



Attock

ATTOCK PETROLEUM LIMITED

DIRECTORS' REVIEW

The Board of Directors of Attock Petroleum Limited is pleased to present a brief review of the performance of the Company and auditor's reviewed financial statements for the half year ended December 31, 2010.

Despite the difficult economic conditions and unprecedented floods in almost 60% of the country, the Company continued its journey on the path of success and growth and remained in an enviable position in the industry. The Company earned a profit after tax of Rs 1,743 million for the half year ended December 31, 2010 (2009: Rs. 1,489 million). The results translated into earnings per share of Rs 25.22 against Rs 21.55 earned during corresponding period last year. The profitability improved due to better product mix, effective inventory control and funds management.

Effective December 01, 2010, Government unilaterally revised the pricing formula of petroleum products and slashed the margins of Oil Marketing Companies (OMCs). This will adversely effect our profitability and future investment plans. APL alongwith other industry members have taken up this matter with the Government to review its decision in order to provide fair return to the OMCs and make their retail network and storage terminals expansion and development plans sustainable.

During the period under review the Company performed exceptionally well. Adopting a hands-on approach and focusing on improving competence in the business. Nineteen new retail outlets were commissioned during the period bringing the total number of operational retail outlets to 296 as on December 31, 2010. The Company is making noteworthy investments taking into consideration the blend of customers needs and state-of-the-art facilities.

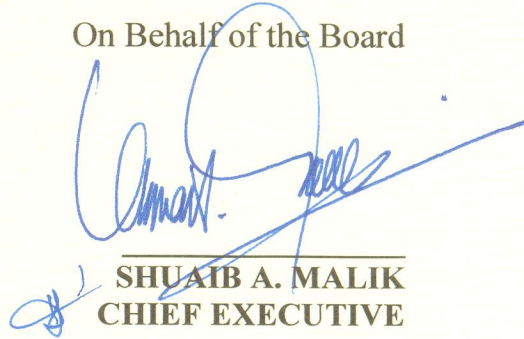
Continuing its thrust on the up-gradation, enhancement and development of infrastructure, work is in progress for increasing its storage capacities at both, Rawalpindi Bulk Terminal (RBT) and Machike Bulk Oil Terminal (MBT), which will significantly enhance APL's overall storage capacity. In-house feasibility is in progress for similar bulk oil terminals at Shikarpur, Mehmoodkot and Gatti.

GDP of the country is growing so is the population; which provides immense opportunities to APL. The Company being cognizant of future prospects is equipping itself with excellent human resource and is availing all opportunities.

At the end, the Board expresses its appreciation to all staff members for their dedication, commitment and contribution. Gratitude is also due to the Government authorities, shareholders, customers, suppliers and other business partners/associates for their continued trust, support and co-operation that led the Company to achieve note worthy performance and outstanding results.

Damascus, Syria
January 28, 2011

On Behalf of the Board



SHUAIB A. MALIK
CHIEF EXECUTIVE