

ATTOCK PETROLEUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTH ENDED MARCHS 31, 2006.

1. LEGAL STATUS AND OPERATIONS

Attock Petroleum Limited was incorporated in Pakistan as a public limited Company on December 3, 1995, commenced its operations in 1998 and listed on Karachi Stock Exchange on March 7, 2005. The Company is engaged in marketing of petroleum products. Pharaon Commercial Investment Group Limited has a controlling interest in the Company.

2. BASIS OF PREPARATION

2.1 These financial statements have been prepared in accordance with the requirements of International accounting standard 34 'Interim Financial Reporting'.

2.2 All accounting policies adopted for the preparation of these financial statements are the same as those applied in preparation of the preceding annual published financial statements of the Company except for the change in accounting policy for investment in associated companies from cost method to equity method. The change in accounting policy is a result of changes made to International Accounting Standard 28 (Investment in Associates). Under equity method investment in associated companies are initially carried at cost as adjusted by post acquisition changes in the Company's share of the net assets of the associated company, less any impairment in the value of individual investments. The change in accounting policy has been applied retrospectively and previous period's figures have been restated. This has resulted in increase in the value of investments by Rs 12,565 thousand with corresponding increase in profit for the nine months ended March 31, 2006 by Rs 12,611 thousand and decrease in profit for prior periods by Rs 46 thousand.

	Mar 31, 2006 Rs ('000)	June 30, 2005 Rs ('000)
3. TRADE AND OTHER PAYABLES		
Trade creditors	86,627	347,653
Due to related parties		
Attock Refinery Limited	1,997,155	588,084
National Refinery Limited	2,171,273	-
Pakistan Oilfields Limited	982	14,014
The Attock Oil Company Limited	6,693	2,320
Attock Cement Pakistan Limited	82	268
Accrued liabilities	277,789	100,125
Retention money	15,319	2,674
Advances from customers	421,914	252,080
Workers' profit participation fund	67,682	29,467
	<u>5,045,516</u>	<u>1,336,685</u>

4. CONTINGENCIES AND COMMITMENTS

(i) Claims for Government levies not accepted by the Company Rs 47.391 million (June 30, 2005: Rs 47.391 million).

(ii) Capital expenditure commitments outstanding at March 31, 2006 amounted to Rs 83.332 million (June 30, 2005: Rs 57.543 million).

(iii) Commitments for long term investment in shares of National Refinery Limited Rs Nil (June 30, 2005: Rs 235.516 million).

	Nine months to Mar 31, 2006 Rs ('000)	Year ended June 30, 2005 Rs ('000)
5. PROPERTY, PLANT AND EQUIPMENT		
Cost		
Opening balance	401,355	347,075
Additions during the period	209,581	55,774
Disposals during the period	(539)	(1,494)
Closing balance	<u>610,397</u>	<u>401,355</u>
Accumulated depreciation		
Opening balance	98,382	67,410
Charge for the period	38,862	32,118
Relating to disposals	(426)	(1,146)
Closing balance	<u>136,818</u>	<u>98,382</u>
Net book value	<u><u>473,579</u></u>	<u><u>302,973</u></u>
6. LONG TERM INVESTMENTS		
	Mar 31, 2006 Rs ('000)	June 30, 2005 Rs ('000)
In associated companies		
Cost of investment	326,319	90,849
Share of profit/(loss)	<u>17,609</u>	<u>(46)</u>
Dividends	<u>(4,998)</u>	<u>-</u>
	<u>12,611</u>	<u>(46)</u>
	<u><u>338,930</u></u>	<u><u>90,803</u></u>
<p>This represents 1% shareholding in National Refinery Limited (NRL) and 10% shareholding in Attock Information Technology Services (Pvt) Limited (AITSL).</p>		
	Mar 31, 2006 Rs ('000)	June 30, 2005 Rs ('000)
7. TRADE DEBTS		
Secured	3,199,771	157,487
Unsecured	827,512	87,199
Due from related parties		
Pakistan Oilfields Limited	32,539	26,638
Attock Cement Pakistan Limited	5,651	5,373
National Refinery Limited	-	422
	<u>4,065,473</u>	<u>277,119</u>
8. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Loans and advances	25,141	17,664
Deposits, prepayments and current account balances with statutory authorities	391,300	159,778
Accrued income	7,134	1,745
Price differential claim receivable from the Government	209,760	100,694
Other claims receivable	11,052	10,401
Due from related parties		
Attock Information Technology Services (Private) Limited	707	476
Others	107	644
	<u><u>645,201</u></u>	<u><u>291,402</u></u>

	Mar 31, 2006 Rs ('000)	June 30, 2005 Rs ('000)
9. CASH AND BANK BALANCES		
Cash in hand	353	227
Balance with bank		
On savings account	1,181,390	1,266,843
On current account	4	4
	<u>1,181,747</u>	<u>1,267,074</u>

9.1 Deposits of Rs.45.333 million (June 2005: Rs 33.658 million) were held with banks under lien to secure bank guarantees against advance received from customers.

	Quarter ended		Nine Months ended	
	Mar 31, 2006 Rs ('000)	Mar 31, 2005 Rs ('000)	Mar 31, 2006 Rs ('000)	Mar 31, 2005 Rs ('000)
10. OTHER OPERATING INCOME				
Commission & Handling Income	96,903	72,199	213,003	195,791
Income on bank deposits	25,791	5,864	63,381	12,259
Others	41	5,400	7,767	7,552
	<u>122,735</u>	<u>83,463</u>	<u>284,151</u>	<u>215,602</u>

11. SHARE OF PROFIT/(LOSS) OF ASSOCIATED COMPANIES

Share of profit / (loss) is based on latest available accounts of the associated companies (NRL as of December 31, 2005 and AITSL as of June 30, 2005).

	Quarter ended		Nine Months ended	
	Mar 31, 2006 Rs ('000)	Mar 31, 2005 Rs ('000)	Mar 31, 2006 Rs ('000)	Mar 31, 2005 Rs ('000)
12. TRANSACTIONS WITH RELATED PARTIES				
Purchase of petroleum products	9,206,328	1,906,878	23,599,588	5,657,609
Sale of petroleum products	96,217	67,981	244,682	182,055
Commission & Handling Income	96,142	72,074	212,243	180,471
Administrative services expense	6,548	2,701	16,219	11,647

13 These financial statements were authorized for issue by the Board of Directors of the Company on March 14, 2006.

Sd/-
Chief Executive

Sd/-
Director