Gulf Petroleum Investment Company - K.S.C.C
And its subsidiaries
State of Kuwait

Interim Condensed Consolidated Financial Information
For the three months ended 31 March 2009

(Unaudited)
With review report

PRICEWATERHOUSECOOPERS

AL-AHLI BUREAU
Certified Accountants

Gulf Petroleum Investment Company - K.S.C.C
And its subsidiaries
State of Kuwait

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Gulf Petroleum Investment Company - K.S.C. (Closed)
Kuwait

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

Report on Review of Interim Condensed Financial Information to the Board of Directors

Introduction

We have reviewed the accompanying interim condensed consolidated Financial Position of Gulf Petroleum Investment Company K.S.C.C, "Parent Company" and its subsidiaries (collectively referred to as the Group) as of 31 March 2008 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended. The Parent Company management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with IAS (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity."

A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information are not presented fairly, in all material respects, in accordance with International Accounting Standard No. "34" - Interim Financial Reporting.

Emphasis of Matter

Without qualifying our conclusion mentioned above, we draw attention to notes (9, 10) to this interim condensed consolidated financial information for the three months ended 31 March 2009, in which its mention that the company has started to realize gross losses of some of the Group's activities, and also the fact that not leasing the Group's offshore rig until the review date. The company's ability to settle its liabilities and continue its operation depends on preparation of necessary plan to support or dispose the activities leading to realize losses and leasing the offshore rig.

Gulf Petroleum Investment Company - K.S.C. (Closed)
Kuwait

Report on Review of Interim Financial Information to the Board of Directors (continued)

Report on Review of Other Legal and Regulatory Requirements

Further, based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. To the best of our knowledge and belief, no violations of the Commercial Companies Law of 1960, as amended, or of the Parent Company Articles of Association have occurred during the period ended 31 March 2009 that might have a material affect on the business of the Group or on its consolidated financial position expect for the following:-

- We refer to notes (5 , 7) to this financial information, as the Parent Company invested directly in shares, and not through investment portfolios managed by specialized companies.
- We refer to note (8) to this financial information, as the Parent Company received loans and bank facilities with terms not in accordance to Islamic Sharia.

These are in contravention to the Parent Company's approved activities.

Bader A. Al-Wazzan
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PricewaterhouseCoopers

Nasser Abdullah Al Muqait
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Kuwait
14 May 2009

Gulf Petroleum Investment Company - K.S.C.C
And its subsidiaries

Interim Condensed Consolidated Financial Position as of 31 March 2009
(Unaudited)
(All amount are in Kuwaiti Dinars)

	Note	31 March 2009	31 December 2008 (Audited)	31 March 2008
Assets				
Non current assets				
Property, plant and equipment	3	27,588,941	25,239,638	19,364,079
Intangible assets	4	11,958,465	12,235,260	13,062,903
Available for sale investments	5	1,799,995	1,799,995	206,875
		41,347,401	39,274,893	32,633,857
Current assets				
Due from related parties	11	12,430,843	12,658,412	11,804,000
Receivable and other debit balances	6	4,656,098	4,855,543	3,869,493
Investments at fair value - profit or loss	7	194,400	273,375	17,798,001
Cash and cash equivalents		124,502	1,799,879	730,687
		17,405,843	19,587,209	34,202,181
Total assets		58,753,244	58,862,102	66,836,038
Equity				
Equity attributable to shareholders of the Parent Company				
Share capital		21,871,012	21,871,012	14,640,000
Share premium		10,650,519	10,650,519	2,000,000
Statutory reserve		1,875,323	1,875,323	1,875,323
Voluntary reserve		1,875,323	1,875,323	1,875,323
Foreign currency translation reserve		820,140	(465,376)	(1,240,345)
Retained / (losses) earnings		(5,838,015)	(4,269,421)	11,165,622
		31,254,302	31,537,380	30,315,923
Non current liabilities				
Due to banks	8	14,694,388	16,995,524	15,328,250
End of service indemnity		396,601	375,191	348,540
		15,090,989	17,370,715	15,676,790
Current liabilities				
Payable and other credit balances		4,510,233	3,265,752	4,058,207
Due to related parties	11	809,695	762,167	10,292,665
Due to banks	8	7,088,025	5,926,088	6,492,453
		12,407,953	9,954,007	20,843,325
Total Equity and Liabilities		58,753,244	58,862,102	66,836,038

