

NEWS

Oil & Gas

IOCs' assets sell-off tasks capacity of local operators

Dipo Oladehinde

THE quest by oil majors to divest their stakes from troubled Nigerian onshore operations may expose the financial and technical capabilities of local companies in meeting the country's ambitious target of realising four million barrels per day oil production and 40 billion crude oil reserves in the near future.

The Nigerian oil and gas industry has in the past two decades seen a surge in the number of indigenous players, buoyed by the Federal Government's initiatives and divestment of assets by International Oil Companies (IOCs) operating in the country.

A number of indigenous operators have emerged as key players in the industry, with more access to oil and gas assets on the back of the government's marginal field programme and recent divestments by the IOCs.

These indigenous companies have proven their mettle by scaling up production capacity significantly over the past five to seven years.

They have made rapid gains on their IOCs counterparts in terms of technical expertise and finance capability.

For instance, after Aieto's audaciously purchased Oil Mining Lease (OML) 29 in 2015 for \$2.8 billion, reputed to be Shell's biggest onshore producing asset in Africa following an open and competitive world-class bid, the company's successfully ramped up crude production from an average of 23,000 bpd to 90,000 bpd.

Nigeria's largest listed oil & gas firm by market value, Seplat Energy Plc, currently produces about 48,000 to 5,000 barrels of oil equivalent per day and also supports the government on completion of the Amukpe to Escravos pipeline.

In the first half of 2021, Seplat Energy completed the Oben-50 and Oben-51 gas wells, which are now producing at a combined rate of 60 MMscfd of gas and 4,000 bopd of condensates.

Similarly, Oando Energy Resources (OER) is currently producing an average of 43,000 barrels (6,800 cubic metres) per day of oil equivalent. Nestoil, another indig-

enous oil firm, is the largest indigenous Engineering, Procurement, Construction & Commissioning (EPCC) service provider for IOCs in Nigeria & Sub-Saharan Africa.

Same cannot be said of Erin Energy and Savannah Petroleum. Both mid-sized firms continue to gasp for breath due to losses over major assets acquired.

Joe Nwakwue, chairman of Society of Petroleum Engineers (SPE) observed that some indigenous operators have been able to raise capital to acquire seemingly marginal assets from IOCs and have maintained production levels.

"Local operators have even been able to poach top talent from IOCs and are excellently run. This has contributed positively towards increasing the percentage of Nigerian production coming from local operators," he added.

Charles Akinbobola, energy analyst at Lagos-based Sofidam Capital is optimistic about the prospects of indigenous players, particularly their tenacity in the face of challenging macroeconomic headwinds.

MAY AND BAKER NIGERIA PLC Rc.558

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE, 2021

The Board of Directors of May and Baker Nig. Plc. hereby announce the following unaudited interim consolidated and separate financial results for the second quarter ended 30 June, 2021

	The Group		The Company	
	6 Months June 2021	6 Months June 2020	6 Months June 2021	6 Months June 2020
	N'000	N'000	N'000	N'000
Continuing operations				
Revenue	2,821,719	5,524,848	2,242,957	4,072,366
Cost of sales	(1,558,293)	(3,113,283)	(1,089,495)	(2,480,285)
Gross profit	1,263,425	2,411,565	1,153,462	1,592,081
Other operating income/(Loss)	(15,491)	(86,864)	(13,431)	(19,855)
Distribution, sales and marketing expense	(396,316)	(845,852)	(334,414)	(618,744)
Administrative expenses	(50,808)	(542,049)	(189,834)	(255,737)
Operating profit/(loss)	800,811	936,790	615,783	687,745
Interest income	34,058	17,177	4,797	6,917
Finance costs	(70,256)	(117,522)	(33,695)	(41,342)
Share of Loss of Joint Venture	(8,795)	(19,785)	(4,403)	(7,899)
Profit/(Loss) before tax	485,798	816,688	582,482	645,421
Current tax expense	(144,895)	(261,306)	(186,394)	(296,535)
Profit for the year	340,903	555,382	396,088	348,886
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss				
Asset revaluation gain net of tax	307,902	555,274	396,088	438,886
Total comprehensive income	648,805	1,110,656	792,176	787,772
Basic (kobo per share) from continuing operation	17.85	32.19	22.96	25.44
Diluted (kobo per share) from continuing operation	17.85	32.19	22.96	25.44

All the profit of the Group is attributable to Owners of the Parents as there are no non-controlling interests.

By Order of the Board,

Marina Nomines Limited
Company Secretaries
FRC/2013/ICSAN/00000003280
Lagos, Nigeria
28 July, 2021.

