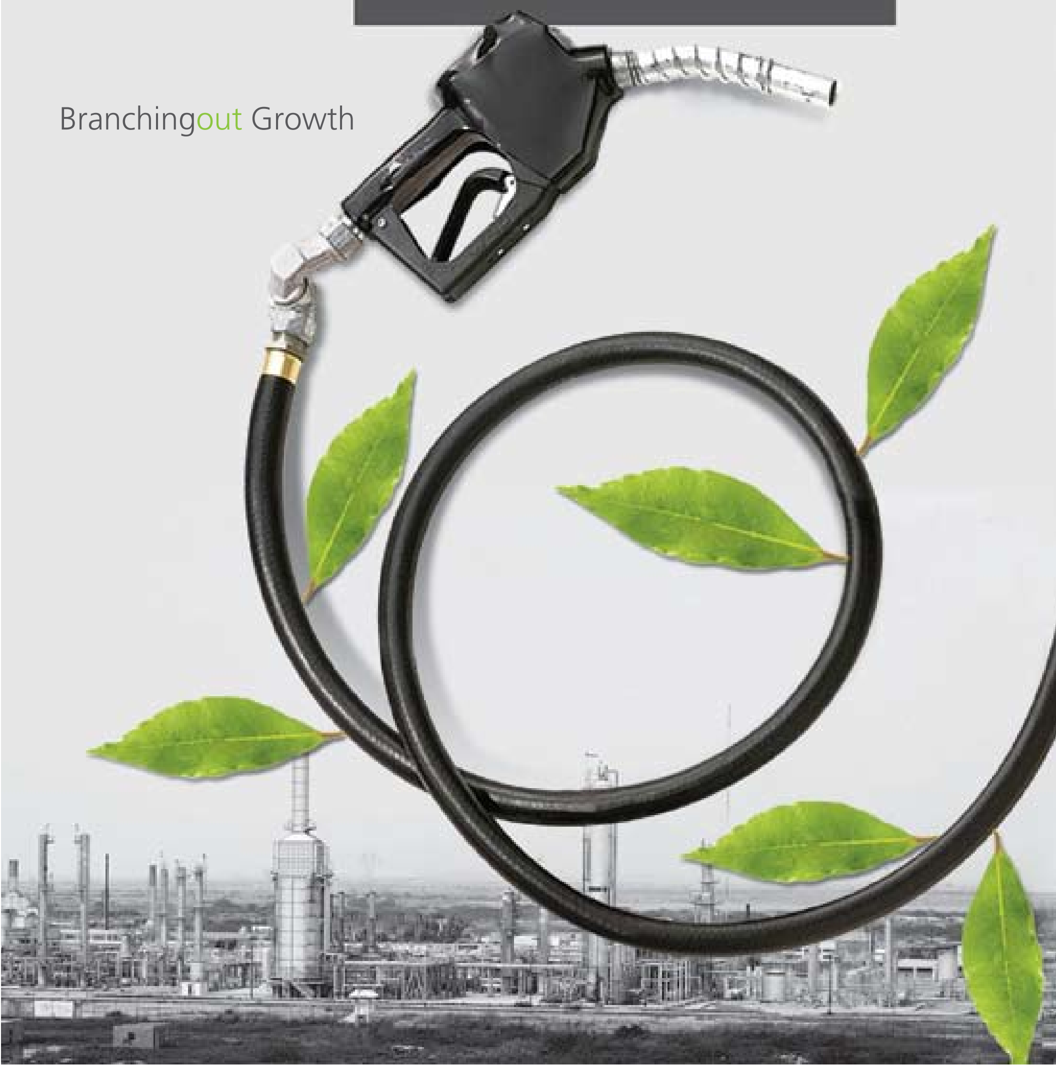
First Fiscal

Quarter Report

September 30, 2010

byco

Branchingout Growth



Branchingout Growth

Growth is in our nature, and we are branchingout into new directions. Stepped into retail business recently and emerging as a challenging new and fastest growing player.

Our aim is to set new standards in production, quality and service. With our focus set, our aims defined and our constant checks in all aspects of our business, we are moving ahead and branchingout growth.