The accompanying notes form an integral part of this interim condensed consolidated financial information

Jamal Fahad Al Nafisi
Chairman and Managing Director

Gulf Petroleum Investment Company - K.S.C.C
And its subsidiaries

Interim Condensed Consolidated Statement of income for the three months ended 31 March 2009
(Unaudited)
(All amount are in Kuwaiti Dinars)

	Note	Three months ended 31 March	
		2009	2008
Operating revenues		3,079,095	5,704,072
Operating costs		(2,495,632)	(2,857,048)
Gross profit	9	583,463	2,847,024
Other operating income		2,309	3,292
Other operating expenses	9	(627,398)	-
Gain from sale of subsidiaries		-	342,290
(loss)/ Income from foreign currency differences		(982,562)	446,725
General and administrative expenses		(326,027)	(463,170)
Loss from change in value of investments at fair value - profit or loss		(78,975)	(24,300)
Finance charges		(106,724)	(255,970)
Net (loss)/ profit before tax from subsidiaries		(1,535,914)	2,895,891
Income tax on subsidiaries		(32,680)	(56,593)
Net (loss)/ profit before deductions		(1,568,594)	2,839,298
Zakat expense		-	(28,415)
National Labour Support Tax		-	(70,945)
Contribution to Kuwait Foundation for the Advancement of Science		-	(25,540)
Net (loss) /profit for the period		(1,568,594)	2,714,398
Attributable to:			
Shareholders of the Parent Company		(1,568,594)	2,712,914
Non-controlling interest		-	1,484
		(1,568,594)	2,714,398
(Loss) /Earnings per share (fils)	10	(7.17)	14.53

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Gulf Petroleum Investment Company - K.S.C.C
And its subsidiaries

Interim Condensed Consolidated Statement of Comprehensive Income
For the three months ended 31 March 2009
(Unaudited)
(All amount are in Kuwaiti Dinars)

	Three months ended 31 March	
	2009	**2008**
Net (loss) /profit for the period	(1,568,594)	2,714,398
Foreign currency translation difference	1,285,516	(604,824)
Disposal of subsidiaries	-	33,492
Total comprehensive (loss) / income for the period	(283,078)	2,143,066
Attributable to:		
Shareholders of the Parent Company	(283,078)	2,651,668
Non – Controlling interest	-	(508,602)
	(283,078)	2,143,066

The accompanying notes form an integral part of this interim condensed consolidated financial information

Gulf Petroleum Investment Company - K.S.C.C
And its subsidiaries

Interim Condensed Consolidated Statement of Changes in Equity
For the three months ended 31 March 2009
(Unaudited)
(All amount are in Kuwaiti Dinars)

	Equity attributable to shareholders of Parent Company							Non-Controlling interest	Total equity
	Share capital	Share premium	Statutory reserve	Voluntary reserve	Finance statement translation reserve	Retained/ (losses) earnings	Total		
Balance at 31 December 2007	14,640,000	2,000,000	1,875,323	1,875,323	(1,179,099)	8,452,708	27,664,255	508,602	28,172,857
Total comprehensive (loss) / income for the period	-	-	-	-	(61,246)	2,712,914	2,651,668	(508,602)	2,143,066
Balance at 31 March 2008	14,640,000	2,000,000	1,875,323	1,875,323	(1,240,345)	11,165,622	30,315,923	-	30,315,923
Balance at 31 December 2008	21,871,012	10,650,519	1,875,323	1,875,323	(465,376)	(4,269,421)	31,537,380	-	31,537,380
Total comprehensive income / (loss) for the period	-	-	-	-	1,285,516	(1,568,594)	(283,078)	-	(283,078)
Balance at 31 March 2009	21,871,012	10,650,519	1,875,323	1,875,323	820,140	(5,838,015)	31,254,302	-	31,254,302

