



ATTOCK PETROLEUM LIMITED

DIRECTORS' REVIEW



The Board of Directors of Attock Petroleum Limited is pleased to present a brief review of the affairs of the Company together with the financial statements for the nine months ended March 31, 2010.

The Company has earned profit after tax of Rs. 2,323 million for the nine months ended March 31, 2010 (2009: Rs. 2,218 million). The results translate into earnings per share of Rs. 40.34 against Rs. 38.51 earned during same period last year. The profitability increased due to increase in the sales revenue, improved product mix, better inventory and fund management.

The price of crude oil in the international market gradually increased during the review period. Average crude oil prices announced by the Organization of the Petroleum Exporting Countries' (OPEC) was US \$ 77/bbl in March 2010 against US \$ 68/bbl in June 2009.

Adopting a proactive approach and focusing on improving efficiency in the business, 22 new retail outlets were commissioned during the period bringing the total number of operational retail outlets to 268 as on March 31, 2010. Restructuring of our existing retail outlets in terms of new appearance 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. During the period under review, your Company managed to increase its sales volume of Diesel and Petrol by 92% and 104% respectively, mainly because of entry in White Oil Pipeline throughput agreement and Mehmoodkot - Faisalabad - Machike (MFM) transportation agreement, commissioning of Machike Bulk Oil Terminal implementation of new vision at selected sites and increase in the number of retail outlets.

The Company is making all its endeavours for recovery of long outstanding receivables from Government owned entity, accumulated due to circular debt issue, amounting to Rs. 1.7 billion as at March 31, 2010.

While we are likely to continue facing unpredictable and challenging internal and external factors within the political and economic arena, the Company is well positioned to meet them head on.

The Company has signed Memorandum of Understanding dated March 04, 2010 with Admore Gas (Pvt) Limited (AGPL) expressing interest to purchase 100% shares of AGPL and to conduct due diligence which is in process. Decision to purchase or not and other formalities, terms and conditions will be finalized subject to satisfactory completion of due diligence. The relevant information will be disseminated to shareholders after necessary approval of the Board of Directors as per the regulatory requirements.

At the end, the Board expresses its gratitude and appreciation to all staff members for their hard work and contribution and thanks to the shareholders, customers, suppliers and other business partners / associates for the faith reposed in and continued co-operation and patronage for achieving the remarkable performance and impressive results for the Company.

On Behalf of the Board

**Islamabad,
April 20, 2010**

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**SHUAIB A. MALIK
CHIEF EXECUTIVE**