We continue to focus on retail and innovation, commercial customer value adding solutions, transformation of our operations in line with international best practices, and prudent management of operating expenses as the key cornerstones of our business in Botswana.

We remain optimistic about the operating environment and continue to improve our long term strategic plan to drive the business model and continue to maintain our position as one of the leading oil companies in Botswana.

We recognize the commitment of our lenders to the company, and therefore one of our key objectives is to ensure that the company delivers long term, sustainable and robust performance value to our shareholders as reflected in average earnings per share and low gearing.

The group results, talked below, verify the success of the company’s business model under challenging global conditions affecting the market. The group results are underpinned by a strong focus on our key success issues of Integrity, Performance, Teamwork, Empowerment and Ownership.

Financial Performance

Financial performance comments:

Revenue decreased marginally by 0.4%. Total sales volumes grew by 0.5% between 2013 and 2014. While the growth in volumes was marginally below the market growth of 1% due to the completion of some infrastructure developments, our products sold were competing against those of alternative suppliers. In this same period, the gross profit increased by 26.9% mainly due to the decline in international crude oil prices which overruled the ex-vessel prices during the course of the year to be below international Financial Reporting Standards.

Foreign exchange gains decreased from P 9.9 million at the end of 2013 to P 0.1 million at the end of 2014. This was due to the depreciation of the Botswana Pula against the South African Rand.

Overall the group’s performance reflects a 0.6% decrease in net profit after tax.

Operating Review

Most of our operational processes were within the planned parameters with the exception of the increase in inventory realisation losses which negatively affected our gross profit. International crude oil prices dropped from levels of US$ 112.82 per barrel at the beginning of 2014 to just under US$ 50.47, 52% below at the close of this year. This resulted in a consequential stop of booked product prices, resulting in the realisation of additional gains on cuts at the date of purchase. These were recouped in the prices in the early part of 2015.

Fuel supplies into Botswana continued to be stable with the addition of one more supply source from the south in South Africa. An agreement to distribute to our Botswana offices in Gaborone was with公益性 company supplying sulphur diesel fuel products, auto diesel products with the exception of Limited Petroleum Gas which was in stock supply for a period of three months during the pre-summer shutdown period.

The group continued the construction of four new retail outlets with one of the outlets starting in December 2014. The commissioning of the stores was delayed due to several minor delays being completed at the rate of 320,092 182,694.

Net cash flows from operating activities were P 125,088 128,202.

Cash and Cash equivalents at the end of the year were P 110,798 110,798.

SEGMENT INFORMATION

For the year ended 31 December 2014

Profit & Loss Account

2014 2013 Change

P’000 P’000 P’000

Revenue 2,621,681 2,621,681 0

Net cost of sales (649) 17,198

Gross profit 2,592,532 2,504,493 88,039

Depreciation (30,342) (30,342)

Profit before finance costs and tax 125,088 128,202

After tax provision (125,088) (128,202)

Profit for the year attributable to equity holders of the parent company (3,771) (5,598)

Net profit attributable to the parent company 395,799 291,484

Loss attributable to non-controlling interests (3,771) (5,598)

Note: The above results are from the audited IFRS financial statements.

SUPPLEMENTARY REPLACEMENT COST STATEMENT for the year ended 31 December 2014

Reconciliation of replacement cost net profit attributable to equity holders of the parent company to profit for the year attributable to equity holders of the parent company.

2014 2013 Change

P’000 P’000 P’000

Net profit attributable to the parent company 395,799 291,484 104,315

Profit attributable to non-controlling interests (3,771) (5,598) (1,827)

Replacement profit attributable to the owners of the company 392,028 285,886 106,142

Independent Auditors’ Report

The independent auditors, Ernst & Young, have issued their opinion on the Group’s financial statements for the year ended 31 December 2014. The audit was conducted in accordance with international standards on Auditing. They have issued an unqualified audit opinion. These summarised financial statements have been derived from the Group’s financial statements and are consistent in all material respects with the Group’s financial statements. A copy of this audit report is available for inspection at the Group’s registered office.

Basis of Preparation and Accounting Policies

The financial statements have been prepared in compliance with the international Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). Interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and the requirements of the Companies Act of Botswana Companies Act, 2003.

Executive Comments

The group released a overview of our financial performance for the year ended 31 December 2014.

The Health, Safety and Environmental infrastructure for the year under review were met and in many cases exceeded. This continues to be a key focus area in our business and there is ongoing attention to our behaviour that will incorporate HSE standards.

As part of the Corporate Social Investment program the group donated a library to a primary school in Serowe.

Dr T Njoba (Chairman) 24 March 2015

Declaration of Final Dividend of 0.47

Dividend in arrear, given that a final cash dividend of 0.17c per share in respect of the year ended 31 December 2014 has been declared payable to ordinary shareholders registered in the book of the company on the close of business on 30 April 2015.

In compliance with the requirements of the Income Tax Act, withholding tax at the rate of 7.5% will be deducted from the company’s dividends.

As a shareholder we make the request to keep any changes in the payment of your dividend that you consider appropriate to a written request to the company’s Secretary on or before 21 April 2015.

C G Monga (Managing Director)