byco

Second Fiscal

# Quarter Report

December 31, 2011

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# Company Information

## Board of Directors

Waqar Hassan Siddique
Chairman

Amir Abbassciy
Director

Hamid Imtiaz Hanfi
Vice Chairman

Matteo Stefanel
Director

Muhammad Abdullah Yusuf
Director

Muhammad Raza Hasnani
Director

Uzma Abbassciy
Director

Naseem S. Mirza
Director

## Compliance Committee of the Board

Muhammad Abdullah Yusuf
Chairman

Hamid Imtiaz Hanfi
Member

Muhammad Raza Hasnani
Member

Jawed Ahmad
Secretary

## Strategy and Risk Management Committee of the Board

Amir Abbassciy
Member

Matteo Stefanel
Member

Iqbal Haris
Secretary

## Services and Stakeholders Committee of the Board

Matteo Stefanel
Chairman

Hamid Imtiaz Hanfi
Member

Shahana Ahmed Ali
Secretary

## Supervisory Secretariat

Hamid Imtiaz Hanfi
Head Supervisory Secretariat

Jawed Ahmad
Head Compliance

Shahana Ahmed Ali
Head Legal, Services and
Company Secretary

-
Head Strategy

## Corporate Secretariat

Amir Abbassciy
Chief Executive Officer

Mohammad Wasi Khan
Country Business Head
- Chemical Manufacturing
- Petroleum Marketing

Qaiser Jamal
Country Business Head
- Oil Refining

Iqbal Haris
Head Administration and
Human Resource

Wajahat Athar Jafri
Head Commercial

Nawaz Ahmed Khan
Head Management
Applications and Systems

Syed Masood Raza
Head Technical

Abdul Ghani
Head Treasury and
Chief Financial Officer

## Legal Counsel

Shahana Ahmed Ali
Head Legal

## Auditors

KPMG Taseer Hadi & 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
NIB Bank Limited
Standard Chartered Bank (Pakistan) Ltd
Soneri Bank Limited
The Bank of Khyber
United Bank Limited

## Share Registrar

FAMCO Associates (Pvt) Limited
First Floor, State Life Building No. 1A
I. I. Chundrigar Road, Karachi - 74000
Pakistan

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

## DIRECTORS' REPORT

In the name of Allah the Most Merciful and the Most Benevolent. The Board of Directors of the Company presents their report together with the condensed interim financial information for the half year ended December 31, 2011 and the review report of external auditors thereon.

During the period under review, net sales of the Company declined by 52.74% to Rs. 8,329 million as compared to Rs. 17,622 million during the same period last year (SPLY) while the average throughput was also lower by c. 76% as compared to SPLY. The Company continued facing significant working capital constraints during the period which resulted in limited supplies and interruptions in business operations. The refinery operations as well as the petroleum marketing business were severely affected. As a result, the Company suffered gross loss of Rs. 976 million during the six month period ended December 31, 2011 as compared to gross profit of Rs. 283 million during SPLY, which translated into loss of Rs. 2.22 per share as compared to a loss of Rs. 2.34 per share during SPLY.

The steps taken by the management of your Company during the latter part of the period resulted in reduction of administrative cost (excluding depreciation) to Rs. 346.773 million as compared to Rs. 365.311 million during SPLY. While the management of your Company is continuously reviewing its costs, operating expenditures as well as capital expenditures, with a view to optimize these, the efforts in this direction have yielded an annual saving of Rs. 150 million.

Financial charges remained one of the major cost components impacting the performance of your Company. During the period, management of your Company successfully negotiated reduction in markup rates by around 200 basis points, substantial reduction in Letter of Credit related charges, regularized Forced Payments Against Documents into Running Finance up to Rs. 7,650 million out of Rs. 14,190 million (as at December 31, 2011) with its bankers' and also successfully negotiated revised payment plans with its significant vendors with a view to regularize its overdue obligations. While the above was achieved, the overdue receivables from Pakistan State Oil (PSO) and Karachi Electric Supply Company (KESC) aggregating to PKR 6,800 million (as at December 31, 2011) continued to create stress on the financial position of the Company.

The auditors of the Company have qualified their review report with respect to the amount of markup due from PSO and the application by the Company of Rs. 1,100 million received from PSO during the period which the Company applied in partial settlement of markup due from PSO. The auditors are of the view that since PSO has not acknowledged its liability towards markup recorded by the Company, the markup is doubtful of recovery and a provision be made of the markup amount, while the amount of PKR 1,100 million received from PSO, which the company applied in partial settlement of markup, be applied towards principal amount due from PSO as there is no evidence that payment was made by PSO to settle the markup. Your Company is charging markup on amount due from PSO in accordance with the contractual agreement signed with PSO. Since, the amount due from PSO is financed by markup bearing bank lines where the banks settle the markup first; your Company has followed the same application and has applied the amount of Rs. 1,100 million received from PSO towards partial settlement of markup due therefrom.

Your Company is at an advance stage of negotiations with the syndicate banks and other financial institutions for conversion of existing syndicated short term financial facilities into term finance and for working capital lines for import of crude oil and petroleum products which is expected to ensure smooth operations at a sustainable refining capacity. A positive outcome of the same is expected. Meanwhile, one of the major local banks supported the Company in importing a crude oil cargo subsequent to the six months period ended resulting in resumption of the refinery operations.

The approval by the Ministry of Petroleum and Natural Resources (MP&NR) of recovery of crude transportation cost through IFEM Pool will result in cost savings to the Company upon resumption of its refining operations, as previously, all this transportation cost was borne by the Company itself without any reimbursements from the pool or the Government.

On an overall basis, due to working capital constraints, the business remained substantially under-utilized with the refinery being inoperative for most part of the six months period ended December 31, 2011.

The auditors of the company without qualifying their report in this matter and as a matter of emphasis have drawn attention of the members to note 2 to the condensed interim financial information. They have expressed their doubts about the use of the going concern assumption in the preparation of the financial information. The auditor's observation is based on negative indicators like loss after tax, accumulated losses, net current liability position and negative equity. The management is of the view that these conditions are temporary and not permanent and would reverse in foreseeable future. The mitigating factors are also discussed in note 2 to the condensed interim financial information which justifies the use of going concern assumption in preparation of condensed interim financial information.

In conclusion, the Board prays to Almighty Allah for His blessings and extends its gratitude to our shareholders, financial institutions and our valued customers 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
Dated: 22 May, 2012

## Auditor's Report on review of Unconsolidated Condensed Interim Financial Information to the Members

Introduction

We have reviewed the accompanying unconsolidated condensed interim balance sheet of Byco Petroleum Pakistan Limited ("the Company") as at 31 December 2011 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity and notes to the unconsolidated condensed interim financial information for the six months period then ended (here-in-after-referred to as "unconsolidated condensed interim financial information"). Management is responsible for the preparation and presentation of this unconsolidated condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this unconsolidated condensed 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 unconsolidated condensed 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.

Basis for Qualified Conclusion

The Company has recognized mark-up on delayed payment from Pakistan State Oil Company Limited (PSO) in the amount of Rs. 2,257 million including Rs. 304 million which has been recognized during the period. However, PSO has not acknowledged its liability towards mark-up recorded by the Company in its balance confirmation as at 30 June 2011. Although Rs. 1,100 million paid by PSO during the six months period has been applied by the management towards payment of mark-up however, we have not been provided any evidence that the payment has been made by PSO to settle the mark-up recorded by the Company. We consider that payment from PSO should have been adjusted against principal amount, further we consider that charge of mark-up on delayed payments from PSO has not been agreed by PSO and therefore may not be recovered, a provision against mark-up receivable on delayed payment should have been made in the unconsolidated condensed interim financial information. Had the payment received during the period been applied towards principal outstanding from PSO and had a provision been made on the aforesaid mark-up receivable in this unconsolidated condensed interim financial information, loss after tax for the six months period would have been higher by Rs. 304 million, accumulated losses as at June 2011 would have been higher by Rs. 1,953 million, provision for doubtful debts and accumulated losses as at 31 December 2011 would have been higher by Rs. 2,257 million and loss per share would have been higher by Rs. 2.31.