Contents

Company Information

Board of Directors

Waqar Hassan Siddique
Chairman
Hamid Imtiaz Hanfi
Vice Chairman
Amir Abbassciy
Director
Matteo Stefanel
Director
Muhammad Raza Hasnani
Director
Aziz Moolji
Director
M. Abdullah Yusuf
Director
Tariq Kirmani
Director
Kashif Shah
Director
Samia Roomi
Director

Compliance Committee of the Board

M. Abdullah Yusuf
Chairman
Hamid Imtiaz Hanfi
Member
Muhammad Raza Hasnani
Member
Jawed Ahmad
Secretary

Strategy & Risk Management Committee of the Board

Tariq Kirmani
Chairman
Amir Abbassciy
Member
Matteo Stefanel
Member
Syed Masood Raza
Secretary

Services and Stakeholders Committee of the Board

Matteo Stefanel
Chairman
Hamid Imtiaz Hanfi
Member
Samia Roomi
Member
Shahana Ahmed Ali
Secretary

Supervisory Secretariat

Hamid Imtiaz Hanfi
Head Supervisory Secretariat
Jawed Ahmad
Head Corporate Compliance
Shahana Ahmed Ali
Head Corporate Services
& Company Secretary
Syed Masood Raza
Head Corporate Strategy

Management Committee

Amir Abbassciy
Chief Executive Officer
Mohammad Wasi Khan
President Chemical
Manufacturing Business
Kalim A. Siddiqui
President Petroleum
Marketing Business
Imran Farookhi
Head Administration &
Human Resource
Wajahat Athar Jafri
Head Commercial
Mansoor Rashid
Head Technical
Roshan Mehri
Head Treasury &
Chief Financial Officer

Legal Counsel

Shahana Ahmed Ali
Head Legal

Auditors

Faruq Ali & Co.
Chartered Accountants

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Barclays Bank PLC, Pakistan
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
KASB Bank Limited
MCB Bank Limited
National Bank of Pakistan Limited
NIB Bank Limited
Silk Bank Limited
Standard Chartered Bank
(Pakistan) Limited
Soneri Bank Limited
The Bank of Khyber
United Bank Limited

Share's Registrar

FAMCO Associates (Pvt) Limited
First Floor, State Life Building
No. 1A, I. I. Chundrigar Road,
Karachi - 74000
Tel: (92 21) 3242 7012, 3242 6597,
3242 5467
Fax: (92 21) 3242 6752, 3242 8310

Registered Office

9th Floor, The Harbour Front,
Dolmen City, HC-3, Block-4,
Marine Drive, Clifton,
Karachi-75600, Pakistan
Tel: (92 21) 111 222 081
Fax: (92 21) 111 888 081

Website

www.byco.com.pk

Director's Report

In the name of Allah the Most Merciful and the Most Benevolent.

The Board of Directors of the Company presents the first quarterly report together with the unaudited Financial Statements for the first fiscal quarter ended September 30, 2010.

We are pleased to state that during the period under review, your company earned a gross profit of Rs 12.2 million as against a gross loss of Rs 222 million during the same period in the prior year. This improved profitability is due to stable regional crude and product prices, improved gross refining margins and sustained rupee-dollar parity. The sales during the first quarter were Rs 7.9 billion as compared to Rs 10 billion in the first quarter last year.

The reduction in sales was primarily due to two factors; firstly, your refinery was shut down due to turnaround activities till August 6th, 2010. The second and the more critical factor which impacted sales was due to a marked reduction in fuel consumption as a result of the massive devastation caused by the floods. Your refinery was on stream for an average of 48 stream days with an average through put of 11,500 barrels per day.

Being committed to our strategy of rapid and sustainable expansion, the Petroleum Marketing Business (PMB) of our Company continues its path to create value for all our stake holders. By constantly introducing avenues of customer convenience solutions in the form of quality products and services, our team has endeavored to continuously add on to our ever expanding portfolio and to stay ahead of the competition. We have ended the first quarter with establishment of 148 retail sites (now 163 sites). In a hyper competitive scenario and volatile market dynamics marred by external factors at the geo-political and economic frontiers, we have successfully maintained our no. 6th position amongst the 12 Oil Marketing Companies presently operative in Pakistan. Our market share in liquid fuels up to the end of first quarter is 2.4%. (2.6% as of Nov' 2010).

