

Directors Report

On behalf of the Board of Directors, I am pleased to present the unaudited results of the company for the nine month period ended 30th September 2007.

Performance Highlights:

	Jan-Sep 2007 RO 000's	Jan-Sep 2006 RO 000's	Growth (%)
Sales	108,818	87,398	24.5
Profit after tax	3,522	2,779	26.7
Earnings per share RO	0.055	0.043	27.9
Net Assets per share RO	0.242	0.216	

The figures tabulated above and discussed below are not comparable to the extent that the industry had faced shortage in its requirements of fuel (except aviation fuel) till May 2006 which did not recur this year.

The Net assets per share are after payment of dividend (**for 2006- 47.5%**, for 2005-45%)

Underlying volumes: Performance for the first nine months of the year is better than that of the same period last year. Year on year basis (for the same period) underlying volumes have increased by 27%.

Business segment: All businesses grew in volumes over the same period last year. The growth was however not very significant in both aviation and lubricants business. Commercial fuels business registered a growth of 49% followed by retail 25%. Aviation business growth was 8% and Lubricant business grew by 6% which is expected to improve after the product relaunch last month.

Profit: The profit for the period at RO 3.57m reflects an increase of 26.7 %. This profit is after taking appropriate charge towards creating additional provision during the period for doubtful debts and environmental remediation in line with company policy.

Building for the future: Last year's activity on new builds' has been stepped up further with 5 new sites and 8 shops commissioned year to date.

Health, Safety and Environment (HSE): Since the last annual directors report, there have been no accidents / incidents which have resulted in any serious injury / fatality. There were no other serious health, safety or environment issues in the period.

Business Developments/ Outlook:

- The growth trajectory is expected to be maintained given the general economic climate in the sultanate as also our own efforts.
- Aviation volumes for the rest of the year will be under pressure. The business is based on yearly tenders and management is actively seeking other aviation opportunities.

On behalf of the Board of Directors, I would once again like to express our gratitude to His Majesty Sultan Qaboos bin Said for his inspired leadership and progressive vision that continues to lead the country along a road of growth and prosperity.

On behalf of the Board of Directors

Salim Abdullah Al Rawas
Chairman

Muscat
22 October 2007