



IFRS UPDATE FOR NIGERIAN OIL and ENERGY PRODUCERS IMPERATIVE FOR GROWTH

WELCOME FROM THE PRESIDENT OF ISSUES CENTRAL, INC. (TORONTO, CANADA) AND IFRS PARTNER LIMITED (LAGOS, NIGERIA)

On behalf of the teams at Issues Central, Inc. and George Agu's team at ActivEdge Technologies Limited we would like to thank the Nigerian oil and energy sector for welcoming our line of IFRS services, IFRS transition workshops, and IFRS transition and reporting software (IFRS PARTNER). You have made the IFRS PARTNER brand the Number # 1 solution for Nigerian companies as they transition from Statement of Accounting Standards (SAS) to International Financial Reporting Standards (IFRS).

Since 2010 November, we have taken great pride in the hundred of wonderful Nigeria customers and many regulators who have participated in our unique brand of IFRS capacity building workshops.

Since January 2008, we have worked with oil and energy companies around the world to affordably and rapidly convert to IFRS. With hundreds of customers in the oil and energy sector in Canada, we have proven results in this sector to share with the Nigerian oil and energy companies. Our work with many of you in IFRS Capacity Building in IFRS for oil and energy sector in Lagos in March 2011. Companies such as Niger Delta Petroleum have improved their understanding of the benefits and challenges of IFRS transition in our tailored interactive capacity building sessions designed for oil and energy producers.



Catherine Connally, CIA
President

To assure that Managing Directors, Board Members and Senior Management of oil and energy companies grasp the key impact areas of IFRS, we have conducted Executive Briefing sessions in August, September and October 2011 in Lagos and Abuja. These briefings have been focused on individual industries so that specific issues can be reviewed for oil and energy, insurance, pension funds, investment funds and mortgage and microfinance banking. These sessions have been attended by hundreds of executives.

The feedback has been extremely positive and has brought to the fore, the importance of executive focus on the impacts of IFRS. There are many decisions to be made in the adoption of IFRS. These decisions require the keen attention and deep understanding by executives so that the opportunity of this historical change for Nigeria is not squandered. *IFRS is necessary for foreign investment in indigenous oil and energy producers.*

Having introduced our exceptional proven methodology with the Nigerian Insurance industry since January 2011, we count among our customers those who have already begun to successfully meet Nigerian regulatory requirements producing their IFRS opening balance and reporting these new IFRS balances to regulators such as NAICOM. A growing list of clients have chosen the IFRS PARTNER "IFRS Transition Programs for Nigerian Insurers" to fully transition to IFRS. This list of clients includes firms such as Union Assurance, International Energy Insurance, Standard Alliance General, Zenith Insurance, Staco, Standard Alliance Life and more. We thank all of you!

The requirement to begin to provide IFRS compliant financial statements as of January 1, 2013 for the Nigerian oil and energy sector is a necessary move forward for the industry in order to provide enhanced financial reporting and greater transparency for investors.

To learn more about how your organization can affordably and rapidly transition to IFRS please contact either George Agu of ActivEdge Technologies (0803 958 2958) or Charley Best of IFRS PARTNER Limited (0813 306 1440). We look forward to serving you.



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COUNTDOWN TO IFRS - IMPORTANT IFRS DATES FOR THE NIGERIAN OIL & ENERGY SECTOR

To help the oil and energy sector manage the key dates for IFRS activities here is a brief reminder of some of the key requirements:

- **JANUARY 1, 2012** – Opening IFRS Transition Balance Sheet with IFRS vs. SAS Adjustments and IFRS 1 Note: 2012 is what is known as the transition year for IFRS in Nigeria and the requirements is to provide financial comparatives between SAS and IFRS beginning as of January 1, 2013
- **DECEMBER 31, 2012** – Last fiscal year-end for SAS reporting. Companies should be also be tracking their IFRS comparables all through 2012.
- **JANUARY 1, 2013** – The beginning of the first year of official IFRS reporting
- **MARCH 31, 2013** – The publication of March 31, 2012 financials will be the first time that the public will see your IFRS numbers as well as comparables for the 2012 time period (This is for listed companies).
- **DECEMBER 31, 2013** – The end of the first year of official IFRS reporting.

TYPICAL IFRS IMPACTS FOR NIGERIAN OIL AND ENGERY INDUSTRY

To help the oil and energy sector manage the key dates for IFRS activities here is a brief reminder of some of the key IFRS issues and impacts that your organization may face:

Typical IFRS Change Areas

- Property plant and equipment
 - The need to separate large property plant and equipment into its logical components and depreciate and track these components.
- Impairment
 - Classify and track all company assets into Cash Generating Units (CGU's) for purposes of evaluating impairment of assets measuring cash inflows.
- Provisions for Abandonment
 - Discounting abandonment provisions on accepted interest rates on a regular basis.



