

PETROLIN GROUP

COMMUNICATION ON PROGRESS REPORT

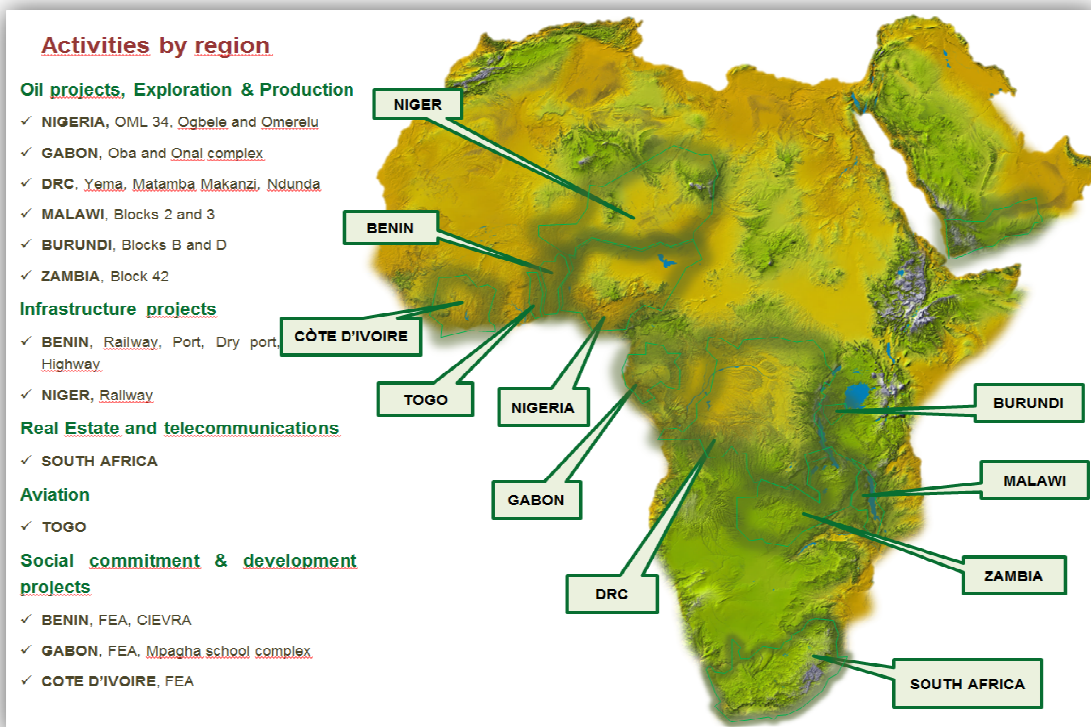
2015

A) INTRODUCTION :

PETROLIN is an international group active in the petroleum and energy industries with a diversification strategy focused on the promotion and development of Pan-African regional infrastructures projects.

The Group is engaged in:

- Crude Oil Trading
- Oil and Gas Exploration and Production
- Promotion and development of regional infrastructure projects in Africa, most notably rail, port and airport development.



Whilst crude oil trading was its core business, the Petrolin Group quickly moved upstream and into other ventures in Africa. Although based in Switzerland, the Group is deeply engaged in Nigeria, South Africa, Benin, Togo, Congo, Côte d'Ivoire, Gabon, the DRC, Burundi, Malawi and Zambia, in a wide spread of interests including hydrocarbons upstream, telecommunication, real estate, aviation and infrastructure as detailed below.

B) BUSINESS OPERATIONS OVERVIEW

In the Crude Oil Trading, Petrolin operates in this area as a Trader of petroleum products.

In the Oil and Gas Exploration and Production, as non-operator, Petrolin Group is active either directly, through stakes it holds in blocks, or indirectly through participations in first class oil companies.

In Nigeria, the Group owns:

9.71% interest in Niger Delta Exploration and Production Plc, (www.ngdelta.com) operating, through its subsidiary NDPR Ltd, two marginal oil fields, Ogbele and Omerelu, two marginal oil fields, located in respectively in onshore blocks OML 54 and OML 53.

40% interest in ND Western Limited, (www.ndwestern.com) a company holding 45% interest in OML 34, an onshore producing license

8.64% interest in Seplat Petroleum Development Company, (www.seplatpetroleum.com) a Nigerian company listed both on the London stock Exchange market and on the Nigerian Stock Exchange Market. Seplat's portfolio in the Niger Delta area comprises six blocks

Elsewhere in Africa, Petrolin Group owns

44,33% interest in Surestream Petroleum Ltd, (www.surestream-petroleum.com) a UK company with exploration assets in Democratic Republic of Congo, Malawi, Burundi and Zambia.