The accompanying notes form an integral part of this interim condensed consolidated financial information

Gulf Petroleum Investment Company - K.S.C.C
And its subsidiaries

Interim Condensed Consolidated Statement of Cash Flows
For the three months ended 31 March 2009
(Unaudited)
(All amount are in Kuwaiti Dinars)

	Three months ended 31 March	
	2009	**2008**
Cash flows from operating activities		
Net (loss)/ profit for the period	(1,568,594)	2,714,398
Adjustments:		
Depreciation and amortization	581,335	474,936
Loss from investments at fair value - profit or Loss	78,975	24,300
Gain from sale of subsidiaries	-	(342,290)
Finance charges	106,724	255,970
End of service indemnity	21,410	35,030
Operating (loss)/ profit before changes in working capital	(780,150)	3,162,344
Inventories	-	(38,509)
Due from / to related parties	275,097	1,313,485
Receivable and other debit balances	199,444	(1,702,064)
Payable and other credit balances	1,515,245	1,381,276
Net cash generated from operating activities	1,209,636	4,116,532
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	(1,251,894)	(1,833,241)
Cash at subsidiaries on disposal	-	(312,484)
Net cash used in investing activities	(1,251,894)	(2,145,725)
Cash flows from financing activities		
Net payment bank facilities and loans	(1,139,199)	(2,354,749)
Finance charges paid	(488,494)	(832,426)
Dividends paid	(5,426)	-
Net cash used in financing activities	(1,633,119)	(3,187,175)
Net change in cash and cash equivalents	(1,675,377)	(1,216,368)
Cash and cash equivalents at beginning of the period	1,799,879	1,947,055
Cash and cash equivalents at end of the period	124,502	730,687

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Incorporation and activities

Gulf Petroleum Investment Company K.S.C.C (the Parent Company) was incorporated in 1998 under the Kuwaiti's Law of Commercial Companies. The Parent Company operates according to the Noble Islamic Shariaa principles.

The main objectives of the Parent company and its subsidiaries (together referred to as "the Group") is to carry out oil field and gas services in land and sea, providing technical, economic, consulting, and marketing studies and in all fields related to oil and petrochemicals in addition to owning plants, machinery and tools necessary for oil and petrochemicals industry, and leasing them to others.

The Parent Company's registered office is at Salhiya, Ali Al Salem Street, Al-Mabanee Building 1, first floor P.O. Box 14214 Fiha, 72853 Kuwait.

The interim financial information includes the financial information of the Parent Company and its subsidiaries which their total assets amounted to KD 31,097,519 as of 31 March 2009 (KD 28,870,357 as of 31 December 2008, KD 22,548,351 as of 31 March 2008) and their net profit for the period then ended is KD 726,107 (KD 2,183,008 as of 31 March 2008).

The International Investment Group (K.S.C.) holds 14.53% of the Parent Company's share capital as at 31 March 2009.

The interim condensed consolidated financial information was authorized for issue by the Board of Directors on 14 May 2009.

2. Basis of preparation

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard (34) "Interim financial reporting".

The interim condensed consolidated financial information does not contain all information and disclosures required for full financial statements prepared in accordance with the International Financial Reporting Standards.

In the opinion of management, all adjustments consisting of normal recurring accruals consid0ered necessary for a fair presentation have been included.

Operation results for the three months period ended 31 March 2009 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2009. For more details, please refer to the financial statements and its related disclosure for the year ended 31 December 2008.