PMB has introduced Byco branded Liquid Petroleum Gas (LPG) cylinders in the market (Byco Gas) making us the 4th OMC to launch its own LPG brand. We have also introduced imported Byco Branded Lubricants in drums and pails in the market. Long term Fuel Supply Agreement (FSA) was signed with KESC and efforts are underway to conclude FSAs with other power producers in the near future. As a subsequent development we have also commenced JP-1 supplies for non-commercial exports.

Further initiatives are under way to streamline and automate our systems, processes and activities with state-of-the-art technology. We are expanding our network to optimize our supply chain mechanism by adding on more storage as well as upgrading our fleet in our endeavor to ensure that Byco brand is considered as a preferred choice of customers truly marking "the beginning of a new era".

In conclusion the Board prays to Almighty Allah for His blessings and extends its gratitude to our Shareholders for their continued support, confidence and trust in your Company and its employees' efforts.

For and on behalf of the Board of Directors

Chief Executive Officer

Condensed Interim Balance Sheet

as at september 30, 2010

Amount in Rs. '000

	Note	Unaudited Sep 30, 2010	Audited June 30, 2010
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	14,090,027	14,041,553
Intangible asset		15,369	15,370
Long term deposits		56,307	58,809
Long term loan		2,452,084	2,349,273
Investment		2,087,115	2,087,115
CURRENT ASSETS			
Stores and spares		144,210	144,076
Stock in trade		7,513,705	4,927,938
Trade debts - Considered good		6,307,061	6,861,842
Loans and advances - Considered good		285,268	265,521
Trade deposits, prepayments and other receivables		333,652	321,474
Markup accrued		130,578	39,002
Cash and bank balances		697,224	1,036,549
		15,411,698	13,596,402
		34,112,600	32,148,522
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 500,000,000(June 2010:500,000,000) Ordinary shares of Rs.10/- each		5,000,000	5,000,000
Issued, subscribed and paid up capital		3,921,044	3,921,044
Accumulated losses		(12,623,249)	(11,989,993)
		(8,702,205)	(8,068,949)
Surplus on revaluation of Property, plant and equipment		3,812,964	3,860,878
NON CURRENT LIABILITIES			
Loan from Sponsors and associated underatkings - Unsecured		5,017,463	5,000,944
Long term loans - Secured	5	2,879,524	3,290,451
Liabilities against assets subject to finance leases		167,466	204,979
Long term deposits		12,218	16,946
Deferred liabilities		1,485,990	1,511,792
CURRENT LIABILITIES			
Trade and other payables	6	24,986,762	22,180,684
Accrued markup		1,745,933	1,415,236
Short term borrowings - secured		466,000	508,809
Current portion of long term liabilities		1,947,544	1,977,379
Provision for taxation		292,941	249,373
		29,439,180	26,331,481
COMMITMENTS	7		
		34,112,600	32,148,522

The annexed notes form an integral part of these condensed interim financial statements.

Chief Executive

Director

Condensed Interim Profit and Loss Statement

For three months ended September 30, 2010 (Unaudited)

Amount in Rs. '000

	3 months ended	
	July-Sep, 2010	**July-Sep, 2009**
Net sales	**7,899,050**	10,016,161
Cost of Sales	**7,886,782**	10,238,628
Gross profit/(loss)	**12,268**	(222,467)
Operating expenses		
Administrative expenses	**165,840**	111,774
Selling and distribution expenses	**37,968**	60,150
	203,808	171,925
Operating loss	**(191,540)**	(394,391)
Other income	**140,786**	33,909
	(50,754)	(360,482)
Financial and other charges		
Financial charges	**551,611**	519,585
Exchange differences	**61,036**	211,930
	612,647	731,515
Loss before taxation	**(663,401)**	(1,091,998)
Taxation		
Current	**43,569**	--
Deferred	**(25,800)**	(26,427)
	17,769	(26,427)
Loss after taxation	**(681,170)**	(1,065,571)
Loss per share - basic (Rupees)	**(1.74)**	(2.72)

The annexed notes form an integral part of these condensed interim financial statements.

Chief Executive

Director

Condensed Interim Statement of Comprehensive Income

For three months ended September 30, 2010 (Unaudited)

Amount in Rs. '000

	3 months ended	
	July-Sep 2010	**July-Sep 2009**
Loss after taxation for the period	**(681,170)**	(1,065,571)
Transfer from surplus on revaluation of		
Property, plant and equipment	**73,714**	75,506
Related deferred tax	**(25,800)**	(26,427)
	47,914	49,079
Total comprehensive loss for the period	**(633,256)**	(1,016,492)
Component of comprehensive income not reflected in equity - Net of tax	**--**	--
Total comprehensive loss for the period transferred to equity	**(633,256)**	(1,016,492)

The annexed notes form an integral part of these condensed interim financial statements.