Qualified Conclusion

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial information as at and for the six months period ended 31 December 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

Emphasis of matter

We draw attention to note 2 to the unconsolidated condensed interim financial information which indicated that the Company has incurred net loss of Rs. 2,172 million during the six months period ended 31 December 2011, and as of that date, its accumulated losses amounted to Rs. 15,757 million resulting in negative equity of Rs. 5,978 million; as at 31 December 2011 total liabilities exceeded the total assets by Rs. 234 million and current liabilities exceeded the current assets by Rs. 14,546 million. These conditions, along with other matters as set forth in note 2, indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. However unconsolidated condensed interim financial information has been prepared on going concern basis based on mitigating factors as more fully explained in note 2 to the unconsolidated condensed interim financial information which mainly describe the fact that the Company expects acceptance of financial restructuring proposal offered to the lenders in respect of the existing liability and fresh working capital lines in respect of purchase of crude oil and petroleum product. Our conclusion is not qualified in respect of this matter.

Other matters

The figures for the quarter ended 31 December 2011 and 31 December 2010 in the unconsolidated condensed interim profit and loss account and unconsolidated statement of comprehensive income have not been reviewed and we do not express any conclusion thereon.

The unconsolidated condensed interim financial information of the Company for the six months period ended 31 December 2010 and financial statements for the year ended 30 June 2011 were reviewed and audited by another firm of chartered accountants who has expressed an unqualified conclusion with an emphasis of matter paragraph on the going concern assumption of the Company in its review report dated 2 February 2011 and has expressed a qualified opinion on late payment charges receivable from PSO with an emphasis of matter paragraph on the going concern assumption of the Company in its audit report dated 27 January 2012.

KPMG Taseer Hadi & Co.

Date. 22 May, 2012
Karachi.

KPMG Taseer Hadi & Co.
Chartered Accountants
Mazhar Saleem
Engagement partner

## Unconsolidated Condensed Interim Balance Sheet
**As at 31 December 2011**

| ASSETS | Notes | Unaudited 31 December 2011 | Audited 30 June 2011 |
|---|---|---|---|
| | | (Rupees in '000) | |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 6 | 18,472,836 | 18,677,832 |
| Intangible asset | | 7,394 | 8,873 |
| Long term investment | 7 | 2,087,115 | 2,087,115 |
| Long term loan and receivable | 8 | 2,144,887 | 2,346,332 |
| Long term deposits | | 16,461 | 20,742 |
| | | 22,728,693 | 23,140,894 |
| CURRENT ASSETS | | | |
| Stores and spares | | 190,219 | 199,697 |
| Stock in trade | | 3,941,512 | 4,113,023 |
| Trade debts | 9 | 7,122,849 | 6,658,446 |
| Loans and advances - considered good | 10 | 746,583 | 534,149 |
| Trade deposits, prepayments and other receivables | | 371,812 | 388,088 |
| Markup accrued | | 649,530 | 434,264 |
| Cash and bank balances | | 404,269 | 270,559 |
| | | 13,426,774 | 12,598,226 |
| | | 36,155,467 | 35,739,120 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital | | | |
| 1,200,000,000 (June 2011:1,200,000,000) Ordinary shares of Rs.10/- each | | 12,000,000 | 12,000,000 |
| Issued, subscribed and paid up capital | | 9,778,587 | 9,778,587 |
| Accumulated losses | | (15,756,914) | (13,770,872) |
| | | (5,978,327) | (3,992,285) |
| Surplus on revaluation of property, plant and equipment | | 5,744,111 | 5,930,161 |
| NON CURRENT LIABILITIES | | | |
| Long term payables | 11 | 5,146,359 | 1,506,738 |
| Liabilities against assets subject to finance leases | | 93,509 | 124,435 |
| Long term deposits | | 33,546 | 33,046 |
| Deferred liabilities | | 3,143,709 | 3,207,751 |
| | | 8,417,123 | 4,871,970 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 12 | 17,724,222 | 26,457,206 |
| Accrued mark-up | | 493,199 | 298,700 |
| Short term borrowings - secured | 13 | 7,650,000 | - |
| Current portion of non current liabilities | 14 | 1,802,212 | 1,933,211 |
| Provision for taxation | | 302,927 | 240,157 |
| | | 27,972,560 | 28,929,274 |
| Contingencies and commitments | 15 | | |
| | | 36,155,467 | 35,739,120 |

The annexed notes from 1 to 20 form an integral part of this unconsolidated condensed interim financial information.

Chief Executive

Director

## Unconsolidated Condensed Interim Profit and Loss Account (Un-Audited)

For the six months period ended 31 December 2011

| | Notes | Six months period ended 31 December 2011 | Six months period ended 31 December 2010 | Quarter ended 31 December 2011 | Quarter ended 31 December 2010 |
|---|---|---|---|---|---|
| | | (Rupees in '000) | | | |
| Gross sales | | 9,340,907 | 20,300,376 | 3,403,037 | 11,123,775 |
| Sales tax, discount and others | | (1,012,164) | (2,678,229) | (422,168) | (1,400,678) |
| Net sales | | 8,328,743 | 17,622,147 | 2,980,869 | 9,723,097 |
| Cost of sales | 16 | 9,304,814 | 17,338,946 | 3,554,291 | 9,452,164 |
| Gross (loss) / profit | | (976,071) | 283,201 | (573,422) | 270,933 |
| Operating expenses | | | | | |
| Administrative expenses | | 417,913 | 402,584 | 218,118 | 236,744 |
| Selling and distribution expenses | | 248,156 | 323,350 | 75,886 | 285,382 |
| | | 666,069 | 725,934 | 294,004 | 522,126 |
| Operating loss | | (1,642,140) | (442,733) | (867,426) | (251,193) |
| Other income | | 647,648 | 774,760 | 334,440 | 633,974 |
| | | (994,492) | 332,027 | (532,986) | 382,781 |
| Financial and other charges | | | | | |
| Financial charges | | 1,110,264 | 1,183,515 | 519,899 | 631,904 |
| Exchange differences - net | | 104,747 | 11,393 | 9,424 | (49,643) |
| | | 1,215,011 | 1,194,908 | 529,323 | 582,261 |
| Loss before taxation | | (2,209,503) | (862,881) | (1,062,309) | (199,480) |
| Taxation | | | | | |
| Current | | 29,497 | 104,589 | 8,945 | 61,020 |
| Prior year | | 33,274 | - | 33,274 | - |
| Deferred | | (100,181) | (51,546) | (51,101) | (25,746) |
| | | (37,410) | 53,043 | (8,882) | 35,274 |
| Loss after taxation | | (2,172,093) | (915,924) | (1,053,427) | (234,754) |
| | | (Rupees) | | | |
| Loss per share - basic | 17.1 | (2.22) | (2.34) | (1.08) | (0.60) |
| Loss per share - diluted | 17.2 | (2.22) | (1.54) | (1.08) | (0.38) |

The annexed notes from 1 to 20 form an integral part of this unconsolidated condensed interim financial information.

Chief Executive

Director

# Unconsolidated Condensed Interim Statement of Other Comprehensive Income (Un-Audited)
For the six months period ended 31 December 2011

| | Six months period ended | | Quarter ended | |
|---|---|---|---|---|
| | 31 December 2011 | 31 December 2010 | 31 December 2011 | 31 December 2010 |
| | (Rupees in '000) | | | |
| Net loss after taxation | (2,172,093) | (915,924) | (1,053,427) | (234,754) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive loss for the period | (2,172,093) | (915,924) | (1,053,427) | (234,754) |

The annexed notes from 1 to 20 form an integral part of this unconsolidated condensed interim financial information.