These interim condensed consolidated financial statements prepared according to the same accounting concepts and basis of calculation which were applied in the annually financial statement which were prepared in accordance with International Financial Reporting Standards, except of the following:

During the period, the Group has adopted the following standards effective for the annual periods beginning on or after 1 January 2009.

IAS 1'Presentation of Financial Statements' (Revised)

The revised standard require changes in equity arising from transaction with owners in their capacity as owner (i.e. Owner changes in income) to be presented in the statement of change in equity. All other change in equity (i.e. non-owner change in equity) are required to be presented separately in a performance statements (consolidated statement of comprehensive of income).

IFRS 8'Operating segments'

The new standard e which replace IAS 14' Segment Reporting' require a ' management approach' under which segment information is presented on the same basis as that used for internal reporting provided to the chief operating decision- maker. This has resulted in an increase in the details of segment information as the previously reported (Note 12).

The following Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group:

- IFRS 3 (revised), "Business combinations" and consequential amendments to IAS 27, "Consolidated and separate financial statements", IAS 28, "Investments in associates" and IAS 31, "Interest in joint ventures".

This amendment is effective prospectively to business combinations for which the acquisitions date is on or after the beginning of first annual reporting period beginning on or after 1 July 2009. The Group is assessing the impact in the Group.

- IFRIC 17, "Distributions of non-cash assets to owners", effective for annual periods beginning on or after 1 July 2009.
- IFRIC 18, "Transfers of assets from customers", effective for transfers of assets received on or after 1 July 2009.

3. Property, plant & equipment

	31 March 2009	31 December 2008 (Audited)	31 March 2008
Net book value at beginning period	25,239,638	21,359,295	21,359,295
Additions	1,251,894	13,028,281	1,833,241
Impairment of projects in progress	-	(4,526,975)	-
Transferred	-	(858,256)	-
Depreciation	(304,540)	(935,918)	(195,397)
Finance statement translation differences	1,401,949	191,338	(614,933)
Disposal of subsidiaries	-	(3,018,127)	(3,018,127)
Net book value at ending period	27,588,941	25,239,638	19,364,079

- The balance includes amounted KD 7,576,226 as 31 March 2009, (KD 6,847,574 as of 31 December 2008 and KD 12,374,815 as of 31 March 2008) represents the Projects in progress to build two onshore rig. The estimated cost to complete these rigs amount KD 3,940,412 as of 31 March 2009 (KD 4,919,074 as of 31 December 2008).
- Bennevis rig includes (1) offshore rig, (3) onshore rig and all are working in Egypt. The rent contract of the offshore rig ended in January 2009, and the rent contract of the onshore rig will end in August 2009, December 2011 and January 2012 respectively.

Intangible assets

	31 March 2009	31 December 2008 (Audited)	31 March 2008
Net book value at beginning period	12,235,260	16,255,970	16,255,970
Amortization	(276,795)	(1,107,182)	(279,539)
Disposal effect of subsidiaries	-	(2,913,528)	(2,913,528)
Net book value at ending period	11,958,465	12,235,260	13,062,903

5. Available for sale investment

Available for sale investments represent unquoted local shares amounted KD 1,593,119 as of 31 March 2009 (KD 1,593,119 as of 31 December 2008) which its value has been determined based on the latest available finance information as of 31 December 2008.

The available for sale investment represent in investments in shares held directly. The Parent Company activities do not include direct investment, currently the corrective action is under process.

6. Receivable and other debit balances

	31 March 2009	31 December 2008 (Audited)	31 March 2008
Trade receivables	3,238,203	3,053,593	2,640,402
Accrued income	869,975	250,000	1,279,115
Doubtful debts	(362,884)	(356,944)	(352,939)
	3,745,294	2,946,649	3,566,578
Trade for purchasing fixed assets	44,648	858,256	
Prepaid expenses	640,301	863,831	229,820
Other debit balances	225,855	186,807	73,095
	4,656,098	4,855,543	3,869,493

Investments at fair value - profit or loss

	31 March 2009	31 December 2008 (Audited)	31 March 2008
Quoted local shares	194,400	273,375	1,458,001
Unquoted gulf shares	-	-	16,340,000
	194,400	273,375	17,798,001

- The investments at fair value - profit or loss are pledged against the amount due to banks (Note 8) and against the amount due to related parties.
- Local quoted investments are held directly. The Parent Company activities do not include direct investments. Currently, corrective action is under process.

