

Overview 2016



2016: a year of consolidation

2016 was a year of consolidation for AOG, as steps taken to adapt to a challenging environment began to bear fruit.

Oryx Energies performed well; Oryx Petroleum commenced pipeline exports and adjusted its cost structure to improve financial performance; and we transferred majority ownership of Addax Bioenergy to a group of investors set to take the operation to full commercial success.

At the same time, our real estate business delivered another successful year.



Oryx Energies: focus on downstream



Our integrated trading and downstream platform, Oryx Energies, performed well in 2016.

The trading arm achieved a second consecutive year of outstanding results, as trading volumes remained high on the back of low oil prices and increased demand.

We focused our downstream arm on retail (branded service stations and specialised outlets) to increase the availability of fuel, Liquefied Petroleum Gas (LPG) and lubricants across sub-Saharan Africa. Key accounts also did well. Together, they leveraged the significant investments of the past three years, which expanded storage and distribution capacities in all product areas. Investments continued in 2016, albeit at a slower pace.

Key developments included:

- Completion of an 18-month LPG expansion program in Tanzania that added storage depots and filling plants around the country, together with the country's first LPG cylinder requalification plant, putting quality assurance close to the growing LPG business.
- Sponsorship of the 2016 Africa LPG Summit, dedicated to removing barriers to LPG growth and distribution in Africa, as we continued to promote LPG as a cleaner,

healthier and more ecological energy alternative for consumers and businesses on the continent.

- Introduction of franchised lubricants stores in Tanzania, creating jobs and contributing to government efforts to eradicate poor quality, counterfeit lubricants that were damaging vehicles, state revenues and the environment.
- Extension of Oryx Energies' network of service stations, with 30 new sites in Burkina Faso, Côte d'Ivoire, Kenya, Mali, Senegal, Tanzania, Uganda and Zambia.

We are also pleased to have reaped the benefits of our strategic oil terminal in Las Palmas, while taking vigorous action to ensure the success of our new jetty in Sierra Leone, our retail business in Benin (Pia Market) and our LPG operations in South Africa.

Finally, we are pleased and proud to have been awarded a multi-site triple certification for quality (ISO 9001: 2015), environment (ISO 14001: 2015) and health and safety (OHSAS 14001: 2007), becoming the first oil products company to achieve this. The certification applies to trading and downstream activities at Oryx Energies' headquarters in Geneva and its seven most important subsidiaries in Benin, Côte d'Ivoire, Senegal, South Africa, Spain/Las Palmas, Tanzania, Togo.

Addax Bioenergy: transfer of majority ownership



In 2016, we transferred majority ownership (75.1%) of our pioneering sugarcane bioethanol and green electricity operation, Addax Bioenergy (SL), to a group of investors led by Sunbird Bioenergy Africa Limited.

Launched in 2008, the Greenfield project began bioethanol and electricity production in May 2014 and made first sales in early 2015. A series of unforeseen events, including the dramatic Ebola outbreak in 2014, had a significant impact on initial plans, and we decided to downscale the operation in June 2015 and review all options for the future.

We are proud of the way we handled the challenges and stuck to our principles and commitments to the local community. The decision to transfer majority ownership was a difficult but realistic one, taken with the conviction that it was the right thing to do to enable the operation to reach the goals that we had set ourselves for sustainable success.

The transfer was supported by H.E. the President of Sierra Leone and operations are expected to restart in early 2017.

The project was recognised as a model of sustainable development. It followed the highest sustainability standards, introduced innovations like Acknowledgement Agreements and registration of communal land rights for the first time to enable direct lease payments to landowners, in addition to the traditional Land Lease Agreements, and trained over 3,000 farmers under an expanded Farmer Development Program. It was also the first operation in Africa to receive a biofuels certification from the Roundtable on Sustainable Biomaterials (RSB) and the first in the country to be registered as a Clean Development Mechanism (CDM) project under the UN Framework Convention on Climate Change (UNFCCC).

With a 24.9% share in the operation, we will continue to follow its development as part of AOG's Capital Investment portfolio and we wish it every success.

Oryx Petroleum: expanded exploration, production and sales



Oryx Petroleum further developed oil exploration, production and sales, during the year.

At the Hawler license area in the Kurdistan Region of Iraq, the Demir Dagh oil field commenced exports via pipeline in March and produced its first light oil, adding to the crude produced there since 2014. At the Zey Gawra oil field, the first crude oil production and exports were achieved in December, further expanding overall production and sales.

At the AGC Central license area, offshore Senegal and Guinea Bissau, the exploration period was extended and a seismic survey was conducted, with a view to delineating the potential in this exciting region.

At the same time, we strengthened Oryx Petroleum's financial position with funding from a new shareholder, Zeg Oil and Gas, which acquired a 30% stake in the company. Moreover, aggressive restructuring efforts resulted in substantial cost reductions.

These steps, together with the commencement of pipeline exports, steady production and improved price realisations, enabled Oryx Petroleum to achieve positive gross profits per barrel (netback) from Q2 2016 and to significantly reduce its net cash outflow and net loss for the year.

AOG Real Estate: rebalancing our portfolio



In 2016, we pursued our Internal Rate of Return (IRR)-driven strategy, investing in three new real estate projects. These included our first two projects in Spain, where we invested with Emerige and other partners. At Calle Pajaritos, in Madrid, we are building a residential complex with 61 apartments and at Calle General Yagüe, also in Madrid, we bought a site where we are constructing an apartment block with 105 units and a retail space. Both projects should be completed in 2018. In Paris, working with Emerige, we acquired 90% of a site development at Ile Séguin in Boulogne-Billancourt.

In anticipation of the potential currency effects of the UK referendum, we took advantage of market highs to sell three of our London properties at Brook Street, Hanover Street and Bishopsgate, at record capitalisation rates.

Property developments advanced according to plan at Cannon Street and Bow Street in London, and at Maillol and Quai Ouest in Paris, all of which are due for completion in 2017.

Our income-generating assets in Geneva and Malta continued to perform well, as did the Group's indirect property investment portfolio in north America, managed by Brookfield Asset Management.

The dynamic management of our diversified real estate portfolio yielded another year of strong results. Since its creation in 2010, AOG Real Estate has contributed over \$450 million to AOG's bottom line.

2017: looking ahead



We expect to leverage our focus and adaptability to pursue our growth path in our energy and real estate businesses in 2017:

- Oryx Energies will continue to develop as a key player in the energy sector in sub-Saharan Africa, responding to the needs of consumers and businesses in the region;
- Oryx Petroleum is expected to expand oil production and sales from the Hawler license area, with an objective of achieving 12,000 to 15,000 barrels/day by the end of

2017, and to continue developing operations at the AGC license areas;

- AOG Real Estate aims to pursue its existing developments and to seek new opportunities, directly or through investments in Real Estate funds, in Europe and North America, with the same IRR-driven strategy.

I extend my sincere thanks to employees across the Group for their invaluable contribution to our development and my appreciation to all our partners and service providers, without whom we could not succeed.

Jean Claude Gandur
Chairman, AOG