May & Baker Nig. Plc. 1, May & Baker Ave. off Idi-Iroko Rd. Ota, Ogun State, Nigeria
For the detailed unaudited Financial Statement for the period, please visit www.may-baker.com

BETA GLASS PLC
RC No 13215
NOTICE TO SHAREHOLDERS

STATEMENT TO THE NIGERIAN EXCHANGE AND SHAREHOLDERS ON THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021

STATEMENT OF FINANCIAL POSITION AS AT

	30 June 2021	31 December 2020
	N'000	N'000
Non - Current assets:		
Property, plant and equipment	22,143,560	22,108,397
Right-of-use assets	109,322	38,928
Intangible assets	14,771	16,980
Total Non - current assets	22,267,653	22,164,305
Current assets:		
Inventories	9,693,887	7,454,229
Trade and other receivables	12,429,682	12,746,846
Cash in hand and at bank	14,521,466	11,598,254
Total current assets:	36,645,035	31,799,329
Total assets	58,912,688	53,963,634
Liabilities		
Non-current liabilities		
Deferred tax liabilities	1,961,617	1,961,617
Total non-current liabilities	1,961,617	1,961,617
Current liabilities:		
Borrowings	4,123,416	4,120,895
Trade and other payables	10,161,654	8,178,695
Current income tax liabilities	2,514,708	2,386,694
Dividend payable	126,015	126,015
Total current liabilities	16,945,793	14,812,299
Total liabilities	18,907,410	16,773,916
Equity:		
Issued share capital	249,986	249,986
Share premium	312,847	312,847
Other reserves	2,429,942	2,429,942
Retained earnings	37,012,503	34,196,943
Total equity	40,005,278	37,189,718
Total equity and liabilities	58,912,688	53,963,634

The Unaudited interim financial statements were approved and authorised for issue by the Board of Directors on 28th July 2021 and were signed on its behalf by:

Darren Bennett-Vocci
Managing Director

Dhaikonda Shanker
Chief Financial Officer

Beta Glass has a dedicated investors' portal on its corporate website for the detailed financials which can be accessed via this link: <https://www.frigoglass.com/beta-glass-investors>
The Company's Investors' Relations Officer can also be reached through electronic email at sdhanikonda@frigoglass.com or telephone on +234 19063203 for any investment related enquiry.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2021

	April-June 2021	30 June 2021	April-June 2020	30 June 2020
	N'000	N'000	N'000	N'000
Revenue from contract with customers	7,580,567	15,581,923	4,269,780	11,337,704
Cost of sales	(5,391,422)	(10,801,161)	(4,233,380)	(9,314,307)
Gross Profit	2,189,145	4,780,762	36,381	2,023,397
Other income	315,932	462,807	90,636	179,852
Selling and distribution expenses	(36,983)	(87,231)	(28,895)	(72,821)
Administrative expenses	(476,890)	(916,296)	(353,895)	(783,850)
Operating Profit	1,991,214	4,240,042	(255,773)	1,346,578
Foreign exchange gain	(132,927)	(184,755)	8,866	397,197
Finance income - net	47,231	85,242	98,107	204,992
Profit before taxation	1,805,518	4,140,529	(148,801)	1,948,767
Income tax expense	(609,765)	(1,324,969)	47,617	(623,605)
Profit after tax for the period	1,295,753	2,815,560	(101,184)	1,325,162
Other comprehensive income:				
Other comprehensive income for the year-net of tax				
Total comprehensive income-net of tax for the period	1,295,753	2,815,560	(101,184)	1,325,162
Basic and diluted EPS (Naira)	2.59	5.63	-0.20	2.65

STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2021

	30 June 2021	30 June 2020
	N'000	N'000
Cash flows from operating activities		
Cash generated from operations	5,213,759	2,688,323
Tax paid	(1,196,955)	-
Net cash generated from operating activities	4,016,804	2,688,323
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,352,855)	(1,286,542)
Purchase of right-of-use asset	(144,886)	(139,719)
Proceeds from disposal of property, plant and equipment	105,817	2,243
Interest received	223,016	321,522
Net cash used in investing activities	(1,168,908)	(1,102,496)
Cash flows from financing activities		
Proceeds from short term borrowings	1,656,802	4,349,785
Repayment of term borrowing	(1,654,281)	(2,583,871)
Interest paid	(137,774)	(116,530)
Dividend paid	-	-
Net cash (used in) / generated from financing activities	(135,253)	1,649,384
Net increase in cash and cash equivalents	2,712,643	3,235,211
Effect of exchange rate changes on cash and cash equivalents	210,569	-
Cash and cash equivalents at 1 January	11,598,254	10,183,744
Cash and cash equivalents at 30 June	14,521,466	13,418,955