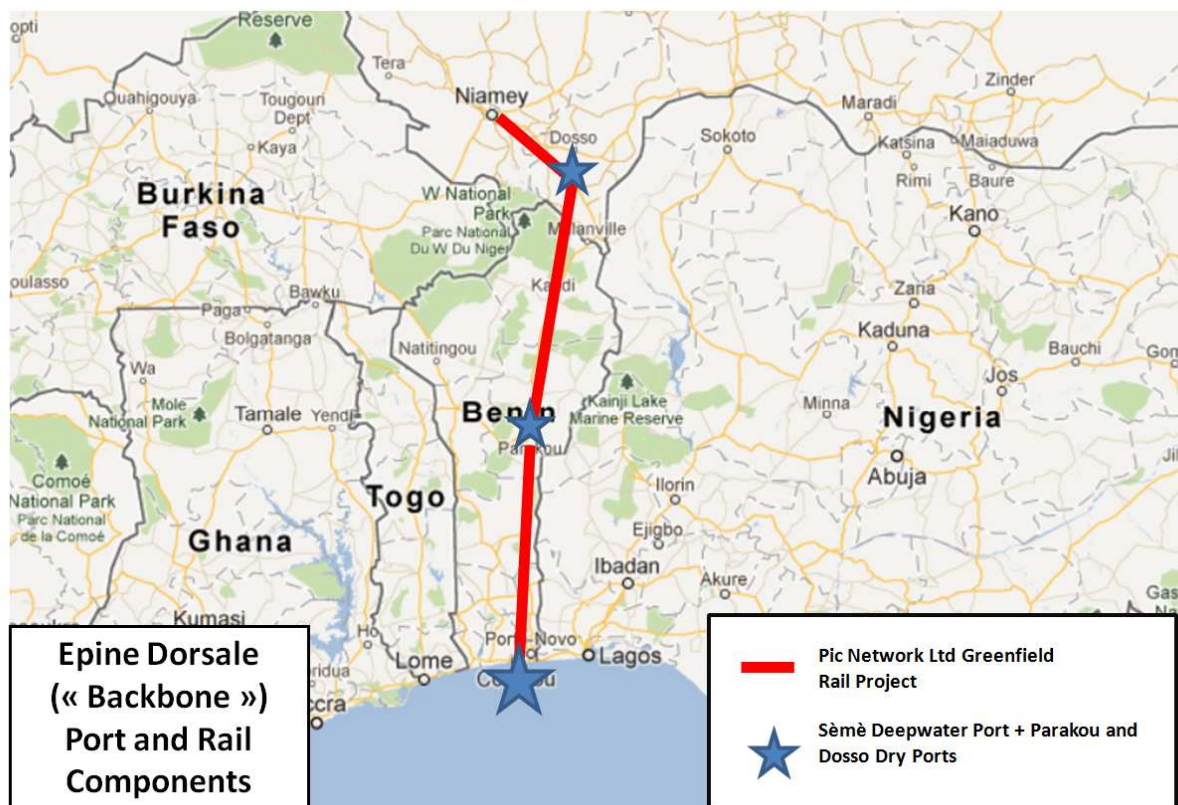
Apart from economic or financial reasons, in choosing these companies to invest in, Petrolin Group takes into consideration the human rights, corruption/transparency and environmental situations of the said companies.

In the promotion and development of regional infrastructure projects in Africa,

Joint development agreements between the Republic of Benin and its neighbours led the authorities of Benin, in consultation with those of Niger, to promote an infrastructure development programme based on the “backbone” concept devised by Mr. Dossou-Aworet, Petrolin Group’s founder.