Abiola Fajimi, ACA leading IFRS Capacity Building, Sept 2011

- First-Time Adoption Considerations
 - Opening balance sheet impairment testing can affect balances that will require explanations to investors.
 - Extensive disclosures required under IFRS with respect to reclassification of tangible (fixed assets) and intangible (drilling etc.) costs on the face of the balance sheet.
 - Exploration For and Evaluation of Mineral Resources policy development considerations requiring consistent definitions in the absence of clear guidance under IFRS for petroleum accounting.

- Disclosures
 - This will be one of the greatest challenge areas for Nigerian oil and energy producers as IFRS brings a whole new meaning to disclosure – in other words – Lots of disclosures! Much more writing is required where every word counts. The principle-based nature of IFRS requires more detailed explanation to support management's view of the business and financial assumptions.
- Capacity Building – Training for a new standard
 - The need for Training is paramount. Training is cheaper than ignorance. Accounting and finance teams will need to be re-tooled to understand the new IFRS concepts which can vary significantly from SAS. With short timelines for Nigerian companies, transition projects must be coupled with capacity building to assure that on the date of IFRS financial statements, the people are trained and the systems and numbers are IFRS compliant.
- Systems Gap Analysis and Data Issues – Current Accounting Systems versus IFRS
 - IFRS policies and accounting standards that differ from SAS may in turn drive the requirements for additional or different data with respect to capture of components, cash generating unit reserves information, impairment testing details, and more. These changes in turn could have consequences for your current accounting and management systems as well as financial reporting and disclosure tracking.



GET YOUR IFRS PROJECT COMPLETED – LATEST FLIGHT OF “IFRS TRANSITION PROGRAM FOR NIGERIAN OIL AND ENERGY PRODUCERS” SET FOR “TAKEOFF” IN NOVEMBER 2011

We are pleased to announce that there will be a “flight of our industry-leading IFRS Transition Program” starting in November 2011. Key points are:



IFRS PARTNER Transition Program Workshops Attendees – 31 May 2011

- The Nigerian Oil and Energy industry’s leading choice for IFRS transition
- Program combines Oil and Energy industry IFRS group workshops led by IFRS experts, on-site consulting and assistance, IFRS PARTNER transition and reporting software with local support.
- Various program levels: Premium and Budget to meet your needs.

The program benefits are:

- IFRS Capacity Building – Your team gets trained on IFRS principles and practices tailored for the Nigerian oil and energy sector along with international best practices.
- Streamlined Project Timeframes – You can complete your project more rapidly in a period of four months as opposed to traditional one-on-one consulting engagements
- Reduced Overall IFRS Transition Costs – The program helps your team to reduce overall transition costs by as much as 50% when compared to traditional one-on-one consulting engagements
- Meet Regulatory Deadlines and Reduced Risk – The IFRS Transition Program for Nigerian Oil and Energy producers has been designed to help you meet regulatory requirements and reporting timeframes while also addressing transition risk management issues.



Build Your IFRS Policies using IFRS PARTNER IFRS 6 – Exploration and Evaluation of Mineral

REGISTER NOW – REGISTRATION IS LIMITED TO FIVE COMPANIES AND CLOSING ON MONDAY, 31 OCTOBER, 2011

Please contact George Agu of ActivEdge at 08039582958 to learn more and to schedule a Program Presentation for your management team.



BENEFITS OF OUR IFRS SERVICES, WORKSHOPS AND SOFTWARE PRODUCTS



The IFRS PARTNER team can provide your organization with the training, expertise and tools to reduce the effort, cost and time associated with the transition to IFRS. We provide:



IFRS PARTNER Transition Management Software - Manage Your Transition to IFRS

- IFRS Training/Capacity Building - Industry leading training and workshop customized to issues and IFRS concerns of the Nigerian oil and gas sector
- International and Local IFRS On-Site Consulting – The most senior IFRS team operating in Nigeria would be pleased to help you meet your IFRS goals and deadlines
- IFRS Software – Use the IFRS PARTNER software to 1) help you manage, analyze and document the process of moving from SAS to IFRS, and then 2) use the software to create IFRS compliant financial reports and disclosures in conjunction with your current accounting system
- Support and Maintenance Updates – We provide all of our IFRS PARTNER customers with updates as the IFRS standards change along with customer events and training sessions
- One-on-One IFRS Projects – We can work with your company solely on a one-on-one basis to ensure a smooth transition from SAS to IFRS, or
- Support and Maintenance Updates – We provide all of our IFRS PARTNER customers with updates as the IFRS standards change along with customer events and training sessions
- One-on-One IFRS Projects – We can work with your company solely on a one-on-one basis to ensure a smooth transition from SAS to IFRS, or
- Industry Program – Tailored IFRS industry-specific programs to aid large groups of customers move to IFRS in a rapid and affordable manner – such as the IFRS Transition Program for Nigerian oil and energy sector.

