

**Independent Petroleum Group Company S.A.K. (Closed)  
and subsidiaries  
State of Kuwait**



**Condensed consolidated interim financial information and independent auditors' review report  
for the six month period ended 30 June 2012  
(Unaudited)**



*For the six month period ended 30 June 2012*

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**Independent auditors' report on review of condensed consolidated interim financial information**

**The Board of Directors of  
Independent Petroleum Group Company S.A.K. (Closed)  
State of Kuwait**

*Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of Independent Petroleum Group Company S.A.K. (Closed) ("the Parent Company") and its subsidiaries (together the "Group") as at 30 June 2012, and the condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six month period then ended ("the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard, IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

*Scope of review*

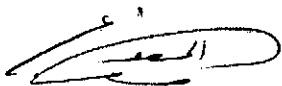
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

### **Report on Other legal and Regulatory Requirements**

Furthermore, based on our review, the condensed consolidated interim financial information is in agreement with the accounting records. We further report that nothing has come to our attention indicating any contravention during the six month period ended 30 June 2012, of the Kuwait Commercial Companies Law of 1960, as amended, or of the Parent Company's Memorandum and Articles of Association, that might have had a material effect on the Group's activities or on its financial position.



**Safi A. Al-Mutawa**  
**License No. 138 - A**  
**of KPMG Safi Al-Mutawa & Partners**  
**Member firm of KPMG International**



**Nayef M. Al Bazie**  
**License No 91-A**  
**RSM Albazie & Co.**

**Kuwait: 24 July 2012**

**Condensed consolidated statement of income**  
*for the six month period ended 30 June 2012*

	Notes	Three months ended 30 June		Six months ended 30 June	
		2012 KD '000 (Unaudited)	2011 KD '000 (Unaudited)	2012 KD '000 (Unaudited)	2011 KD '000 (Unaudited)
Sales		292,644	304,524	524,300	626,599
Cost of sales		(291,592)	(303,779)	(521,276)	(623,984)
<b>Gross profit</b>		<b>1,052</b>	<b>745</b>	<b>3,024</b>	<b>2,615</b>
Net interest relating to oil marketing operations	3	2,744	(657)	1,441	(1,525)
<b>Net results of oil marketing Operations</b>		<b>3,796</b>	<b>88</b>	<b>4,465</b>	<b>1,090</b>
Share of results of joint venture and associates	9 & 10	728	965	1,398	2,257
General and administrative expenses		(601)	(347)	(1,148)	(704)
Staff costs		(955)	(852)	(1,935)	(1,839)
Depreciation		(43)	(40)	(87)	(77)
<b>Operating profit / (loss)</b>		<b>2,925</b>	<b>(186)</b>	<b>2,693</b>	<b>727</b>
Dividend income		74	-	155	86
(Loss) / gain on investments at fair value through statement of income		(1,047)	(90)	781	185
Net other (expense) / income	4	(103)	(480)	34	(120)
<b>Profit / (loss) before provisions for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST) and Zakat</b>		<b>1,849</b>	<b>(756)</b>	<b>3,663</b>	<b>878</b>
Contribution to KFAS		(17)	7	(33)	(8)
NLST and Zakat		-	-	-	-
<b>Profit / (loss) for the period</b>		<b>1,832</b>	<b>(749)</b>	<b>3,630</b>	<b>870</b>
<b>Earnings per share (fils)</b>	5	<b>12.67</b>	<b>(5.18)</b>	<b>25.10</b>	<b>6.02</b>

The accompanying notes set out on pages 9 to 16 form an integral part of this condensed consolidated interim financial information.



**Condensed consolidated statement of comprehensive income**  
*for the six month period ended 30 June 2012*

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>KD '000</b>	<b>KD '000</b>	<b>KD '000</b>	<b>KD '000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit / (loss) for the period	1,832	(749)	3,630	870
<b>Other comprehensive income / (loss):</b>				
Changes in fair value of investments available for sale	31	(57)	2	(154)
Foreign currency translation adjustments	113	(143)	(16)	(969)
Movement in share of associates' hedging reserve	(14)	154	41	159
<b>Other comprehensive income / (loss) for the period</b>	<b>130</b>	<b>(46)</b>	<b>27</b>	<b>(964)</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>1,962</b>	<b>(795)</b>	<b>3,657</b>	<b>(94)</b>

