



# ATTOCK PETROLEUM LIMITED

## DIRECTORS' REVIEW

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The Board of Directors of Attock Petroleum Limited is pleased to present the report on the affairs of the Company together with financial statements for the quarter ended September 30, 2009.

The Company has earned profit after tax of Rs 734 million for the quarter under review (quarter ended Sept 30, 2008: Rs 785 million). The results translate into earnings per share of Rs 12.74 against Rs 13.63 earned during same period last year. The reduction in the prices and the margins together with the growing competition led to the decrease in profitability of the Company.

The price of crude oil in the international market remained stabilized (US\$ 60/bbl to US\$ 73/bbl) during the review period. Average crude oil prices announced by the Organization of the Petroleum Exporting Countries' (OPEC) was US \$ 67/bbl in September 2009 against US \$ 68/bbl in June 2009.

Recovery of receivables from Government owned entities due to circular debt remained in focus during the quarter. As at September 30, 2009, an amount of Rs 2.8 billion was receivable from these entities and management is making all the possible efforts for recovering this amount.

Adopting a proactive approach and realizing the competition in the market, the Company undertook plan of implementing new vision at the selected outlets. Further, focusing on improving efficiency in the business, 8 new retail outlets were commissioned during the period bringing the total number of operational retail outlets to 254 as on September 30, 2009.

In order to ensure uninterrupted supplies of petroleum products to its retail outlets and other customers in mid country area, a new bulk oil terminal was commissioned at Machike in June 2009. Continuing the pace of the progress, the Company entered into throughput agreement with Pak-Arab Pipeline Company Limited for use of White Oil Pipeline (WOP) and Mehmoodkot - Faisalabad - Machike (MFM) transportation agreement with Pak-Arab Refinery Limited for use of MFM pipeline. By

signing these important agreements your Company became the first Oil Marketing Company after the three initial in-putters to utilize the WOP system by pushing products from South to mid country market. Further, it will also facilitate the Company in acquiring timely product through most economical mode from refineries.

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

**Karachi,  
October 19, 2009**

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**SHUAIB A. MALIK  
CHIEF EXECUTIVE**