Chief Executive

Director

## Unconsolidated Condensed Interim Cash Flow Statement (Un-Audited)

For the six months period ended 31 December 2011

| | Six months period ended 31 December 2011 | Six months period ended 31 December 2010 |
|---|---|---|
| | (Rupees in '000) | (Rupees in '000) |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (2,209,503) | (862,881) |
| Adjustments for non cash and other items: | | |
| Depreciation | 529,344 | 317,252 |
| Amortization | 1,479 | 3,249 |
| Financial and other charges | 1,110,264 | 1,194,908 |
| Interest income | (215,266) | (213,410) |
| Provision for gratuity | 10,880 | - |
| Gain on disposal of assets | (728) | (398) |
| Net cash flow before working capital changes | (773,530) | 438,720 |
| Movement in working capital | | |
| (Increase) / decrease in current assets | | |
| Stores and spares | 9,478 | (35,945) |
| Stock in trade | 171,511 | (1,496,730) |
| Trade debts | (464,403) | 116,693 |
| Loans and advances | 2,260 | (7,297) |
| Trade deposits, prepayments and other receivables | 74,410 | (357,290) |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | 3,378,494 | 3,238,137 |
| Cash generated from operations | 2,398,220 | 1,896,288 |
| Payments / receipt for: | | |
| Financial charges | (915,765) | (570,147) |
| Income taxes | (58,134) | (36,425) |
| Deferred income | 25,260 | - |
| Net cash generated from operating activities | 1,449,581 | 1,289,716 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (322,430) | (289,321) |
| Proceeds from disposal of vehicles | 7,053 | 2,049 |
| Loan to Subsidiary | (13,249) | (147,108) |
| Mark up received from associated undertaking | - | 27,483 |
| Long term deposits - net | 4,781 | (8,979) |
| Net cash used in investing activities | (323,845) | (415,876) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Loan from sponsors and associates - net | - | 506,479 |
| Repayment of long term loan | (891,857) | (946,691) |
| Long term deposits | - | 7,950 |
| Liabilities against assets subject to finance lease - net | (100,169) | (56,074) |
| Short term borrowings - net | - | (508,809) |
| Net cash used in financing activities | (992,026) | (997,145) |
| Net increase / (decrease) in cash and cash equivalents | 133,710 | (123,305) |
| Cash and cash equivalents at beginning of the period | 270,559 | 1,036,549 |
| Cash and cash equivalents at end of the period | 404,269 | 913,244 |

The annexed notes from 1 to 20 form an integral part of this unconsolidated condensed interim financial information.

Chief Executive

Director

## Unconsolidated Condensed Interim Statement of Changes In Equity (Un-Audited)

For the six months period ended 31 December 2011

| | Issued, subscribed and paid up capital | Accumulated loss | Total |
|---|---|---|---|
| | ---------------- (Rupees in '000) | ---------------- | |
| Balance as at 30 June 2010 | 3,921,044 | (11,989,993) | (8,068,949) |
| Total comprehensive loss for the six months period ended 31 December 2010 | | | |
| Loss for the six months period ended 31 December 2010 | - | (915,924) | (915,924) |
| Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax | - | 95,729 | 95,729 |
| Balance as at 31 December 2010 | 3,921,044 | (12,810,188) | (8,889,144) |
| Total comprehensive loss for the six months period ended 30 June 2011 | | | |
| Loss for the six months period ended 30 June 2011 | - | (1,071,035) | (1,071,035) |
| Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax | - | 110,351 | 110,351 |
| Transaction with owners recorded directly in equity | | | |
| Issuance of 585,754,341 ordinary shares @ Rs 10 each | 5,857,543 | - | 5,857,543 |
| Balance as at 30 June 2011 | 9,778,587 | (13,770,872) | (3,992,285) |
| Total comprehensive loss for the six months period ended 31 December 2011 | | | |
| Loss for the six months period ended 31 December 2011 | - | (2,172,093) | (2,172,093) |
| Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax | - | 186,051 | 186,051 |
| Balance as at 31 December 2011 | 9,778,587 | (15,756,914) | (5,978,327) |

The annexed notes from 1 to 20 form an integral part of this unconsolidated condensed interim financial information.

Chief Executive

Director

**Notes to the Unconsolidated Condensed Interim Financial Information (Un-audited)**
For the six months period ended 31 December 2011

1. LEGAL STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan as a public limited company on 09 January 1995 and was granted a certificate of commencement of business on 13 March 1995. The shares of the company are listed on Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the Company is situated at The Harbour Front, 9th floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi – 75600, Pakistan. The Company is engaged in the production and sale of petroleum products.

2. GOING CONCERN ASSUMPTION

During the period ended 31 December 2011, the Company incurred a net loss after tax of Rs. 2,172 million (31 December 2010: Rs. 916 million) and as of that date its accumulated losses of Rs.15,757 million (30 June 2011: Rs.13,771 million) have resulted in negative equity of Rs.5,978 million (30 June 2011: Rs.3,992 million). As at 31 December 2011 total liabilities exceeded total assets by Rs. 234 million and current liabilities of the Company exceed its current assets by Rs.14,546 million (30 June 2011: Rs.16,331 million). The refinery operations of the Company have substantially declined and the refinery could not operate during most part of the period on account of working capital constraints being faced by the Company and as a result thereof, it has been unable to ensure timely payments to its creditors. Consequently certain creditors have claimed mark-up on delayed payments which the company does not acknowledge due to the reason mentioned in note 15 to these unconsolidated condensed interim financial information. The conditions indicate existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The unconsolidated condensed interim financial information have been prepared using the going concern assumption as the management is confident that all these conditions are temporary, not permanent and would reverse in foreseeable future.

The Company during the six months period ended 31 December 2011 has successfully negotiated deferment of the repayment of Rs. 6,289 million to its creditors as mentioned in note 11 and has converted Rs. 7,650 million of its Forced Payment Against Documents (FPAD) into Running Finance as mentioned in note 13 to the unconsolidated condensed interim financial information.

Further, during the current period the Company has been able to achieve reduction in mark-up rates in respect of its liabilities towards the banks by approximately 200 basis points. The Company is also in advance stages of negotiation with the banks for restructuring of its liabilities and expect the restructuring to fetch substantial reduction in mark-up cost in future and relaxed cash flows which will ensure smooth operations of the refinery. In addition to the aforesaid one of the major local banks supported the Company in importing crude oil subsequent to the six months period resulting in resumption of refinery operations.

High margin aviation fuel export market has been tapped and for managing this business, a separate working capital line is available to the Company. This additional business is estimated to contribute towards the profitability of the Company.

Further, the approval by the Ministry of Petroleum and Natural Resources (MP & NR) of recovery of crude transportation cost through IFEM Pool will result in cost savings to the Company upon resumption of its refining operations, as previously, all this transportation cost was borne by the Company itself without any reimbursements from the pool or the Government.

The Company has and is continuously reviewing its costs, operating expenditures as well as capital expenditures, with a view to optimize the associated benefits and/or reduce/eliminate such costs, as appropriate.

The results of the above efforts, activities and actions is expected to contribute significantly towards the profitability, cost reduction, cash flows and equity position of the Company and contribute towards favorable conditions and mitigate the risks involved. Further, the management has prepared financial projections to demonstrate the financial benefits of above measures and therefore, the preparation of unconsolidated condensed interim financial information on going concern assumption is justified.

3. BASIS OF PREPARATION

3.1 This unconsolidated condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the unconsolidated condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2011.

3.2 This unconsolidated condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand.

3.3 This unconsolidated condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Karachi, Lahore and Islamabad Stock Exchanges and section 245 of the Companies Ordinance, 1984. The figures for the six months period ended 31 December 2011 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance.

4. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this unconsolidated condensed interim financial information are the same as those applied in preparation of the financial statements of the Company for the year ended 30 June 2011.

4.1 Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the Company's operations or did not have any significant impact on the accounting policies of the Company.

5. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this unconsolidated condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing this unconsolidated condensed interim financial information, the significant judgments made by management in applying the Company’s accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2011.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2011.

| | | | Un-audited 31 December 2011 | Audited 30 June 2011 |
|---|---|---|---|---|
| 6. | PROPERTY, PLANT AND EQUIPMENT | | (Rupees in '000) | |
| | Operating fixed assets - at cost less accumulated depreciation | 6.1 | 14,546,305 | 14,962,881 |
| | Capital work in progress - at cost | 6.2 | 3,926,531 | 3,714,951 |
| | | | 18,472,836 | 18,677,832 |

| | | Six months period ended 31 December 2011 | Six months period ended 31 December 2010 |
|---|---|---|---|
| 6.1 | The additions in property, plant and equipment during the period are as under: | (Rupees in '000) | |
| | Owned: | | |
| | Plant and machinery | 16,476 | 49,394 |
| | Generators | 23,838 | 8,415 |
| | Roads and civil works | 6,018 | 2,343 |
| | Furniture and fixture | 2,365 | 1,391 |
| | Filing stations | 54,417 | - |
| | Computer and allied | 4,605 | 8,632 |
| | Safety lab and equipment | 3,058 | 2,442 |
| | Leased: | | |
| | Vehicles | 8,243 | 22,044 |
| | | 119,020 | 94,661 |

During the period assets having net book value of Rs. 6.325 million (31 December 2010: Rs. 1.651 million) were disposed for Rs. 7.053 million (31 December 2010: Rs. 2.049 million).