The accompanying notes set out on pages 9 to 16 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated statement of financial position  
as at 30 June 2012

	Notes	30 June 2012 KD '000 (Unaudited)	31 December 2011 KD '000 (Audited)	30 June 2011 KD '000 (Unaudited)
<b>ASSETS</b>				
<b>Current assets</b>				
Cash on hand and at banks	6	51,851	27,139	5,527
Investments at fair value through statement of income	7	40,648	39,561	41,161
Trade and other receivables	8	219,775	206,725	144,245
Inventories		16,869	79,343	93,006
<b>Total current assets</b>		<b>329,143</b>	<b>352,768</b>	<b>283,939</b>
<b>Non-current assets</b>				
Other loans		3,104	3,159	3,486
Investments available for sale	7	24,473	24,297	9,750
Investment in joint venture	9	4,328	3,795	3,409
Investment in associates	10	20,128	18,204	18,139
Property and equipment	11	21,681	22,438	23,085
<b>Total non-current assets</b>		<b>73,714</b>	<b>71,893</b>	<b>57,869</b>
<b>Total assets</b>		<b>402,857</b>	<b>424,661</b>	<b>341,808</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Due to banks		234,472	196,009	195,844
Trade and other payables		82,230	145,815	71,020
Current portion of term loan		1,016	1,008	996
<b>Total current liabilities</b>		<b>317,718</b>	<b>342,832</b>	<b>267,860</b>
<b>Non-current liabilities</b>				
Non-current portion of term loan		8,649	9,088	9,468
Provision for staff indemnity		2,112	2,020	1,995
<b>Total non-current liabilities</b>		<b>10,761</b>	<b>11,108</b>	<b>11,463</b>
<b>Total liabilities</b>		<b>328,479</b>	<b>353,940</b>	<b>279,323</b>
<b>Equity</b>				
Share capital	12	15,225	15,225	15,225
Share premium		22,587	22,587	22,587
Legal reserve		6,553	6,553	6,553
General reserve		606	606	606
Fair value reserve		21,593	21,591	7,061
Foreign currency translation adjustments		(3,028)	(3,012)	(3,618)
Share of associates' hedging reserve		(222)	(263)	(291)
Treasury shares reserve		1,429	1,429	1,429
Treasury shares	13	(2,770)	(2,770)	(2,770)
Retained earnings		12,405	8,775	15,703
<b>Total equity</b>		<b>74,378</b>	<b>70,721</b>	<b>62,485</b>
<b>Total liabilities and equity</b>		<b>402,857</b>	<b>424,661</b>	<b>341,808</b>

The accompanying notes set out on pages 9 to 16 form an integral part of this condensed consolidated interim financial information.

Khalaf Ahmad Al-Khalaf  
Chairman

Ghazi Fahad Al-Nafisi  
Vice Chairman

  
Waleed Jaber Hadeed  
Executive Managing Director

Independent Petroleum Group Company S.A.K. (Closed)  
and subsidiaries  
State of Kuwait



Condensed consolidated statement of changes in equity  
for the six month period ended 30 June 2012

	Attributable to equity holders of the Parent Company							Total KD '000 (Unaudited)			
	Share capital KD '000 (Unaudited)	Share premium KD '000 (Unaudited)	Legal reserve KD '000 (Unaudited)	General reserve KD '000 (Unaudited)	Fair value reserve KD '000 (Unaudited)	Foreign currency translation adjustments KD '000 (Unaudited)	Share of associates' hedging reserve KD '000 (Unaudited)		Treasury shares reserve KD '000 (Unaudited)	Treasury shares KD '000 (Unaudited)	Retained earnings KD '000 (Unaudited)
Balance at 1 January 2012	15,225	22,587	6,553	606	21,591	(3,012)	(263)	1,429	(2,770)	8,775	70,721
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-	-	-	3,630	3,630
Profit for the period	-	-	-	-	2	(16)	41	-	-	-	27
Total other comprehensive income / (loss)	-	-	-	-	2	(16)	41	-	-	-	27
<b>Total comprehensive income / (loss) for the period</b>	-	-	-	-	2	(16)	41	-	-	3,630	3,630
<b>Balance at 30 June 2012</b>	<u>15,225</u>	<u>22,587</u>	<u>6,553</u>	<u>606</u>	<u>21,593</u>	<u>(3,028)</u>	<u>(222)</u>	<u>1,429</u>	<u>(2,770)</u>	<u>12,405</u>	<u>74,378</u>



