XV and XVI respectively, completed as a dual string on both sands. Both wells have been suspended pending the completion of the Umugini pipeline.

Budgeted Capital Expenditure

The capital expenditure budget of $22.73 million represents the estimated level of required funding to support the planned growth, development and maintenance of the oil and gas field. The following expenditures are budgeted for 2014 and beyond:

- The capital expenditure budget includes additional costs of $4.33 million associated with the construction of the Umugini Pipeline. The pipeline is expected to be completed in November 2014.

- The capital expenditure budget also includes $8.7 million for drilling of Ebendo 7, which is expected to occur during the second quarter of 2014. In addition, $9.7 million is to be spent throughout the course of 2014 on other capital construction commitments on various completion works and maintenance.

OML 90 - Akepo Field

Background

The Group holds a 40% working interest in Akepo on OML 90. Sogenal is currently the operator of the field and OER is the technical partner. The Akepo field is located in shallow water in the Niger Delta, on an area of 26 km2 carved out of OML 90. The original discovery wells on the Akepo (Akepo 1 and 1st) were drilled in 1993 by Chevron. The Akepo 1 ST well was later successfully re-entered and completed in December, 2009.

Capital Projects

The Group, with its partner, successfully re-entered and tested the suspended Akepo-1 ST well. Drill stem tests proved flowing hydrocarbons in all the three targeted reservoirs. The Akepo-1 ST was completed as a two-string multiple on two of the three zones, with the third zone selective on the long string. Following the completion, the Akepo-1 ST was successfully flow tested on D6 sand. The well is now suspended, awaiting completion of field development.

The Group, with the operator, had originally commenced negotiations with the Nigerian Agip Oil Company ("Agip") to evacuate the oil to Agip's Benigboye facility through a 5km onshore and 10km offshore pipeline that was required to be newly constructed. As a result of unforeseen issues with the contractor selected to construct the pipeline (insolvency of contractor), the Group revised its field development plan to include the use of barges to transport crude oil production to Chevron export terminal at Escravos rather than through the pipeline to the Agip Beneboye facility.

Budgeted Capital Expenditure

The capital expenditure budget of $3.2 million represents the estimated level of required funding to support the planned growth, development and maintenance of the oil and gas field. The following expenditures are budgeted for 2014 and beyond:

- The capital expenditure budget includes $3.2 million to develop an evacuation route for crude production from OML 90. As mentioned above, the evacuation plan includes the use of barges to transport crude oil production to the Chevron Escravos Terminal. It is expected that these costs will be incurred by the second quarter of 2014.

OML 13 - Qua Ibo Field

Background

The Group owns a 40% participating interest in the Qua Ibo Field. The license covers an area of 14 km2, carved out from OML 13. The transfer of the Group's interest remains subject to approval by the Nigerian Minister of Petroleum Resources. Approval of the Nigerian Department of Petroleum Resources was obtained in October 2012. The field is operated by Network Exploration and Production Nigeria Limited ("**NEPN**").

In the event that the consent of the Nigerian Minister of Petroleum Resources is not obtained, the Group shall be entitled to certain economic interests in the Qua Ibo Field. If the economic interests are for any reason unenforceable, then the Group is entitled to be reimbursed by NEPN in respect of all the disbursements, costs and contributions made by the Group in respect of the development and operation of the Qua Ibo Field. Separately, pursuant to the terms of the Farm-In Agreement, the Group has the option and right to acquire up to a 40% interest in the share capital of NEPN at an aggregate subscription price of $1 which, so long as the economic interests are valid and effective, bear no economic rights or obligations and shall, if the economic interests become invalid and ineffective, entitle the Group to 40% of the economic rights and benefits in all distributions of NEPN.

Capital Projects

There are two main reservoirs targeted for development, namely D5 and C4. D5 reservoir contains light oil while C4 reservoir contains heavy oil. A successful production test was conducted on D5 reservoir. A drill stem test was attempted on C4 but the well was unable to flow because the screens plugged-up with sand during the well-test. The well was subsequently completed with sand exclusion screens and an electrical submersible pump, the latter is an artificial lift device that will enhance production of the heavy crude.