6.2 The additions in Capital work in progress during the period are as under:

| | | |
|---|---|---|
| Plant and machinery | 128,062 | 212,547 |
| Generators | 6,181 | - |
| Civil and mechanical works | 77,298 | 6,875 |
| | 211,541 | 219,422 |

| | | | Un-audited 31 December 2011 | Audited 30 June 2010 |
|---|---|---|---|---|
| 7. | LONG TERM INVESTMENTS | | (Rupees in '000) | |
| | Investment in subsidiary | | | |
| | Byco Terminals Pakistan Limited (formerly Universal Terminal Limited) | | | |
| | 4,503,000 shares of Rs.10/- each at Rs.19.35 per share | | 87,115 | 87,115 |
| | Deposit for issuance of shares | 7.1 | 2,000,000 | 2,000,000 |
| | | | 2,087,115 | 2,087,115 |

7.1 This represents 200 million shares of Rs. 10 each to be issued by the subsidiary against sale of assets.

| 8. LONG TERM LOAN AND RECEIVABLE | | Un-audited 31 December 2011 | Audited 30 June 2010 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Considered good - unsecured | | | |
| Loan to an executive | | 24,840 | 31,320 |
| Less: received during the period | | (2,700) | (6,480) |
| | | 22,140 | 24,840 |
| Subsidiary - unsecured | | | |
| Receivable against sale of assets | 8.1 | 2,159,670 | 2,159,670 |
| Long term loan to subsidiary | | 377,885 | 364,636 |
| | | 2,537,555 | 2,524,306 |
| Less: Current portion | | | |
| Loan to an executive | | (22,140) | (6,480) |
| Long term loan to subsidiary | 10 | (392,668) | (196,334) |
| | | (414,808) | (202,814) |
| | | 2,144,887 | 2,346,332 |

8.1 This represents receivable from Universal Terminal Limited (wholly owned subsidiary) against sale of assets. The amount is unsecured and is repayable in eleven (11) equal semi annual installments commencing from June 2012 and carries mark-up at the rate of six months KIBOR + 3%. The receivable along with the mark-up is convertible into shares at the option of the Company. The receivable is inferior to the rights of present secured financial institutions that are lenders to the subsidiary and such financial institutions that may become lenders to the Subsidiary in the future.

## 9. TRADE DEBTS

This includes:

i) A sum of Rs. 4,404 million (30 June 2011: Rs. 3,497 million) due from Pakistan State Oil Company Limited (PSO) against supplies of products and Rs. 1,157 million (30 June 2011: Rs. 1,953 million) on account of mark-up on delayed payments. The mark-up amount has been reduced by Rs. 1,100 million representing payment received from PSO during the period which has been applied towards settlement of mark-up receivable. Mark-up on delayed payment is charged in accordance with the contractual agreement therewith.

ii) A sum of Rs. 1,137 million (30 June 2011: Rs. 1,137 million) is due from Karachi Electric Supply Company Limited (KESC) against supplies of products and Rs. 99 million (30 June 2011: Rs. 7.211 million) on account of mark-up on delayed payments. Mark-up on delayed payment is charged in accordance with the contractual agreement therewith.

## 10. LOANS AND ADVANCES -considered good

| | | | |
|---|---|---|---|
| Loan to employees | 10.1 | 23,663 | 8,280 |
| Suppliers and contractors | | 330,252 | 329,535 |
| Current portion of Long term loan | 8 | 392,668 | 196,334 |
| | | 746,583 | 534,149 |

10.1 This includes amount of Rs. 22.14 million (30 June 2011: Rs. 8.056 million) due from an executive of the Company.

| 11. LONG TERM PAYABLES | | Un-audited 31 December 2011 | Audited 30 June 2011 |
|---|---|---|---|
| | | (Rupees in '000) | |
| - to suppliers | 11.1 | 4,461,478 | - |
| - to banks | 11.2 | 684,881 | 1,506,738 |
| | | 5,146,359 | 1,506,738 |

11.1 This represents amount payable to Oil Exploration and Production companies for purchase of crude oil. Due to liquidity problems faced by the Company, successful negotiations were held with the suppliers who have agreed to revised payment plans. Accordingly the balance has been reclassified as long term liability. The over dues amounting to Rs. 520 million and amounts due within next 12 months have been classified under current liabilities.

11.2 From banks

| | | |
|---|---|---|
| Syndicated loan | 70,000 | 140,000 |
| Syndicated term finance | 2,328,595 | 3,150,452 |
| | 2,398,595 | 3,290,452 |
| Less: Current maturity | (1,713,714) | (1,783,714) |
| | 684,881 | 1,506,738 |

12. TRADE AND OTHER PAYABLES

| | | | |
|---|---|---|---|
| Foreign bills payable | | - | 4,908,423 |
| Forced Payment against document | 12.1 | 6,539,711 | 6,450,968 |
| Creditors for supplies | | 4,116,791 | 8,264,438 |
| Creditors for services | | 1,512,795 | 1,404,326 |
| Advances from customers | | 833,215 | 796,404 |
| Accrued expense | | 63,251 | 26,713 |
| Sales tax, petroleum levy and federal excise duty payable | | 4,589,345 | 4,547,279 |
| Withholding tax payable | | 14,651 | 10,820 |
| Workers profit participation fund | | 48,676 | 46,689 |
| Dividend payable | | 1,146 | 1,146 |
| Others | | 4,641 | - |
| | | 17,724,222 | 26,457,206 |

12.1 This represents overdue letters of credit in respect of import of crude oil and local purchase of petroleum products. Markup at the rate between 13.00% and 16.36% (30 June 2011: 15.10% and 16.80%) per annum has been accrued thereon.

13. SHORT TERM BORROWINGS - secured

The Running Finance facility was obtained during the year from a syndicate of banks . The facility was allowed by participating banks for the purpose of conversion of existing Forced Payment Against Documents liability into Running Finance upto the limit of Rs. 7,650 million. The facility carries markup at a rate of 1 month KIBOR +1% and is payable quarterly. The facility is secured against first parri passu hypothecation charge upto Rs. 20,400 million over all present and future current assets and ranking hypothecation charge over all fixed assets (excluding land) of the Company upto Rs. 20,400 million.

| | | Un-audited 31 December 2011 | Audited 30 June 2011 |
|---|---|---|---|
| 14. CURRENT PORTION OF NON CURRENT LIABILITIES | | (Rupees in '000) | |
| Long term loans | 11.2 | 1,713,714 | 1,783,714 |
| Liabilities against asset subject to finance lease | | 88,498 | 149,497 |
| | | 1,802,212 | 1,933,211 |

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

Claims against the Company not acknowledged as debts amounting to Rs. 2,117 million (30 June 2011: Rs. 1,520 million) mainly comprise of late payment charges on account of delayed payments against crude oil supplies. The Company is of the view that there are no specific contractual arrangements with these suppliers which allow them to claim / recover these charges and hence no provision in respect of the same has been made in these financial statements.

15.2 Commitments

| | | |
|---|---|---|
| - In respect of capital expenditure | 12,562 | 57,680 |
| - In respect of supplies | 1,043,160 | - |
| | 1,055,722 | 57,680 |

| | | Six months period ended | |
|---|---|---|---|
| | | 31 December 2011 | 31 December 2010 |
| 16. COST OF SALES | | (Rupees in '000) | |
| Opening stock | | 2,238,365 | 3,439,159 |
| Raw material consumed | 16.1 | 8,428,721 | 17,033,386 |
| Manufacturing expense | | 859,365 | 716,552 |
| Cost of goods manufactured | | 9,288,086 | 17,749,938 |
| | | 11,526,451 | 21,189,097 |
| Closing stock | | (2,221,637) | (3,850,151) |
| Cost of sales | | 9,304,814 | 17,338,946 |

| | | Six months period ended | |
|---|---|---|---|
| | | 31 December 2011 | 31 December 2010 |
| 16.1 Raw material consumed | | (Rupees in '000) | |
| Opening stock | | 1,874,658 | 1,488,779 |
| Purchases | | 8,273,938 | 18,077,639 |
| Available for use | | 10,148,596 | 19,566,418 |
| Closing stock | | (1,719,875) | (2,533,032) |
| Raw material consumed | | 8,428,721 | 17,033,386 |

