

Directors Report

On behalf of the Board of Directors, I am pleased to present the unaudited results of Oman Oil Marketing Company SAOG for the period ended 30th September 2009.

Performance Highlights:

	Jan-Sep 2009 RO '000	Jan-Sep 2008 RO '000	Variance (%)
Sales	124,522	129,896	-4
Profit after tax	3,742	4,829	-23
Earnings per share	0.058	0.075	-23
Net Assets per share	0.349	0.303	15

Business segment:

The Company's performance for the 3rd Quarter has improved however is still lower than last year. The sales for the period of OMR 124.5 million was predominantly by retail while the profit was affected by higher operating costs.

During the 9 month period, 5 new filling stations had been commissioned and this has further improved the retail volumes by more than 3% as compared to last year.

The performance of Commercial Business Unit continued to be affected by lower commercial sales. This however is mitigated by securing RAECO contract as disclose the last quarter.

The Aviation business continues to be affected due to lower fuel intake by its customers. The consolidation of the airlines industry has affected the margin as well as profitability.

The higher operating costs for the period are mainly due to the following:

1. New licensing fees issued by the Ministry of Commerce & Industry which is at 4 balsa per each Rial Omani of the total annual revenue.
2. The increase in purchase prices of petroleum products from Sohar Refinery with effect from 1st August 2009. The new prices imposed will impact the margins on any petroleum products supplied from Sohar Refinery.

As a result of the above as well as increase in other operating costs, the expenditures had increased by 16%.

Capital Expenditure:

Last period's activity on new builds' has been stepped up further with the commissioning of 1 new site during the period and another 3 sites to be commissioned in the last quarter.

Health, Safety and Environment (HSE):

Since the last annual directors report, there has been no accident / incident involving company/contractor vehicles which has resulted in any serious injury.

There were no other serious health, safety or environment issues in the period.

Business Developments/ Outlook:

- The focus on expanding the retail network will continue and more sites are expected to be commissioned in the coming period.
- The Board of Directors remains positive on the Company's performance for the rest of the financial year.

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

On behalf of the Board of Directors

Salim Abdullah Al Rawas
Chairman

Muscat
27th October 2009