Independent Petroleum Group Company S.A.K. (Closed)  
and subsidiaries  
State of Kuwait



Condensed consolidated statement of changes in equity  
for the six month period ended 30 June 2012

	Attributable to equity holders of the Parent Company							Total KD '000 (Unaudited)			
	Share capital KD '000 (Unaudited)	Share premium KD '000 (Unaudited)	Legal reserve KD '000 (Unaudited)	General reserve KD '000 (Unaudited)	Fair value reserve KD '000 (Unaudited)	Foreign currency translation adjustments KD '000 (Unaudited)	Share of associates' hedging reserve KD '000 (Unaudited)		Treasury shares reserve KD '000 (Unaudited)	Treasury shares KD '000 (Unaudited)	Retained earnings KD '000 (Unaudited)
Balance at 1 January 2011	15,225	22,587	6,553	606	7,215	(2,649)	(450)	1,422	(2,807)	19,169	66,871
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	870	870
Profit for the period	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive (loss) / income	-	-	-	-	(154)	(969)	159	-	-	-	(964)
Total comprehensive (loss) / income for the period	-	-	-	-	(154)	(969)	159	-	-	870	(94)
Transactions with owners, recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-
Dividends for 2010 (note 17)	-	-	-	-	-	-	-	-	-	(4,336)	(4,336)
Sale of treasury shares	-	-	-	-	-	-	-	7	37	-	44
Balance at 30 June 2011	15,225	22,587	6,553	606	7,061	(3,618)	(291)	1,429	(2,770)	15,703	62,485

The accompanying notes set out on pages 9 to 16 form an integral part of this condensed consolidated interim financial information.



**Condensed consolidated statement of cash flows**  
*for the six month period ended 30 June 2012*

	Note	Six months ended 30 June	
		2012 KD '000 (Unaudited)	2011 KD '000 (Unaudited)
<b>OPERATING ACTIVITIES</b>			
Profit before provisions for contribution to KFAS, NLST and Zakat		3,663	878
Adjustments for:			
Depreciation		927	1,366
Interest expense		2,629	1,540
Dividend income		(155)	(86)
Gain on investments at fair value through statement of income		(781)	(185)
Share of results of joint venture and associates		(1,398)	(2,257)
Interest income		(4,127)	(94)
Provision for staff indemnity		100	105
		<u>858</u>	<u>1,267</u>
Changes in operating assets and liabilities:			
Trade and other receivables		(13,315)	(12,507)
Inventories		62,474	(21,830)
Trade and other payables		<u>(64,054)</u>	<u>2,898</u>
<b>Cash used in operations</b>		<u>(14,037)</u>	<u>(30,172)</u>
Interest received		4,392	279
Payment to KFAS		-	(42)
Directors' fees paid		-	(80)
Payment of staff indemnity		<u>(8)</u>	<u>-</u>
<b>Net cash used in operating activities</b>		<u>(9,653)</u>	<u>(30,015)</u>
<b>INVESTING ACTIVITIES</b>			
Investment in associates		(1,269)	(651)
Dividends received		155	525
(Increase) / decrease in time deposits		(441)	15
Decrease in other loans		79	611
Proceeds from sale of fixed assets		-	1,231
Purchase of property and equipment		<u>(18)</u>	<u>(9,618)</u>
<b>Net cash used in investing activities</b>		<u>(1,494)</u>	<u>(7,887)</u>
<b>FINANCING ACTIVITIES</b>			
Increase in due to banks		38,463	28,518
(Decrease) / increase in term loans		(431)	5,506
Dividends paid		-	(4,336)
Proceeds from disposal of treasury shares		-	44
Interest paid		<u>(2,193)</u>	<u>(1,518)</u>
<b>Net cash generated from financing activities</b>		<u>35,839</u>	<u>28,214</u>
Effect of foreign currency translation		<u>(421)</u>	<u>409</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<u>24,271</u>	<u>(9,279)</u>
Cash and cash equivalents at beginning of the period		<u>26,374</u>	<u>14,052</u>
<b>Cash and cash equivalents at end of the period</b>	6	<u>50,645</u>	<u>4,773</u>

The accompanying notes set out on pages 9 to 16 form an integral part of this condensed consolidated interim financial information.