17. LOSS PER SHARE - basic and diluted

| | | | |
|---|---|---|---|
| 17.1 Loss per share - basic | | | |
| Net loss after tax | | (2,172,093) | (915,924) |
| Weight average number of ordinary shares | Number | 977,858,737 | 392,104,400 |
| Loss per share - basic | Rupees | (2.22) | (2.34) |
| 17.2 Loss per share - diluted | | | |
| Net loss after tax | | (2,172,093) | (915,924) |
| Dilutive effect - net of tax | | - | 4,109 |
| | | (2,172,093) | (911,815) |
| Weight average number of ordinary shares | | 977,858,737 | 392,104,400 |
| Dilutive effect | | - | 200,631,436 |
| | Number | 977,858,737 | 592,735,836 |
| Loss per share - diluted | Rupees | (2.22) | (1.54) |

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of parent companies, holding and subsidiary company, associated undertakings, directors, key management personnels and staff provident fund. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. Details of transactions and balances with related parties are as follows:

Transactions with related parties

Parent Companies

| | | |
|---|---|---|
| Receipt of loan | - | 560,043 |
| Markup on loan | - | 12,590 |
| Land lease rentals | 24,062 | - |
| Repayment of markup | 13,233 | - |
| Shared expenses | 8,070 | - |

| | Six months period ended | |
|---|---|---|
| | 31 December 2011 | 31 December 2010 |
| | (Rupees in '000) | |
| **Subsidiary Company** | | |
| Sales | 162,108 | - |
| Services received | 115,606 | - |
| Loan advanced | 13,249 | 147,109 |
| Markup income | 215,266 | 185,927 |
| Land lease rental | 1,375 | 1,375 |
| **Associated Companies** | | |
| Sale of petroleum products | 145,559 | 1,937,282 |
| Purchase of operating fixed assets and services | 103,362 | 187,933 |
| Repayment of loan | - | 53,564 |
| Markup on loan | - | 274,291 |
| Land lease rentals | - | 21,875 |
| Shared expenses | - | 7,710 |
| Mark-up income | 92,457 | - |
| Repayment of markup | 88,333 | - |
| **Staff Provident Fund** | | |
| Payment of employees and company's contribution | 30,014 | 29,098 |

| | Un-audited 31 December 2011 | Audited 30 June 2011 |
|---|---|---|
| | (Rupees in '000) | |
| **Balances with related parties** | | |
| **Parent Companies** | | |
| Markup payable | - | 13,233 |
| Markup receivable | 33,012 | 33,012 |
| Security deposits | 3,646 | 3,646 |
| Advances against purchase of assets - net | 135,741 | 135,741 |
| Receivable against land lease rent | 99,687 | 75,625 |
| Shared expenses payable | 8,070 | - |
| **Subsidiary Company** | | |
| Long term receivable as deferred payment | 2,159,670 | 2,159,670 |
| Deposit for shares | 2,000,000 | 2,000,000 |
| Long term loan | 377,885 | 364,636 |
| Markup receivable | 616,518 | 401,252 |
| Trade Debts | 162,107 | - |
| Receivable against land lease rent | 4,125 | 2,750 |
| Advance against services | 10,267 | - |
| Creditors for services | - | 28,593 |
| **Associated Companies** | | |
| Creditors for services | 21,853 | 26,946 |
| Markup payable | - | 88,333 |
| Trade debts | 1,235,826 | 1,144,449 |
| **Staff Provident Fund** | | |
| Payable to staff provident fund | 3,975 | - |

19. OPERATING SEGMENTS

For management purposes, the Company has determined following reportable operating segments on the basis of business activities i.e. oil refining and petroleum marketing businesses. Oil refining business is engaged in crude oil refining and selling of refined petroleum products to oil marketing companies. Petroleum marketing business is engaged in trading of petroleum products, procuring products from Oil refining business as well as from other sources. The quantitative data for segments is given below:

| | Oil Refining Business | | Petroleum Marketing Business | | Total | |
|---|---|---|---|---|---|---|
| | Six months period ended | | Six months period ended | | Six months period ended | |
| | 31 December 2011 | 31 December 2010 | 31 December 2011 | 31 December 2010 | 31 December 2011 | 31 December 2010 |
| Revenue | | | | | | |
| Net Sales to external customers | 2,315,108 | 2,626,429 | 6,013,635 | 14,995,718 | 8,328,743 | 17,622,147 |
| Inter-segment sales | 2,830,027 | 8,088,102 | - | - | 2,830,027 | 8,088,102 |
| Eliminations | (2,830,027) | (8,088,102) | - | - | (2,830,027) | (8,088,102) |
| Total revenue | 2,315,108 | 2,626,429 | 6,013,635 | 14,995,718 | 8,328,743 | 17,622,147 |
| Result | | | | | | |
| Segment results - (loss) / profit | (1,494,666) | (144,101) | (246,020) | 235,445 | (1,740,686) | 91,344 |
| Un-allocated expenses | | | | | - | (3,248) |
| | | | | | (1,740,686) | 88,096 |
| Interest expense | | | | | (1,080,716) | (1,164,387) |
| Interest income | | | | | 611,899 | 213,410 |
| Taxation | | | | | 37,410 | (53,043) |
| Loss for the year | | | | | (2,172,093) | (915,924) |
| Other Information | | | | | | |
| Depreciation and amortization | 490,219 | 304,759 | 39,125 | 12,493 | | |

20. DATE OF AUTHORISATION OF ISSUE

The unconsolidated condensed interim financial information was authorised for issue on **22 May 2012** by the Board of Directors of the Company.

Chief Executive

Director

## Consolidated Condensed Interim Balance Sheet

**As at 31 December 2011**

| ASSETS | Notes | Unaudited 31 December 2011 | Audited 30 June 2011 |
|---|---|---|---|
| | | (Rupees in '000) | |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 7 | 21,835,495 | 21,986,328 |
| Intangible asset | | 31,140 | 32,619 |
| Long term loan and receivable | 8 | - | 18,360 |
| Long term deposits | | 19,034 | 23,315 |
| | | 21,885,669 | 22,060,622 |
| CURRENT ASSETS | | | |
| Stores and spares | | 190,219 | 199,697 |
| Stock in trade | | 3,941,512 | 4,113,023 |
| Trade debts | 9 | 6,960,741 | 6,658,446 |
| Loans and advances - considered good | 10 | 343,648 | 354,853 |
| Trade deposits, prepayments and other receivables | | 1,652,643 | 408,510 |
| Markup accrued | | 33,012 | 33,012 |
| Cash and bank balances | | 404,502 | 271,254 |
| | | 13,526,277 | 12,038,795 |
| | | 35,411,946 | 34,099,417 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital | | | |
| 1,200,000,000 (June 2011:1,200,000,000) Ordinary shares of Rs.10/- each | | 12,000,000 | 12,000,000 |
| Issued, subscribed and paid up capital | | 9,778,587 | 9,778,587 |
| Accumulated losses | | (17,973,524) | (15,665,947) |
| | | (8,194,937) | (5,887,360) |
| Surplus on revaluation of property, plant and equipment | | 5,744,111 | 5,930,161 |
| NON CURRENT LIABILITIES | | | |
| Long term payables | 11 | 5,146,359 | 1,506,738 |
| Liabilities against assets subject to finance leases | | 102,712 | 130,580 |
| Long term deposits | | 33,546 | 33,046 |
| Deferred liabilities | | 3,301,114 | 3,365,708 |
| | | 8,583,731 | 5,036,072 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 12 | 17,816,070 | 26,546,558 |
| Accrued mark-up | | 521,230 | 298,700 |
| Short term borrowings - secured | 13 | 8,833,738 | - |
| Current portion of non current liabilities | 14 | 1,803,527 | 1,934,527 |
| Provision for taxation | | 304,476 | 240,759 |
| | | 29,279,041 | 29,020,544 |
| Contingencies and commitments | 15 | | |
| | | 35,411,946 | 34,099,417 |

The annexed notes from 1 to 20 form an integral part of this consolidated condensed interim financial information.