Chief Executive

Director

Condensed Interim Cash Flow Statement

For three months ended September 30, 2010 (Unaudited)

Amount in Rs. '000

	3 months ended July-Sep 2010	July-Sep 2009
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	**(663,401)**	(1,091,998)
Adjustments for non cash and other items:		
Depreciation and amortization	**157,725**	158,118
Financial and other charges	**612,647**	731,515
Mark up on loan to subsidiary	**(91,575)**	--
Cash flow before working capital changes	**15,396**	(202,365)
Movement in working capital		
(Increase) / decrease in current assets		
Stores and spares	**(134)**	10,896
Stock in trade	**(2,585,767)**	(793,541)
Trade debts	**554,781**	2,828,573
Loans and advances	**(122,558)**	(35,415)
Trade deposits, prepayments and other receivables	**1,032**	(26,451)
Increase / (decrease) in current liabilities		
Trade and other payables	**2,821,758**	(1,182,971)
Cash generated from operations	**684,508**	598,726
Payments for:		
Financial charges	**(281,950)**	(401,797)
Income Taxes	**(13,210)**	(21,761)
Net cash generated from operating activities	**389,348**	175,168
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	**(206,200)**	(1,123,556)
Sale proceeds of fixed assets	**837**	--
Long term deposit	**(2,226)**	1,150
Net cash used in investing activities	**(207,589)**	(1,122,406)
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from sponsors and associates - net	--	1,150
Repayment of term finance certificates	--	(107,143)
Repayment of long term loan	**(440,762)**	(44,835)
Liabilities against assets subject to finance lease - net	**(37,513)**	(9,542)
Short term borrowings - net	**(42,809)**	(1,549)
Net cash used in financing activities	**(521,084)**	(161,919)
Net (decrease) / increase in cash and cash equivalents	**(339,325)**	(1,109,157)
Cash and cash equivalents as at 1st July	**1,036,549**	2,078,445
Cash and cash equivalents as at 30th Sept	**697,224**	969,288

The annexed notes form an integral part of these condensed interim financial statements.

Chief Executive

Director

Condensed Interim Statement of Changes in Equity

For three months ended September 30, 2010 (Unaudited)

Amount in Rs. '000

	Issued, subscribed and paid-up capital	Accumulated Loss	Total
Balance as at July 01, 2009	3,921,044	(10,597,517)	(6,676,473)
Total comprehensive loss for the period		(1,016,492)	(1,016,492)
Balance as at September 30, 2009	3,921,044	(11,614,009)	(7,692,965)
Balance as at July 01, 2010	3,921,044	(11,989,993)	(8,068,949)
Total comprehensive loss for the period		(633,256)	(633,256)
Balance as at September 30, 2010	**3,921,044**	**(12,623,249)**	**(8,702,205)**

The annexed notes form an integral part of these condensed interim financial statements.

Chief Executive

Director

Notes to the Condensed Interim Financial Statements
For three months ended September 30, 2010

1 STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan as a public limited Company on January 09, 1995 and was granted a certificate of commencement of business on March 13, 1995. The shares of the Company are listed on the Karachi, Lahore and Islamabad Stock Exchanges. The Company is engaged in the production and sale of the petroleum products.

2 GOING CONCERN ASSUMPTION

During the quarter ended September 30, 2010 Company incurred net loss after tax of Rs. 0.681 billion and as of that date it has accumulated losses of Rs.12.623 billion (June 30, 2010: Rs.11.99 billion) have resulted in net capital deficiency of Rs. 8.702 billion (June 30, 2010: Rs.8.069 billion) and excess of current liabilities over current assets of Rs.14.027 billion (June 30, 2010: Rs.12.735 billion). The conditions indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern, therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The financial statements have been prepared using going concern assumption as the management is confident that all these conditions are temporary, not permanent and would reverse in foreseeable future. Further, the Company's ability to arrange funds from Sponsors and Associates when required is yet another positive indicator. Accordingly, the Sponsors have provided funds amounting to Rs. 1.214 billion during the last year ended June 30, 2010. The Company has not defaulted in any of the installments of its long term loans or lease finance.