The Backbone Project is an innovative endeavour that includes a number of major infrastructure projects for the sub-region:

- The construction and exploitation of a new deep water port in Sèmè-Kpodji, located on the border between Nigeria and Benin
- The rehabilitation and exploitation of the existing railway line Cotonou-Parakou, the construction and exploitation of new railway lines from Parakou to Niamey (Niger) and the possible extension to the port, the airport and possibly even to Lagos (Nigeria)
- The construction and exploitation of a dry port as a multimodal logistic platform
- The construction and exploitation of a new international airport in Krake on the border between Nigeria and Benin
- Various ancillary and related infrastructures



C) STATEMENT OF SUPPORT OF THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT :

(Please see the attached letter to the United Nations' Secretary - General)

D) HUMAN RIGHTS :

Since 1994, Petrolin Group has been actively engaged in humanitarian and social activities in Africa. The most salient strength of the Petrolin Group in the realm of HSE aspects is certainly its "Fondation Espace Afrique", a NGO recognised as a public utility organisation by the authorities of the Canton of Geneva (Switzerland) in 1996 and by the Republic of Benin's government in 2004. .(www.f-espaceafrique.com)

A portion of Petrolin Group's profits is earmarked as a contribution to help improve the social conditions of disadvantaged rural populations in Africa.

These funds have allowed Fondation Espace Afrique to build boarding schools, clinics and provides free education and medical care in African rural communities

The objectives of the foundation are as follows:

- To work for the humanitarian and social development of the African continent in pan-African perspective for the reduction of poverty,
- to promote the autonomy and self-sufficiency of African populations,
- to preserve and develop African traditions, knowledge and expertise,
- to foster the active participation of the African private sector in Africa's development,
- to encourage partnerships between international development practitioners and players
- and to instil a spirit of cooperation that goes beyond clan and cultural barriers.



Fondation Espace Afrique finances and operates projects and initiatives in Côte d'Ivoire, Benin, Gabon, Congo, Nigeria, Burkina-Faso, South Africa as well as projects at the Pan-African level.



CIEVRA (Center for Experiments and Valorisation of African Resources) is a state of the art research facility created by Fondation Espace Afrique in the Benin Republic to develop the autonomy of rural populations through implementation of research project for development of organic farming, agro-food and health initiatives .



E) LABOUR :

Petrolin Group supports and respects the internationally recognised labour standards, including freedom of association and the right to collective bargaining , freedom from forced labour and child labour, non-discrimination and equal opportunities

Petrolin Group upholds the highest labour standards. Gender equalities and skill management are key in this respect.

During the reporting period, Petrolin Group has received no grievances or complaints from employees or others in relation to potential labour rights violation, nor was the organisation involved in any labour rights incidences.

F) ENVIRONMENT :

As mentioned above, Petrolin is involved in the areas of Trading and Exploration and Production, and infrastructure development and has developed policies that ensure care of the environment as follows :

- In the Crude Oil Trading, Petrolin operates in this area as a Trader but it does not own the oil at any moment and does not have its own storage facilities. The Group is also not directly involved in the transportation of oil and as such the environmental or social impacts it might have is less than those of oil companies that are engaged in actual field operations.

- In the Oil and Gas Exploration and Production, Petrolin Group is active, as non operator, either directly, through stakes it holds in blocks, or indirectly through participations in first class oil companies, and we are committed to the environment.

Among several examples which can illustrate the commitment of Petrolin Group's partners to develop environmentally friendly production methods, NDPR Ltd was recently selected for an award recognising its significant contribution towards global gas flaring reduction by the World Bank Group and the Global Gas Flaring Reduction Partnership (GGFR).



➤ In the promotion and development of regional infrastructure projects in Africa,

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These projects are currently at the stage of feasibility studies. Each of the components of this development program is governed by good governance practices with an environmentally friendly outlook.

The Petrolin Group has formed PIC Network Limited, a new subsidiary which undertook all preliminary studies, at its own expense. These studies have included environmental impacts on each component of the project and has helped strengthen the Republic of Benin's decision to support a regionally integrated and cohesive transport infrastructure scheme (the "Backbone Project").

G) ANTI-CORRUPTION :

With its headquarters in Switzerland and partnering often with reputable large companies in its projects, from its inception, Petrolin Group has adopted, a code of business conduct covering internationally recognised standards for anti-corruption. Petrolin Group has also developed a standard on its expectations of the behaviour, in any circumstances, of its employees, business partners, contractors and suppliers. The guidelines on gifts, avoidance of corruption and conflict of interests have been presented to all its employees.

In line with these guidelines and for its oil trading business, Petrolin Group was providing marginal fields producers with a structure through which small quantities of oil are regrouped into marketable –sized cargoes. Sales were made via international tenders to major refiners in the US-Caribbean and European market in order to avoid external pressures and to get the best price possible for crude oil suppliers through a transparent transaction.