Chief Executive

Director

# Consolidated Condensed Interim Profit and Loss Account (Un-Audited)

For the six months period ended 31 December 2011

| | Notes | Six months period ended 31 December 2011 | Six months period ended 31 December 2010 | Quarter ended 31 December 2011 | Quarter ended 31 December 2010 |
|---|---|---|---|---|---|
| | | (Rupees in '000) | | | |
| Gross sales | | 9,178,800 | 20,300,376 | 3,240,930 | 11,123,775 |
| Sales tax, discount and others | | (989,804) | (2,678,229) | (399,808) | (1,400,678) |
| Net sales | | 8,188,996 | 17,622,147 | 2,841,122 | 9,723,097 |
| Cost of sales | 16 | 9,230,468 | 17,338,946 | 3,516,067 | 9,452,164 |
| Gross (loss) / profit | | (1,041,472) | 283,201 | (674,945) | 270,933 |
| Operating expenses | | | | | |
| Administrative expenses | | 456,504 | 438,773 | 238,629 | 244,503 |
| Selling and distribution expenses | | 248,156 | 323,350 | 75,886 | 285,382 |
| | | 704,660 | 762,123 | 314,515 | 529,885 |
| Operating loss | | (1,746,132) | (478,922) | (989,460) | (258,952) |
| Other income | | 431,007 | 589,813 | 226,412 | 538,255 |
| | | (1,315,125) | 110,891 | (763,048) | 279,303 |
| Financial and other charges | | | | | |
| Financial charges | | 1,110,772 | 1,183,606 | 505,451 | 631,922 |
| Exchange differences - net | | 104,747 | 11,393 | 9,424 | (49,643) |
| | | 1,215,519 | 1,194,999 | 514,875 | 582,279 |
| Loss before taxation | | (2,530,644) | (1,084,108) | (1,277,923) | (302,976) |
| Taxation | | | | | |
| Current | | 30,443 | 104,589 | 9,053 | 61,020 |
| Prior year | | 33,274 | - | 33,274 | |
| Deferred | | (100,731) | (51,546) | (51,376) | (25,746) |
| | | (37,014) | 53,043 | (9,049) | 35,274 |
| Loss after taxation | | (2,493,630) | (1,137,151) | (1,268,874) | (338,250) |
| Loss per share - basic | 17.1 | (2.55) | (2.90) | (1.30) | (0.86) |
| Loss per share - diluted | 17.2 | (2.55) | (1.91) | (1.30) | (0.54) |

The annexed notes from 1 to 20 form an integral part of this consolidated condensed interim financial information.

Chief Executive

Director

# Consolidated Condensed Interim Statement of Other Comprehensive Income (Un-Audited)

For the six months period ended 31 December 2011

| | Six months period ended | | Quarter ended | |
|---|---|---|---|---|
| | 31 December 2011 | 31 December 2010 | 31 December 2011 | 31 December 2010 |
| | (Rupees in '000) | | | |
| Net loss after taxation | (2,493,630) | (1,137,151) | (1,268,874) | (338,250) |
| Other comprehensive income | | | | |
| Total comprehensive loss for the period | (2,493,630) | (1,137,151) | (1,268,874) | (338,250) |

The annexed notes from 1 to 20 form an integral part of this consolidated condensed interim financial information.

Chief Executive

Director

## Consolidated Condensed Interim Cash Flow Statement (Un-Audited)
For the six months period ended 31 December 2011

| | Six months period ended | |
|---|---|---|
| | 31 December 2011 | 31 December 2010 |
| | (Rupees in '000) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (2,530,644) | (1,084,108) |
| Adjustments for non cash and other items: | | |
| Depreciation | 553,152 | 350,979 |
| Amortization | 1,479 | 3,248 |
| Financial and other charges | 1,110,772 | 1,194,999 |
| Provision for gratuity | 10,880 | - |
| Gain on disposal of assets | (728) | (398) |
| Net cash flow before working capital changes | (855,089) | 464,720 |
| Movement in working capital | | |
| (Increase) / decrease in current assets | | |
| Stores and spares | 9,478 | (36,051) |
| Stock in trade | 171,511 | (1,496,730) |
| Trade debts | (276,453) | 116,693 |
| Loans and advances | 2,260 | (95,984) |
| Trade deposits, prepayments and other receivables | (1,256,195) | (366,809) |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | 3,506,536 | 3,317,640 |
| Cash generated from operations | 1,302,048 | 1,903,479 |
| Payments / receipt for: | | |
| Financial charges | (916,721) | (570,236) |
| Income taxes | (58,151) | (36,425) |
| Deferred income | 25,260 | - |
| Net cash generated from operating activities | 352,436 | 1,296,818 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (422,008) | (424,226) |
| Proceeds from disposal of vehicles | 7,053 | 2,049 |
| Long term deposits - net | 4,781 | (8,979) |
| Net cash used in investing activities | (410,174) | (431,156) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Loan from sponsors and associates - net | - | 506,479 |
| Long term loan | 1,183,738 | - |
| Repayment of long term loan | (891,857) | (946,691) |
| Long term deposits | - | 7,950 |
| Liabilities against assets subject to finance lease - net | (100,895) | (56,074) |
| Short term borrowings - net | - | (508,809) |
| Net cash used in financing activities | 190,986 | (997,145) |
| Net increase / (decrease) in cash and cash equivalents | 133,248 | (131,483) |
| Cash and cash equivalents at beginning of the period | 271,254 | 1,046,352 |
| Cash and cash equivalents at end of the period | 404,502 | 914,869 |

The annexed notes from 1 to 20 form an integral part of this consolidated condensed interim financial information.

Chief Executive

Director

## Consolidated Condensed Interim Statement of Changes In Equity (Un-Audited)

For the six months period ended 31 December 2011

| | Issued, subscribed and paid up capital | Accumulated loss | Total |
|---|---|---|---|
| | (Rupees in '000) | | |
| Balance as at 30 June 2010 | 3,921,044 | (13,559,848) | (9,638,804) |
| Total comprehensive loss for the six months period ended 31 December 2010 | | | |
| Loss for the six months period ended 31 December 2010 | | (1,137,151) | (1,137,151) |
| Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax | | 95,729 | 95,729 |
| Balance as at 31 December 2010 | 3,921,044 | (14,601,270) | (10,680,226) |
| Balance as at 01 July , 2010 | | | |
| Total comprehensive loss for the six months period ended 30 June 2011 | | | |
| Loss for the six months period ended 30 June 2011 | | (1,175,028) | (1,175,028) |
| Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax | | 110,351 | 110,351 |
| Transaction with owners recorded directly in equity | | | |
| Issuance of 585,754,341 ordinary shares @ Rs 10 each | 5,857,543 | | 5,857,543 |
| Balance as at 30 June 2011 | 9,778,587 | (15,665,947) | (5,887,360) |
| Total comprehensive loss for the six months period ended 31 December 2011 | | | |
| Loss for the six months period ended 31 December 2011 | | (2,493,630) | (2,493,630) |
| Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax | | 186,053 | 186,053 |
| Balance as at 31 December 2011 | 9,778,587 | (17,973,524) | (8,194,937) |

The annexed notes from 1 to 20 form an integral part of this consolidated condensed interim financial information.

Chief Executive

Director

## Notes to the Consolidated Condensed Interim Financial Information (Un-audited)
For the six months period ended 31 December 2011

1. REPORTING ENTITY

The Group comprises of the following companies

Byco Petroleum Pakistan Limited ('BTPL') - Parent Company

(i) 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 the company are listed on Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the BPPL situated at The Harbour Front, 9th floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi – 75600, Pakistan. The company is engaged in the production and sale of petroleum products. Byco Oil Pakistan Limited, a public limited company incorporated in Pakistan own 86.98% shareholding of the company.

(ii) Byco Terminals Pakistan Limited (formerly Universal Terminal Limited) ('BTPL') - Subsidiary

BTPL was incorporated in Pakistan on June 14, 2002 as a private limited company under the Companies Ordinance, 1984 and converted into Public Limited Company on May 24, 2010. BPPL acquired 100% shares of BTPL by virtue of share purchase agreement dated February 17, 2010 (acquisition date). The registered office of BTPL is situated at Executive Tower, 7th floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi - 75600. BTPL is principally engaged in the provision of bulk storage services of petroleum products.

2. GOING CONCERN ASSUMPTION

During the period ended 31 December 2011, the Parent Company (BPPL) incurred a net loss after tax of Rs. 2,172 million (31 December 2010: Rs. 916 million) and as of that date its accumulated losses of Rs.15,757 million (30 June 2011: Rs.13,771 million) have resulted in negative equity of Rs.5,978 million (30 June 2011: Rs.3,992 million). As at 31 December 2011 total liabilities exceeded total assets by Rs.234 million and current liabilities of the Company exceeds its current assets by Rs.14,546 million (30 June 2011: Rs.16,331 million). The refinery operations of the Parent Company have substantially declined and the refinery could not operate during most part of the period on account of working capital constraints being faced by the Parent Company and as a result thereof, it has been unable to ensure timely payments to its creditors. Consequently certain creditors have claimed mark-up on delayed payments which the Parent Company does not acknowledge due to the reason mentioned in note 15 to these consolidated condensed interim financial information. The conditions indicate existence of material uncertainty which may cast significant doubt about the Parent Company's ability to continue as going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The consolidated condensed interim financial information have been prepared using the going concern assumption as the management is confident that all these conditions are temporary, not permanent and would reverse in foreseeable future.