Apart from the refinery operations the Company is also targeting its Petroleum Market Business which has visibly improved Company's market position in the oil marketing sector and has also enabled the Company to diversify its revenue stream. Further, the Company's projects in progress like Isomerization Plant, which is expected to commence its operations in near future, will enable the Company to process naphtha, which will ultimately increase the profit margins of the Company, and Single Point Mooring (now transferred to wholly owned subsidiary) will reduce the overall transportation costs. Furthermore, the offer to purchase Company's share pursuant to the Listed Companies (Substantial Acquisition of Voting Shares and Take-over's) Ordinance, 2002 was made during the last year ended June 30, 2010 due to the finalization of an arrangement with Abraaj Capital Limited. Addition of Abraaj as Sponsor of the Company alongwith BBI shall substantially add to financial strength of BPPL's Sponsors and enhance strong shareholders' support to the Company.

All these steps contribute towards favorable conditions and mitigate the risks involved, therefore, the preparation of financial statements using the going concern assumption is justified.

3 BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting and are being submitted to the shareholders as required by section 245 of the companies ordinance, 1984.

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statement are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2010.

Amount in Rs. '000

4 PROPERTY, PLANT AND EQUIPMENT

	Note	Sep 30, 2010	June 30, 2010
Operating fixed assets - At cost less accumulated depreciation	4.1	**9,677,355**	9,830,512
Capital work in progress - At cost		**4,412,672**	4,211,041
		14,090,027	14,041,553

	3 months ended July-Sep 2010	July-Sep 2009
4.1 Addition during the period		
Plant and machinery	**3,784**	--
Generators	**782**	4,985
Furniture and fixtures	**--**	40
Computer and allied	**--**	2,445
Vehicles	**--**	3,600
	4,566	11,070

Amount in Rs. '000

	Sep 30, 2010	June 30, 2010
5 Long term loans		
From banks		
Term finance - i	29,835	59,670
Term finance - II	25,000	25,000
Syndicated Loan	279,999	279,999
Syndicated Term Finance	4,383,237	4,794,166
	4,718,071	5,158,835
Current portion of long term loans	(1,838,547)	(1,868,383)
	2,879,524	3,290,452
6 Trade and other payables		
Foreign bills payable	7,842,710	2,212,812
Forced PADs	7,364,077	8,951,107
Creditors for services	582,086	617,538
Creditors for supplies	4,715,853	5,256,777
Advances from customers	220,989	327,995
Accrued expenses	32,608	11,219
Other Payable	38,419	43,621
Payable to Statutory Authorities	4,190,020	4,759,615
	24,986,762	22,180,684

7 Commitments

Commitments in respect of capital expenditures amounting to Rs. 21.697 million (June 30, 2010: Rs.72.236 million).

	3 months ended	
	July-Sep 2010	July-Sep 2009
8 Transaction with related parties		
Parent companies:		
Receipt of loan	--	146,151
Repayment of loan	--	--
Markup on loan	5,826	1,086
Subsidiary Company		
Payment of loan	104,431	
Markup income	91,575	
Associated companies:		
Purchase of assets and services	6,463	26,805
Payment of rent	--	115
Repayment of loan	--	160,001
Payment against freight for crude oil shipments	47,613	90,511
Markup on loan	135,688	159,001
Land lease rentals	10,938	10,938
Shared expenses	3,858	--
sales of petroleum product	49,230	--
Staff provident fund		
Payment of employees and Company's contribution	10,003	9,606

9 DATE OF AUTHORIZATION FOR ISSUE

The fianacial statement were authorised for issue on 17th January 2011 in accordance with the resolution of the Board of Directors of the Company

10 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Rupees, which is the group's functional currency. All financial information presented in Rupees have been rounded to nearest thousand.