**Notes to the condensed consolidated interim financial information**  
*for the six month period ended 30 June 2012*

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**1. Incorporation and activities**

Independent Petroleum Group Company S.A.K. (Closed) (“the Parent Company”) was incorporated on 11 September 1976 as a Closed Kuwaiti Shareholding Company. The Parent Company was listed on the Kuwait Stock Exchange on 10 December 1995.

The condensed consolidated interim financial information of the Parent Company as at and for the six month period ended 30 June 2012 comprises the Parent Company and its subsidiaries (together referred to as “the Group”). The main activities of the Group are the trading of crude oil and petroleum products, strategic investments and joint ventures in petroleum storage facilities, terminal and distribution facilities and other activities related to the petroleum industry and consulting services in the petroleum and petrochemicals fields, ownership of vessels, ship-chartering and other ancillary services.

The registered address of the Parent Company is P.O. Box 24027, Safat 13101, State of Kuwait.

This condensed consolidated interim financial information for the six month period ended 30 June 2012 was authorized for issue by the Chairman on behalf of the Board of Directors on 24 July 2012.

**2. Basis of preparation**

a) Statement of compliance

The condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

The condensed consolidated interim financial information do not include all of the information and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Operating results for the six month period ended 30 June 2012 are not necessarily indicative of the results that may be expected for the year ending 31 December 2012. For further information, refer to the consolidated financial statements and notes thereto for the year ended 31 December 2011.

The accounting policies used in the preparation of the condensed consolidated interim financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31, December 2011.

b) Judgments and estimates

The preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgments made by management in applying the Group’s accounting policies and key source of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements for the year ended 31 December 2011.

Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2012

3. Net interest relating to oil marketing operations

	Three months ended 30 June		Six months ended 30 June	
	2012 KD '000 (Unaudited)	2011 KD '000 (Unaudited)	2012 KD '000 (Unaudited)	2011 KD '000 (Unaudited)
Interest income	4,053	9	4,070	15
Interest expense	(1,309)	(666)	(2,629)	(1,540)
	<u>2,744</u>	<u>(657)</u>	<u>1,441</u>	<u>(1,525)</u>

4. Net other (expense) / income

	Three months ended 30 June		Six months ended 30 June	
	2012 KD '000 (Unaudited)	2011 KD '000 (Unaudited)	2012 KD '000 (Unaudited)	2011 KD '000 (Unaudited)
Reimbursement of legal fees awarded	797	-	797	-
Provisional loss on expected sale of vessel (G.Star)	(957)	-	(957)	-
Net foreign exchange gain	13	179	117	500
Loss on sale of vessel (G.Nomad)	-	(720)	-	(720)
Miscellaneous income	44	61	77	100
	<u>(103)</u>	<u>(480)</u>	<u>34</u>	<u>(120)</u>

Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2012

5. Earnings per share

Earnings per share is computed by dividing the profit for the period by the weighted average number of shares outstanding during the period as follows:

	Three months ended 30 June		Six months ended 30 June	
	2012 KD '000 (Unaudited)	2011 KD '000 (Unaudited)	2012 KD '000 (Unaudited)	2011 KD '000 (Unaudited)
Profit / (loss) for the period	1,832	(749)	3,630	870
	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>
Weighted average number of issued shares outstanding during the period	152,250,000	152,250,000	152,250,000	152,250,000
Weighted average number of treasury shares outstanding during the period	(7,620,000)	(7,633,000)	(7,620,000)	(7,676,000)
Weighted average number of shares outstanding during the period	144,630,000	144,617,000	144,630,000	144,574,000
Earnings per share (fils)	12.67	(5.18)	25.10	6.02

6. Cash on hand and at banks

	30 June 2012 KD '000 (Unaudited)	31 December 2011 KD '000 (Audited)	30 June 2011 KD '000 (Unaudited)
Cash on hand and at banks	6,178	1,233	1,438
Call accounts and time deposits	44,467	25,141	3,335
Cash and cash equivalents	50,645	26,374	4,773
Time deposits with maturity exceeding three months	1,206	765	754
	<u>51,851</u>	<u>27,139</u>	<u>5,527</u>

Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2012

7. Investments

	30 June 2012 KD '000 (Unaudited)	31 December 2011 KD '000 (Audited)	30 June 2011 KD '000 (Unaudited)
<b>Investments at fair value through statement of income:</b>			
<b>Held for trading:</b>			
Managed portfolios	39,488	38,364	40,263
Quoted securities	1,160	1,197	898
	<u>40,648</u>	<u>39,561</u>	<u>41,161</u>
<b>Investments available for sale:</b>			
Quoted securities	178	176	176
Unquoted securities	24,295	24,121	9,574
	<u>24,473</u>	<u>24,297</u>	<u>9,750</u>

Investments at fair value through statement of income with a carrying amount of KD 39,488 thousands (31 December 2011: KD 38,364 thousands and 30 June 2011: KD 40,263 thousands) are pledged as collateral against amounts due to banks.

The unquoted securities also include an investment of 12.5% in Asia Petroleum Ltd. carried at cost of KD 1,137 thousands (31 December 2011: KD 1,137 thousands and 30 June 2011: KD 1,137 thousands).

8. Trade and other receivables

During the period ended 30 June 2012, the Group received USD 85.67 million (KD 23.95 million) as full and final settlement of an outstanding receivable, inclusive of all interest, arbitration and legal costs from one of its customers against whom the Group had raised and won an arbitration award through the ICC International Court of Arbitration. Interest received as per the award amounted to USD 14.44 million (KD 4 million) (Note 3). Legal fees received as per the award amounted to USD 2.87 million (KD 0.79 million) and is presented as part of other income (Note 4).

**Notes to the condensed consolidated interim financial information**  
*for the six month period ended 30 June 2012*

**9. Investment in joint venture**

The Group has a 50% equity shareholding with equivalent voting power in Uniterminals Ltd, Lebanon. Following are the details of share of results from joint venture recorded during the period ended as below:

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>KD '000</b>	<b>KD '000</b>	<b>KD '000</b>	<b>KD '000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Share of results from Uniterminals Ltd, Lebanon	179	159	500	463
	<u>179</u>	<u>159</u>	<u>500</u>	<u>463</u>

The Group's share in the net assets and results of joint venture included in the condensed consolidated interim financial information was based on their respective management accounts for the six month period ended 30 June 2012 (2011: six month period ended 30 June 2011).

**10. Investment in associates**

Following are the details of share of results from associates recorded during the period ended as below:

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>KD '000</b>	<b>KD '000</b>	<b>KD '000</b>	<b>KD '000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Share of results from Horizon Singapore Terminals Private Ltd	443	418	892	838
Share of results from Arab Tank Terminals L.L.C.	101	90	225	212
Share of results from Inpetro SARL	63	159	(45)	351
Share of results from Horizon Djibouti Holdings Ltd.	278	139	445	393
Share of results from Horizon Tangiers Terminals SA.	(336)	-	(619)	-
	<u>549</u>	<u>806</u>	<u>898</u>	<u>1,794</u>

The Group's share in the net assets and results of associate companies included in the condensed consolidated interim financial information was based on their respective management accounts for the six month period ended 30 June 2012 (2011: six month period ended 30 June 2011).

**Notes to the condensed consolidated interim financial information**  
*for the six month period ended 30 June 2012*

During the period, the Group paid an additional amount of KD 1,269 thousands towards its share of 32.5% in Horizon Tangiers Terminals SA., representing an investment in petroleum storage terminal in Morocco.

**11. Property and equipment**

Property and Equipment as at 30 June 2012 include KD 18,830 thousands (31 December 2011: KD 20,726 thousands, 30 June 2011: KD 19,762 thousands) related to ships owned by one of the subsidiaries, D&K Holdings L.L.C. Term loan fully relates to the financing of these vessels which are mortgaged against the term loan.

**12. Share capital**

The authorised, issued and fully paid share capital consists of 152,250,000 shares of 100 fils each (31 December 2011: 152,250,000 shares of 100 fils each and 30 June 2011: 152,250,000 shares of 100 fils each).