Qua Ibo Marginal Field development phase 1 started with a drilling campaign in September 2012 and two (2) wells have been successfully drilled and completed; namely Qua Ibo-4 & Qua Ibo-3 ST1. Oil production from D5 reservoir is expected to commence in the fourth quarter of 2014 after the commissioning of the OER/NEPN crude processing facility which is currently ongoing and should be finalized in the second quarter of 2014. Production from the C4 reservoir will commence in Q1 2015.

Budgeted Capital Expenditure

The Group's working interest share of capital expenditure is up to $16.2 million, representing the estimated level of funding required to support the planned growth, development and maintenance of the oil and gas field. The following are the working interest share of expenditures as budgeted for in 2014 and beyond:

- $8.5 million to be spent over 2014 on a crude processing facility; and
- Contingently, $7.7 million could be spent in the second quarter of 2014 for drilling and completions works on Qua Ibo 5

About Oando Energy Resources Inc. (OER)

OER currently has a broad suite of producing, development and exploration properties in the Gulf of Guinea (predominantly in Nigeria) with current production of approximately 3,946 barrels of oil per day as of December 2013. OER has been specifically structured to take advantage of current opportunities for indigenous companies in Nigeria, which currently has the largest population in Africa, and one of the largest oil and gas resources in Africa.

Cautionary Statements

More information about the Company's oil and gas assets, including cautionary language regarding the estimation of reserves and resources, can be found in the most recent Form 51-101F1 filed under the Company's profile on SEDAR at www.sedar.com. "Gross" or "gross" means, when used in relation to production, reserves and resources, OER's working interest share of production, reserves and resources before deduction of royalties. "Net" or "net" means, when used in relation to production, reserves and resources, either OER's working interest share of production, reserves and resources after deduction of royalties or OER's entitlement to production reserves and resources after deduction of royalties and PPT for production sharing contracts. In relation to OER's interest in wells, "Net" or "net" means the number of wells obtained by aggregating OER's working interest in each of its gross wells. In relation to OER's interest in property, "Net" or "net" means the total area in which OER has an interest multiplied by the working interest owned by OER. "WI" means with respect to interests governed by a JOA, PSC, farm-in agreement or farm-out agreement, the undivided interest of such party (expressed as a percentage of the total interests of all parties in the contract) in the rights and obligations derived from such contract, which may be an operating or non-operating interest.

Oil and Gas Equivalents

Production information is commonly reported in units of barrel of oil equivalent ("boe" or "Mboe" or "MMboe") or in units of natural gas equivalent ("Mcfe" or "MMcfe" or Bcfe"). However, boe's or Mcfe's may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf = 1 barrel, or a Mcfe conversion ratio of 1 barrel = 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. Readers are cautioned that boe may be misleading, particularly if used in isolation.

Forward Looking Statements:

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “objective”, “ongoing”, “may”, “will”, “project”, “should”, “believe”, “plans”, “intends” and similar expressions are intended to identify forward-looking information or statements. In particular, this news release contains forward-looking statements relating to intended acquisitions.

Although the Company believes that the expectations and assumptions on which such forward-looking statements and information are reasonable, undue reliance should not be placed on the forward-looking statements and information because the Company can give no assurance that such statements and information will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties.

Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: risks related to international operations, the actual results of current exploration and drilling activities, changes in project parameters as plans continue to be refined and the future price of crude oil. Accordingly, readers should not place undue reliance on the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhaustive.

Additional information on these and other factors that could affect the Company’s financial results are included in the Financial Statements, MD&A, Form 51-1-1F1 and other documents filed with applicable securities regulatory authorities and may be accessed under the Company’s profile on the SEDAR website (www.sedar.com). The forward-looking statements and information contained in this news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.
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