



ATTOCK PETROLEUM LIMITED

DIRECTORS' REVIEW



The Board of Directors of Attock Petroleum Limited feel pleasure in presenting the report on the affairs of the Company together with financial statements for the nine months ended March 31, 2009.

Due to improved product mix and better fund management your Company's profit after tax increased by 33% to Rs. 2,218 million as against the profit of Rs. 1,665 million during the corresponding period last year translated into earnings per share of Rs. 38.51 against Rs. 28.91 during same period last year.

Following the fall in the global prices of the commodities, average crude oil prices announced by the Organization of the Petroleum Exporting Countries' (OPEC) also came down to US \$ 45/bbl in March 2009 from US \$ 128/bbl in June 2008. Consequently, the subsidy given by the GoP in the form of Price Differential Claim (PDC) on Diesel was reduced to zero in October 2008. Nevertheless, an amount of Rs. 720 million was still receivable from GoP as at March 31, 2009 on account of PDC related to prior period.

Due to deteriorating macro-economic indicators, liquidity crisis and circular debt in the country, substantial receivables on account of supplies to Government owned entities have been accumulated. In this regard, Rs. 6.0 billion was receivable from these entities as at March 31, 2009 and management is making all the possible efforts for recovering this amount.

Adopting a proactive approach and focusing on improving efficiency in the business, 30 new retail outlets were commissioned during the period bringing the total number of operational retail outlets to 239 as on March 31, 2009. Restructuring of our existing retail outlets in terms of looks and services is in progress and the Company is making significant investment in order to better address the needs of customers by providing state-of-the-art facilities.

Continuing its thrust on the up-gradation, enhancement and development of infrastructure, work is in progress for setting up new storage terminals. The bulk oil terminal at Machike is near completion and is expected to be commissioned by the end of current fiscal year. The Company is making all the endeavours to start construction of terminal at Port Qasim which has been held in abeyance due to certain possession related legal issues.

The Board would like to extend its gratitude to the staff members, customers, suppliers, contractors, shareholders and Government authorities for their continued interest, support and loyalty to the Company.

On Behalf of the Board

**Islamabad,
April 20, 2009**

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**SHUAIB A. MALIK
CHIEF EXECUTIVE**