**13. Treasury shares**

	<b>30 June 2012 KD '000 (Unaudited)</b>	<b>31 December 2011 KD '000 (Audited)</b>	<b>30 June 2011 KD '000 (Unaudited)</b>
Number of shares	7,620,000	7,620,000	7,620,000
Percentage of issued shares	5%	5%	5%
Market value (KD '000)	2,400	2,553	3,048
Cost (KD '000)	2,770	2,770	2,770

**14. Related party transactions**

These represent transactions with related parties in the normal course of business. The related party transactions and balances included in the condensed consolidated interim financial information are as follows:

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2012 KD '000 (Unaudited)</b>	<b>2011 KD '000 (Unaudited)</b>	<b>2012 KD '000 (Unaudited)</b>	<b>2011 KD '000 (Unaudited)</b>
<b>a) Revenues and expenses:</b>				
Sales	<u>67,833</u>	<u>25,102</u>	<u>105,206</u>	<u>58,382</u>
Storage expense	<u>1,019</u>	<u>1,278</u>	<u>2,360</u>	<u>2,424</u>



Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2012

b) **Key management compensation**

Salaries and other short-term benefits	199	199	390	390
Termination benefits	18	23	40	43

c) **Due from / to related parties:**

	30 June 2012 KD '000 (Unaudited)	31 December 2011 KD '000 (Audited)	30 June 2011 KD '000 (Unaudited)
<i>Due from related parties</i>			
Trade and other receivables	6,742	14,135	20,155
Other loans	3,104	3,159	3,486
<i>Due to related parties</i>			
Trade and other payables	1,692	2,020	1,963

15. **Segment information**

The Group primarily operates on trading of crude oil and petroleum products. The trading of crude oil and petroleum products is also related to storage and distribution operations. These operations are inter-related and subject to similar risks and returns. The management has determined that the Group is considered to have a single reportable operating segment. The Group operates in different geographic locations. Information about the Group's reportable operating segment is summarised as follows:

	Three months ended 30 June			
	2012		2011	
	Segment revenues KD '000 (Unaudited)	Segment results KD '000 (Unaudited)	Segment revenues KD '000 (Unaudited)	Segment results KD '000 (Unaudited)
Africa and Middle East	275,618	4,153	242,127	2,252
Europe and South America	56	(117)	52,305	(806)
Asia and Far East	16,970	488	10,092	(393)
	<u>292,644</u>	<u>4,524</u>	<u>304,524</u>	<u>1,053</u>
Unallocated corporate items		(1,599)		(1,239)
Operating profit / (loss)		<u>2,925</u>		<u>(186)</u>

Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2012

	Six months ended 30 June			
	2012		2011	
	Segment revenues KD '000 (Unaudited)	Segment results KD '000 (Unaudited)	Segment revenues KD '000 (Unaudited)	Segment results KD '000 (Unaudited)
Africa and Middle East	471,197	4,964	537,325	4,583
Europe and South America	17,006	(54)	79,182	(1,303)
Asia and Far East	36,097	953	10,092	67
	<u>524,300</u>	<u>5,863</u>	<u>626,599</u>	<u>3,347</u>
Unallocated corporate items		(3,170)		(2,620)
Operating profit		<u>2,693</u>		<u>727</u>

16. Contingent liabilities and commitments

Contingent liabilities

	30 June 2012 KD '000 (Unaudited)	31 December 2011 KD '000 (Audited)	30 June 2011 KD '000 (Unaudited)
Letters of guarantee and bid bonds	4,684	14,277	8,581
Letters of credit	96,063	156,355	93,127
	<u>100,747</u>	<u>170,632</u>	<u>101,708</u>
<b>Commitments</b>			
Investments in projects	<u>6,532</u>	<u>7,742</u>	<u>13,290</u>

17. Annual general assembly

The Shareholders' Annual General Assembly held on 21 March 2012 approved the annual audited consolidated financial statements for the year ended 31 December 2011. No dividends were declared for the year ended 31 December 2011.

The Shareholders' Annual General Assembly held on 27 March 2011 approved the annual audited consolidated financial statements for the year ended 31 December 2010 and payment of a cash dividend of 30 fils per share for the year ended 31 December 2010.