Chief Executive

Director

Condensed Consolidated Interim Balance Sheet

As at September 30, 2010

Amount in Rs. '000

	Note	Unaudited Sep 30, 2010	Audited June 30, 2010
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	**17,119,576**	17,064,985
Intangible asset		**39,115**	39,116
Long term deposits		**57,238**	59,740
Long term loan		**23,220**	24,840
CURRENT ASSETS			
Stores and spares		**144,213**	144,076
Stock in trade		**7,513,705**	4,927,938
Trade debts - Considered good		**6,309,807**	6,861,842
Loans and advances - Considered good		**285,268**	286,321
Trade deposits, prepayments and other receivables		**455,436**	329,616
Markup accrued		**33,013**	33,012
Cash and bank balances		**697,238**	1,046,352
		15,438,680	13,629,157
		32,677,829	30,817,838
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 500,000,000(June 2010:500,000,000) Ordinary shares of Rs.10/- each		**5,000,000**	5,000,000
Issued, subscribed and paid up capital		**3,921,044**	3,921,044
Accumulated losses		**(14,109,789)**	(13,358,802)
		(10,188,745)	(9,437,758)
Surplus on revaluation of Property, plant and equipment		**3,812,964**	3,860,878
NON CURRENT LIABILITIES			
Loan from Sponsors and associated underatkings - Unsecured		**5,017,463**	5,000,944
Long term loans - Secured	6	**2,879,524**	3,290,451
Liabilities against assets subject to finance leases		**167,466**	204,979
Long term deposits		**12,218**	16,946
Deferred liabilities		**1,508,402**	1,534,202
CURRENT LIABILITIES			
Trade and other payables	7	**25,016,119**	22,196,399
Accrued markup		**1,745,933**	1,415,236
Short term borrowings - secured		**466,000**	508,809
Current portion of long term liabilities		**1,947,544**	1,977,379
Provision for taxation		**292,941**	249,373
		29,468,537	26,347,196
COMMITMENTS	8		
		32,677,829	30,817,838

The annexed notes form an integral part of these condensed consolidated interim financial statements.

Chief Executive

Director

Condensed Consolidated Interim Profit and Loss Account

For three months ended September 30, 2010 (Unaudited)

Amount in Rs. '000

	3 months ended	
	July-Sep 2010	July-Sep 2009
Net sales	7,899,050	10,016,161
Cost of Sales	7,886,782	10,238,628
Gross Profit / (loss)	12,268	(222,467)
Operating expenses		
Administrative expenses	194,270	111,774
Selling and distribution expenses	37,968	60,150
	232,238	171,925
Operating loss	(219,970)	(394,392)
Other income	51,558	33,909
	(168,412)	(360,483)
Financial and other charges		
Financial charges	551,684	519,585
Exchange differences	61,036	211,930
	612,720	731,515
Loss before taxation	(781,132)	(1,091,998)
Taxation		
Current	43,569	--
Deferred	(25,800)	(26,427)
	17,769	(26,427)
Loss after taxation	(798,901)	(1,065,571)
Loss per share - basic (Rupees)	(2.04)	(2.72)

The annexed notes form an integral part of these condensed consolidated interim financial statements.

Chief Executive

Director

Condensed Interim Consolidated Statement of Comprehensive Income

For three months ended September 30, 2010 (Unaudited)

Amount in Rs. '000

	3 months ended	
	July-Sep 2010	**July-Sep 2009**
Loss after taxation for the period	**(798,901)**	(1,065,571)
Transfer from surplus on revaluation of		
Property, plant and equipment	**73,714**	75,506
Related deferred tax	**(25,800)**	(26,427)
	47,914	49,079
Total comprehensive loss for the period	**(750,987)**	(1,016,492)
Component of comprehensive income not reflected in equity - net of tax	**--**	--
Total comprehensive loss for the period transferred to equity	**(750,987)**	(1,016,492)

The annexed notes form an integral part of these condensed consolidated interim financial statements.

Chief Executive

Director

Condensed Interim Consolidated Cash Flow Statement

For three months ended September 30, 2010 (Unaudited)

