



ATTOCK PETROLEUM LIMITED DIRECTORS' REVIEW

The Board of Directors are pleased to report that your Company has continued to prosper in the third quarter of FY 2005-06. Sales for the nine months ended March 31, 2006 reached record level due to Company's entrance in the southern market and continuing strong international oil prices. These financial and operating results have led to increase in market share of the Company despite stiff competition due to phased deregulation of petroleum sector and entrance of new players in the market.

FINANCIAL RESULTS:

Significant increase in the sales volume coupled with improved product mix and higher international oil prices resulted in profit after tax of Rs. 918 Million for the nine months to March 31, 2006 as compared to Rs. 285 Million during the corresponding period last year. The profitability translate into earnings per share of Rs. 22.95 (Nine months to March 31, 2005: Rs. 7.12)

REVIEW OF OPERATIONS:

Focusing on the southern market the Company sold around 484,600 Metric Tons of petroleum products available from National Refinery limited during the period under review, which represents 50 % of the total turnover. The Company also started direct export of JP-8, which alone contributed more than Rs. 2.5 Billion in the sales revenue apart from the export of regular and winterised Diesel, PMG, Bitumen, Furnace Oil etc. In addition to above, the Company also won different tenders for supply of Furnace oil generating the revenues of more than Rs 4.5 Billion.

In order to meet demand of customers on time and with more efficiency, the company took a quantum leap by setting up terminal at Karachi in March 2006. Further, At Machike, a land measuring 132 kanal has been acquired for setting up of a terminal to feed our upcoming retail outlets independently in the surrounding areas.

The sales at our retail outlets grew by 34 % in PMG and 10 % in HSD as against the same period last year. In line with the vision to develop quality sites, retail network development plan was finalized for

Rawalpindi, Peshawar, Lahore, Faisalabad, Sahiwal, Multan, Sukkur, Hyderabad and Karachi. Our first company owned and company operated site in F-11 Markaz Islamabad was commissioned in March 2006, thus bringing the number of company operated sites to two, the first being in DHA Lahore which was commissioned in November 2005. As at March 31, 2006 our commissioned sites are 136. In addition to this 52 retail outlets are under construction and additional 79 are at different stages of securing necessary licenses and approvals.

FUTURE OUTLOOK:

The Management is fully poised to strengthen the Company's position by expanding its business horizons to new geographical areas and considerably increasing its market share in tough and competitive downstream petroleum sector. Setting up of the state of art storage terminals at prime locations throughout the country i.e., Machike (Lahore), Mehmood Kot (Multan) and Tarujabba (Peshawar) besides enhancing existing storage facility at Rawalpindi is in progress. Further, the Company is actively pursuing the setting up of quality retail outlets throughout the country.

Given the positive outlook during nine months to March 31, 2006, the Company is set for the same level of growth in the times to come with the vision to maximize shareholder's value. We thank our customers, staff, strategic partners and investors for their continued support, interest and confidence towards achievement of the Company goals.

On Behalf of the Board

**Islamabad
April 14, 2006**

**s/d-
SHUAIB A. MALIK
CHIEF EXECUTIVE**