The Parent Company during the six months period ended 31 December 2011 has successfully negotiated deferment of the repayment of Rs. 6,289 million to its creditors as mentioned in note 11 and has converted Rs. 7,650 million of its Forced Payment Against Documents (FPAD) into Running Finance as mentioned in note 13 to the consolidated condensed interim financial information.

Further, during the current period the Parent Company has been able to achieve reduction in mark-up rates in respect of its liabilities towards the banks by approximately 200 basis points. The Parent Company is also in advance stages of negotiation with the banks for restructuring of its liabilities and expect the restructuring to fetch substantial reduction in mark-up cost in future and relaxed cash flows which will ensure smooth operations of the refinery. In addition to the aforesaid one of the major local banks supported the Parent Company in importing crude oil subsequent to the six months period resulting in resumption of refinery operations.

High margin aviation fuel export market has been tapped and for managing this business, a separate working capital line is available to the Parent Company. This additional business is estimated to contribute towards the profitability of the Parent Company.

Further, the approval by the Ministry of Petroleum and Natural Resources (MP & NR) of recovery of crude transportation cost through IFEM Pool will result in cost savings to the Parent Company upon resumption of its refining operations, as previously, all this transportation cost was borne by the Parent Company itself without any reimbursements from the pool or the Government.

The Parent Company has and is continuously reviewing its costs, operating expenditures as well as capital expenditures, with a view to optimize the associated benefits and/or reduce/eliminate such costs, as appropriate.

The results of the above efforts, activities and actions is expected to contribute significantly towards the profitability, cost reduction, cash flows and equity position of the Parent Company and contribute towards favorable conditions and mitigate the risks involved. Further, the management has prepared financial projections to demonstrate the financial benefits of above measures and therefore, the preparation of consolidated condensed interim financial information on going concern assumption is justified.

3. BASIS OF PREPARATION

3.1 This consolidated condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the consolidated condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended 30 June 2011.

3.2 This consolidated condensed interim financial information is presented in Pakistan Rupees which is also the Group's functional currency and all financial information presented has been rounded off to the nearest thousand.

3.3 This consolidated condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Karachi, Lahore and Islamabad Stock Exchanges and section 245 of the Companies Ordinance, 1984.

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. The accounting policies of subsidiaries are changed where 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.

## 5. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in preparation of the financial statements of the Parent Company for the year ended 30 June 2011.

5.1 Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the Parent Company's operations or did not have any significant impact on the accounting policies of the Company.

## 6. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this consolidated condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing this consolidated condensed interim financial information, the significant judgments made by management in applying the Parent Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2011. The Parent Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2011.

| | | Un-audited 31 December 2011 | Audited 30 June 2011 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **7. PROPERTY, PLANT AND EQUIPMENT** | | | |
| Operating fixed assets - at cost less accumulated depreciation | 7.1 | 15,456,974 | 15,526,412 |
| Capital work in progress - at cost | 7.2 | 6,378,521 | 6,459,916 |
| | | 21,835,495 | 21,986,328 |

| | | Six months period ended | |
|---|---|---|---|
| | | 31 December 2011 | 31 December 2010 |
| 7.1 | The additions in property, plant and equipment during the period are as under: | (Rupees in '000) | |
| | Owned: | | |
| | Plant and machinery | 16,476 | 49,394 |
| | Generators | 23,838 | 8,415 |
| | Roads and civil works | 6,018 | 2,343 |
| | Furniture and fixture | 2,365 | 1,391 |
| | Filing stations | 54,417 | - |
| | Computer and allied | 5,270 | 8,632 |
| | Safety lab and equipment | 3,058 | 2,442 |
| | Leased: | | |
| | Vehicles | 12,026 | 22,044 |
| | | 123,468 | 94,661 |

During the period assets having net book value of Rs. 6.325 million (31 December 2010: Rs. 1.651 million) were disposed for Rs. 7.053 million (31 December 2010: Rs. 2.049 million).

7.2 The additions in Capital work in progress during the period are as under:

| | | | |
|---|---|---|---|
| | Plant and machinery | 255,007 | 347,452 |
| | Generators | 6,181 | - |
| | Civil and mechanical works | 77,298 | 6,875 |
| | | 338,486 | 354,327 |

| | | Un-audited 31 December 2011 | Audited 30 June 2011 |
|---|---|---|---|
| 8. | LONG TERM LOAN AND RECEIVABLE | (Rupees in '000) | |
| | Considered good - unsecured | | |
| | Loan to an executive | 24,840 | 31,320 |
| | Less: received during the period | (2,700) | (6,480) |
| | | 22,140 | 24,840 |
| | Less: Current portion | | |
| | Loan to an executive | (22,140) | (6,480) |
| | | (22,140) | (6,480) |
| | | - | 18,360 |

9. TRADE DEBTS

This includes:

i) A sum of Rs. 4,404 million (30 June 2011: Rs. 3,497 million) due from Pakistan State Oil Company Limited (PSO) against supplies of products and Rs. 1,157 million (30 June 2011: Rs. 1,953 million) on account of mark-up on delayed payments. The mark-up amount has been reduced by Rs. 1,100 million representing payment received from PSO during the period which has been applied towards settlement of mark-up receivable. Mark-up on delayed payment is charged in accordance with the contractual agreement therewith.

ii) A sum of Rs. 1,137 million (30 June 2011: Rs. 1,137 million) due from Karachi Electric Supply Company Limited (KESC) against supplies of products and Rs. 99 million (30 June 2011: Rs. 7.211 million) on account of mark-up on delayed payments. Mark-up on delayed payment is charged in accordance with the contractual agreement therewith.

| | | Un-audited 31 December 2011 | Audited 30 June 2011 |
|---|---|---|---|
| | | (Rupees in '000) | |

## 10. LOANS AND ADVANCES -considered good

| | Note | Un-audited 31 December 2011 | Audited 30 June 2011 |
|---|---|---|---|
| Loan to employees | 10.1 | 23,663 | 8,280 |
| Suppliers and contractors | | 319,985 | 346,573 |
| | | 343,648 | 354,853 |

10.1 This includes amount of Rs. 22.14 million (30 June 2011: Rs. 8.056 million) due from an executive of the Parent Company.

## 11. LONG TERM PAYABLES

| | Note | Un-audited 31 December 2011 | Audited 30 June 2011 |
|---|---|---|---|
| - to suppliers | 11.1 | 4,461,478 | - |
| - to banks | 11.2 | 684,881 | 1,506,738 |
| | | 5,146,359 | 1,506,738 |

11.1 This represents amount payable to Oil Exploration and Production companies for purchase of crude oil Due to liquidity problems faced by the Parent Company, successful negotiations were held with the suppliers who have agreed to revised payment plans. Accordingly the balance has been reclassified as long term liability. The over dues amounting to Rs. 520 million and amounts due within next 12 months have been classified under current liabilities.

11.2 From banks

| | Un-audited 31 December 2011 | Audited 30 June 2011 |
|---|---|---|
| Syndicated loan | 70,000 | 140,000 |
| Syndicated term finance | 2,328,595 | 3,150,452 |
| | 2,398,595 | 3,290,452 |
| Less: Current maturity | (1,713,714) | (1,783,714) |
| | 684,881 | 1,506,738 |

## 12. TRADE AND OTHER PAYABLES

| | Note | Un-audited 31 December 2011 | Audited 30 June 2011 |
|---|---|---|---|
| Foreign bills payable | | - | 4,908,423 |
| Forced Payment against document | 12.1 | 6,539,711 | 6,450,968 |
| Creditors for supplies | | 4,116,791 | 8,362,753 |
| Creditors for services | | 1,590,040 | 1,380,597 |
| Advances from customers | | 833,214 | 797,658 |
| Accrued expense | | 66,495 | 36,187 |
| Sales tax, petroleum levy and federal excise duty payable | | 4,589,422 | 4,547,354 |
| Withholding tax payable | | 25,934 | 14,783 |
| Workers profit participation fund | | 48,676 | 46,689 |
| Dividend payable | | 1,146 | 1,146 |
| Others | | 4,641 | - |
| | | 17,816,070 | 26,546,558 |

12.1 This represents overdue letters of credit in respect of import of crude oil and local purchase of petroleum products. Markup at the rate between 13.00% and 16.36% (30 June 2011: 15.10% and 16.80%) per annum has been accrued thereon.