Amount in Rs. '000

	3 months ended July-Sep 2010	July-Sep 2009
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(781,132)	(1,091,998)
Adjustments for non cash and other items:		
Depreciation and amortization	185,042	158,118
Financial and other charges	612,720	731,515
Cash flow before working capital changes	16,630	(202,365)
Movement in working capital		
(Increase) / decrease in current assets		
Stores and spares	(137)	10,896
Stock in trade	(2,585,767)	(793,541)
Trade debts	552,035	2,828,573
Loans and advances	(18,127)	(35,415)
Trade deposits, prepayments and other receivables	(91,017)	(26,451)
Increase / (decrease) in current liabilities		
Trade and other payables	2,835,400	(1,182,971)
Cash generated from operations	709,017	598,726
Payments for:		
Financial charges	(282,023)	(401,797)
Income Taxes	(14,004)	(21,761)
Net cash generated from operating activities	412,990	175,168
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(239,631)	(1,123,556)
Sale proceeds of fixed assets	837	--
Long term deposit	(2,226)	1,150
Net cash used in investing activities	(241,020)	(1,122,406)
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from sponsors and associates - net	--	1,150
Repayment of term finance certificates	--	(107,143)
Repayment of long term loan	(440,762)	(44,835)
Liabilities against assets subject to finance lease - Net	(37,513)	(9,542)
Short term borrowings - Net	(42,809)	(1,549)
Net cash used in financing activities	(521,084)	(161,919)
Net (decrease) / increase in cash and cash equivalents	(349,114)	(1,109,157)
Cash and cash equivalents as at 1st July	1,046,352	2,078,445
Cash and cash equivalents as at 30th Sept	697,238	969,288

The annexed notes form an integral part of these condensed consolidated interim financial statements.

Chief Executive

Director

Condensed Interim Consolidated Statement of Changes in Equity

For three months ended September 30, 2010 (Unaudited)

Amount in Rs. '000

	Issued, subscribed and paid-up capital	Accumulated Loss	Total
Balance as at July 01, 2009	3,921,044	(10,597,517)	(6,676,473)
Total comprehensive loss for the period		(1,016,492)	(1,016,492)
Balance as at September 30, 2009	3,921,044	(11,614,009)	(7,692,965)
Balance as at July 01, 2010	3,921,044	(13,358,802)	(9,437,758)
Total comprehensive loss for the period		(750,987)	(750,987)
Balance as at September 30, 2010	**3,921,044**	**(14,109,789)**	**(10,188,745)**

The annexed notes form an integral part of these condensed consolidated interim financial statements.

Chief Executive

Director

Notes to the Condensed Interim Consolidated Financial Statements

For three months ended September 30, 2010 (Unaudited)

1 REPORTING ENTITY

The Group comprises the following companies

Byco Petroleum Pakistan Limited (Formerly: Bosicor Pakistan Limited) (BPPL) - Parent Company

The BPPL was incorporated in Pakistan as a public limited Company on January 09, 1995 and was granted a certificate of commencement of business on March 13, 1995. The shares of BPPL are listed on the Karachi, Lahore and Islamabad Stock Exchanges. BPPL is engaged in the production and sale of the petroleum products.

Universal Terminal Limited (UTL) - Subsidiary

UTL was incorporated in Pakistan on June 14, 2002 as a private limited Company under the Companies Ordinance, 1984. UTL has been converted from Private Limited to Public Limited Company on May 24, 2010. BPPL has acquired 100% shares of UTL by virtue of share purchase agreement dated February 17, 2010 (acquisition date). The registered office of UTL is situated at 9th Floor, The Harbour Front, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi - 75600. UTL was principally engaged in the provision of bulk storage services of petroleum products however, its operations will be commenced before Dec 31, 2010.

2 GOING CONCERN ASSUMPTION

During the quarter ended September 30, 2010 group incurred net loss after tax of Rs.0.798 billion and as of that date it has accumulated losses of Rs.14.110 billion (June 30, 2010: Rs.13.359 billion) have resulted in net capital deficiency of Rs.10.189 billion (June 30, 2010: Rs.9.438 billion) and excess of current liabilities over current assets of Rs.14.030 billion (June 30, 2010: Rs.12.718 billion). The conditions indicate the existence of material uncertainty which may cast significant doubt about the group's ability to continue as going concern, therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The financial statements have been prepared using going concern assumption as the management is confident that all these conditions are temporary, not permanent and would reverse in foreseeable future. Further, the group's ability to arrange funds from Sponsors and Associates when required is yet another positive indicator. Accordingly, the Sponsors have provided funds amounting to Rs. 1.214 billion during the last year ended June 30, 2010. The group has not defaulted in any of the installments of its long term loans or lease finance.