Statement of Financial Position			
	Notes	GAAP Balance \$/€	IFRS Balance \$/€
Assets			
Current Assets		700,000	700,000
Property, plant and equipment		100,000	100,000
Intangible assets		100,000	100,000
Investments		100,000	100,000
IFRS Non-current assets		100,000	100,000
Total Assets		1,000,000	1,000,000
Liabilities and Equity			
Current Liabilities		100,000	100,000
IFRS Current liabilities		100,000	100,000
Non-current Liabilities		100,000	100,000
IFRS Non-current liabilities		100,000	100,000
Total Liabilities		200,000	200,000
Equity		800,000	800,000
IFRS Equity		800,000	800,000
Total Liabilities and Equity		1,000,000	1,000,000

IFRS PARTNER Financial Reporting Software – Create IFRS Compliant Financial Statements and Disclosures

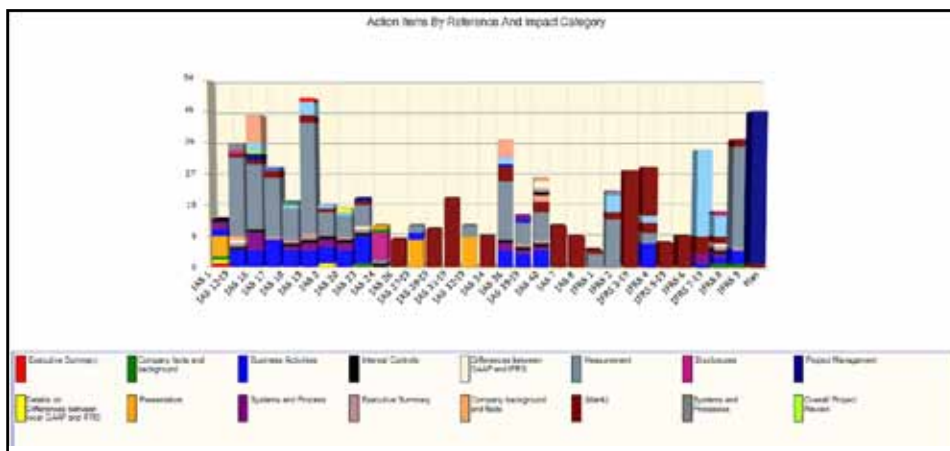


SPECIAL BUSINESS ANNOUNCEMENT – LAUNCHING OF IFRS PARTNER LIMITED – A NIGERIAN CORPORATION AND HIRING OF LOCAL EXPERTISE



Abiola Fajimi, ACA

The management team at Issues Central, Inc. is pleased to announce the recent creation of a wholly-owned Nigerian subsidiary, IFRS PARTNER Limited based in Lagos. “We recognize the business opportunity and support commitment associated with the Nigerian marketplace” says Charley Best, Vice President of IFRS PARTNER Limited. “We are investing in Nigeria to ensure that our customers have the support and infrastructure available to support their ongoing IFRS, financial compliance and reporting requirements.” As part of the building of the local support team, Abiola Fajimi, ACA, has joined the firm as a senior IFRS consultant and workshop instructor. Abiola brings several year of IFRS transition and audit experience from a Big 4 audit firm working in many industrial sectors in Nigeria. Abiola was one of the first Nigerian accountants to work on SAS to IFRS transition commencing a project in 2007. He is an accredited Global IFRS Specialist and his special combination of IFRS and SAS knowledge, project management skills and charming personality make him a great addition to the IFRS PARTNER team. *You are welcome Abiola!*



Determination of IFRS Impacts by Accounting Standard - IFRS PARTNER Software – Stay In Control of your Project

CONTACT INFORMATION:

For more information please visit our IFRS PARTNER for Nigeria website: www.ifrspartner-nigeria.com , or:

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Please contact Charley Best, Vice President of IFRS PARTNER Limited at 0813 306 1440 or via e-mail at: cbest@ifrspartner.com

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