13. SHORT TERM BORROWINGS - secured

This represents:

(i) Running Finance facility obtained by Parent Company during the year from a syndicate of banks . The facility was allowed by participating banks for the purpose of conversion of existing Forced Payment Against Documents liability into Running Finance upto the limit of Rs. 7,650 million. The facility carries markup at a rate of 1 month KIBOR +1% and is payable quarterly. The facility is secured against first parri passu hypothecation charge upto Rs. 20,400 million over all present and future current assets and ranking hypothecation charge over all fixed assets (excluding land) of the Parent Company upto Rs. 20,400 million; and

(ii) Short Term Finance Facility obtained by Byco Terminals Pakistan Limited (formerly Universal Terminal Limited) during the period from a financial institution for financing Single Point Mooring. The facility carries markup at a rate of 6 month KIBOR +2.75% and is payable as bullet payment at maturity. The facility is secured against joint parri passu equitable mortgage on all fixed assets of the company with a margin.

| 14. CURRENT PORTION OF NON CURRENT LIABILITIES | | Un-audited 31 December 2011 | Audited 30 June 2011 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Long term loans | 11.2 | 1,713,714 | 1,783,714 |
| Liabilities against asset subject to finance lease | | 89,813 | 150,813 |
| | | 1,803,527 | 1,934,527 |

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

Claims against the Parent Company not acknowledged as debts amounting to Rs. 2,117 million (30 June 2011: Rs. 1,520 million) mainly comprise of late payment charges on account of delayed payments against crude oil supplies. The Parent Company is of the view that there are no specific contractual arrangements with these suppliers which allow them to claim / recover these charges and hence no provision in respect of the same has been made in these financial statements.

15.2 Commitments

| | | |
|---|---|---|
| - In respect of capital expenditure | 12,562 | 57,680 |
| - In respect of supplies | 1,043,160 | - |
| | 1,055,722 | 57,680 |

| 16. COST OF SALES | | Six months period ended 31 December 2011 | 31 December 2010 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Opening stock | | 2,238,365 | 3,439,159 |
| Raw material consumed | 16.1 | 8,428,721 | 17,033,386 |
| Manufacturing expense | | 785,019 | 716,552 |
| Cost of goods manufactured | | 9,213,740 | 17,749,938 |
| | | 11,452,105 | 21,189,097 |
| Closing stock | | (2,221,637) | (3,850,151) |
| Cost of sales | | 9,230,468 | 17,338,946 |

| | | Six months period ended | |
|---|---|---|---|
| | | 31 December 2011 | 31 December 2010 |
| **16.1** | **Raw material consumed** | (Rupees in '000) | |
| | Opening stock | 1,874,658 | 1,488,779 |
| | Purchases | 8,273,938 | 18,077,639 |
| | Available for use | 10,148,596 | 19,566,418 |
| | Closing stock | (1,719,875) | (2,533,032) |
| | Raw material consumed | 8,428,721 | 17,033,386 |

**17. LOSS PER SHARE - basic and diluted**

| | | | | |
|---|---|---|---|---|
| 17.1 | Loss per share - basic | | | |
| | Net loss after tax | | (2,493,630) | (1,137,151) |
| | Weight average number of ordinary shares | Number | 977,858,737 | 392,104,400 |
| | Loss per share - basic | Rupees | (2.55) | (2.90) |
| 17.2 | Loss per share - diluted | | | |
| | Net loss after tax | | (2,493,630) | (1,137,151) |
| | Dilutive effect - net of tax | | - | 4,109 |
| | | | (2,493,630) | (1,133,042) |
| | Weight average number of ordinary shares | | 977,858,737 | 392,104,400 |
| | Dilutive effect | | - | 200,631,436 |
| | | Number | 977,858,737 | 592,735,836 |
| | Loss per share - diluted | Rupees | (2.55) | (1.91) |

**18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

The related parties comprise of parent companies, holding and subsidiary company, associated undertakings, directors, key management personnels and staff provident fund. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. Details of transactions and balances with related parties are as follows:

Transactions with related parties

Parent Companies

| | | |
|---|---|---|
| Receipt of loan | - | 560,043 |
| Markup on loan | - | 12,590 |
| Land lease rentals | 24,062 | - |
| Repayment of markup | 13,233 | - |
| Shared expenses | 8,070 | - |

| | Six months period ended 31 December 2011 | 31 December 2010 |
|---|---|---|
| | (Rupees in '000) | |
| Associated Companies | | |
| Sale of petroleum products | 145,559 | 1,937,282 |
| Purchase of operating fixed assets and services | 107,704 | 187,933 |
| Repayment of loan | - | 53,564 |
| Markup on loan | - | 274,291 |
| Land lease rentals | - | 21,875 |
| Shared expenses | - | 7,710 |
| Mark-up income | 92,457 | - |
| Repayment of markup | 88,333 | - |
| Staff Provident Fund | | |
| Payment of employees and company's contribution | 31,596 | 29,098 |

| | Un-audited 31 December 2011 | Audited 30 June 2011 |
|---|---|---|
| | (Rupees in '000) | |
| Balances with related parties | | |
| Parent Companies | | |
| Markup payable | - | 13,233 |
| Markup receivable | 33,012 | 33,012 |
| Security deposits | 3,646 | 3,646 |
| Advances against purchase of assets - net | 135,741 | 135,741 |
| Receivable against land lease rent | 99,687 | 75,625 |
| Shared expenses payable | 8,070 | - |
| Associated Companies | | |
| Creditors for services | 26,195 | 26,946 |
| Markup payable | - | 88,333 |
| Trade debts | 1,235,826 | 1,144,449 |
| Staff Provident Fund | | |
| Payable to staff provident fund | 7,139 | - |

19. OPERATING SEGMENTS

For management purposes, the Group has determined following reportable operating segments on the basis of business activities i.e. oil refining, petroleum marketing businesses and petroleum storage services. Oil refining business is engaged in crude oil refining and selling of refined petroleum products to oil marketing companies. Petroleum marketing business is engaged in trading of petroleum products, procuring products from Oil refining business as well as from other sources. BTPL is engaged in the provision of bulk storage services of petroleum products. The quantitative data for segments is given below:

| | Oil Refining | | Petroleum Marketing | | Petroleum Storage | | Elimination | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Six months period ended | | Six months period ended | | Six months period ended | | Six months period ended | | Six months period ended | |
| | 31 December 2011 | 31 December 2010 | 31 December 2011 | 31 December 2010 | 31 December 2011 | 31 December 2010 | 31 December 2011 | 31 December 2010 | 31 December 2011 | 31 December 2010 |
| | (Rupees in '000) | | | | | | | | | |
| Revenue | | | | | | | | | | |
| Net Sales to external customers | 2,315,108 | 2,626,429 | 5,959,763 | 14,995,718 | - | -- | | | 8,274,871 | 17,622,147 |
| Inter-segment sales | 2,830,027 | 8,088,102 | 53,872 | -- | 115,606 | -- | (2,999,505) | (8,088,102) | -- | -- |
| Total revenue | 5,145,135 | 10,714,531 | 6,013,635 | 14,995,718 | 115,606 | -- | (2,999,505) | (8,088,102) | 8,274,871 | 17,622,147 |
| Result | | | | | | | | | | |
| Segment results - (loss) / profit | (1,494,666) | (160,799) | (246,020) | 235,445 | 33,126 | (18,602) | (108,580) | -- | (1,816,140) | 56,044 |
| Un-allocated expenses | | | | | | | | | -- | (3,248) |
| | | | | | | | | | (1,816,140) | 52,796 |
| Interest expense | | | | | | | | | (1,111,137) | (1,164,387) |
| Interest income | | | | | | | | | 396,633 | 27,483 |
| Taxation | | | | | | | | | 37,014 | (53,043) |
| Loss for the year | | | | | | | | | (2,493,630) | (1,137,151) |
| Other Information | | | | | | | | | | |
| Depreciation and amortization | 490,219 | 309,092 | 39,125 | 12,493 | 23,808 | 17,580 | | | | |

20. DATE OF AUTHORISATION OF ISSUE

The unconsolidated condensed interim financial information was authorised for issue on **22 May 2012** by the Board of Directors of the Parent Company.

Chief Executive

Director

Byco Petroleum Pakistan Limited

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