Apart from the refinery operations the group is also targeting its Petroleum Market Business which has visibly improved BPPL's market position in the oil marketing sector and has also enabled BPPL to diversify its revenue stream. Further, the group's projects in progress like Isomerization Plant, which is expected to commence its operations in near future, will enable the group to process naphtha, which will ultimately increase the profit margins of the group, and Single Point Mooring will reduce the overall transportation costs. Furthermore, the offer to purchase BPPL's share pursuant to the Listed Companies (Substantial Acquisition of Voting Shares and Take-over's) Ordinance, 2002 was made during the last year ended June 30 , 2010 due to the finalization of an arrangement with Abraaj Capital Limited. Addition of Abraaj as sponsor of the BPPL alongwith BBI shall substantially add to financial strength of BPPL's Sponsors and enhance strong shareholders' support to BPPL.

All these steps contribute towards favorable conditions and mitigate the risks involved, therefore, the preparation of financial statements using the going concern assumption is justified.

3 BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting and are being submitted to the shareholders as required by section 245 of the companies ordinance, 1984.

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statement are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2010

4 BASIS OF CONSOLIDATION

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights, if any, that are currently exercisable are taken into account. However, potential voting rights that are not currently exercisable are not included in determination of the proportions of profit or loss and changes in equity attributable to the Group.

The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date control ceases. The accounting policies of subsidiaries are changed when necessary to align them with those adopted by the Group. The assets and liabilities of the subsidiaries are consolidated on a line-by-line basis and the carrying amount of the investment in subsidiaries is eliminated against the subsidiaries' share capital and pre-acquisition reserves. All intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements.

Amount in Rs. '000

	Note	Sep 30, 2010	June 30, 2010
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - At cost less accumulated depreciation	5.1	**11,051,772**	11,232,245
Capital work in progress - At cost		**6,067,804**	5,832,740
		17,119,576	17,064,985

	3 months ended July-Sep 2010	July-Sep 2009
5.1 ADDITIONS DURING THE PERIOD		
Plant and machinery	**3,784**	--
Generators	**782**	4,985
Furniture and fixtures	**--**	40
Computer and allied	**--**	2,445
Vehicles	**--**	3,600
	4,566	11,070

	Sep 30, 2010	June 30, 2010
6 LONG TERM LOANS		
From banks		
Term finance - I	**29,835**	59,670
Term finance - II	**25,000**	25,000
Syndicated Loan	**279,999**	279,999
Syndicated Term Finance	**4,383,237**	4,794,166
	4,718,071	5,158,835
Current portion of long term loans	**(1,838,547)**	(1,868,384)
	2,879,524	3,290,451
7 TRADE AND OTHER PAYABLES		
Foreign bills payable	**7,842,710**	2,212,812
Forced PADs	**7,364,077**	8,951,107
Creditors for services	**592,042**	620,407
Creditors for supplies	**4,735,254**	5,269,473
Advances from customers	**220,989**	327,995
Accrued expenses	**32,608**	11,369
Other payables	**38,419**	43,621
Payable to Statutory Authorities	**4,190,020**	4,759,615
	25,016,119	22,196,399

8 COMMITMENTS

Commitments in respect of capital expenditures amounting to Rs. 21.697 million (June 30, 2010: Rs.72.236 million).

Amount in Rs. '000

	3 months ended	
	July-Sep 2010	**July-Sep 2010**
9 TRANSACTION WITH RELATED PARTIES		
Parent companies:		
Receipt of loan	--	146,151
Repayment of loan	--	--
Markup on loan	**5,826**	1,086
Associated companies:		
Purchase of assets and services	**6,463**	26,805
Payment of rent	--	115
Repayment of loan	--	160,001
Payment against freight for crude oil shipments	**47,613**	90,511
Markup on loan	**135,688**	159,001
Land lease rentals	**10,938**	10,938
Shared expenses	**3,858**	--
Sales of petroleum product	**49,230**	--
Staff provident fund		
Payment of employees and Company's contribution	**10,003**	9,606

10 DATE OF AUTHORIZATION FOR ISSUE

The fianacial statement were authorised for issue on 17th January 2011 in accordance with the resolution of the Board of Directors of the Company

11 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Rupees, which is the group's functional currency. All financial information presented in Rupees have been rounded to nearest thousand.

Chief Executive

Director

Byco Petroleum Pakistan Limited
(formerly Bosicor Pakistan Limited)

9th Floor, The Harbour Front, Dolmen City
HC-3, Block 4, Marine Drive, Clifton
Karachi - 75600, Pakistan

Tel: (92 21) 111 222 081
Fax: (92 21) 111 888 081
web: byco.com.pk