8. Due to banks

	31 March 2009	31 December 2008 (Audited)	31 March 2008
Current			
Borrowing	6,782,025	5,596,088	3,923,499
Wakala payable	306,000	330,000	2,568,954
	7,088,025	5,926,088	6,492,453
Non-current			
Borrowing	14,694,388	16,995,524	15,328,250
Total due to banks	21,782,413	22,921,612	21,820,703

- The effective interest rate for the amount due to banks is 5.50% as of 31 March 2009 (7.44% as of 31 December 2008 – 6.15% as of 31 March 2008).
- Wakala payables are secured by investments at fair value - profit and loss amounting to KD 194,400 as of 31 March 2009 (KD 273,375 as of 31 December 2008, KD 1,458,000 as of 31 March 2008).
- Loans are granted against the Rig, projects under progress, and the Parent Company's investment in Pyramid Drilling International Company Limited (Subsidiary) and the assignment of the rig's revenue to the bank.
- The Group borrows from traditional banks, and now the Group is in the process to transfer such borrowing to be in accordance with Islamic Shariaa.

9. Gross operating profit

	Three months ended 31 March	
	2009	2008
Gross profit of Rigs lease revenue	1,669,605	2,453,075
Gross profit of Services revenues	-	107,436
Gross (loss)/ profit of exploitation right of oilwell revenues	(1,086,142)	286,513
	583,463	2,847,024

The following are the reasons of the decrease of gross profit for the period ended 31 March 2009:

- The offshore rig lease contract has been ended in the beginning of January 2009, the group did not lease the rig up to date, as the company study several offers to rent the offshore rig. The offshore rig stop expenses amounting to KD 627,398 included in the other operating expenses during the period ended 31 March 2009.
- The Group had been disposed Superior group in the period ended 31 March 2008, and thus the revenues from services activity of oil well are not included in the opening result.
- The exploitation right activity starts to raise a loss because of decrease the oil price.

10. (Loss)/ Earnings per share

Basic (loss)/ earnings per share is calculated based on the net (loss)/ earning attributable to the shareholders of the Parent Company for the period divided by the weighted average number of issued and outstanding shares during the period, which is as follows:

	Three months ended 31 March	
	2009	2008 (Restated)
Net (loss)/ profit for the period attributable to the shareholders of the Parent Company	(1,568,594)	2,712,914
Weighted average number of issued shares	218,710,123	186,733,200
(Loss)/ earnings per share (fils)	(7.17)	14.53

The comparative figure was adjusted to consider the dividends of bonus shares by 10% from the share capital, declared by the General Assembly meeting held on 12 May 2008, and the consider the bonus factor of the capital shares.

11. Transactions with related parties

In the normal course of business, during the period these transactions with related parties took place (principal shareholders and companies owned by principal shareholders).

The following is the list of these transaction during the period:

	Three months ended 31 March	
	2009	2008
Gain from sale of subsidiaries		342,290

The following are the balances resulted from these transactions:

	31 March 2009	31 December 2008 (Audited)	31 March 2008
Due from related parties	12,430,843	12,658,412	11,804,000
Due to related parties	809,645	762,167	10,292,665
Cash at investment portfolios	10,000	-	10,000
Investment portfolios managed by related parties	-	-	16,340,000
End of service indemnity of executive and key management	38,340	32,286	20,521

The transactions with the related parties are subject to the approval of the shareholders.

On 30 March 2008, the Group has signed a contract to sell its share in Superior Group Companies to a related party, this party had been given of the management of these subsidiaries and their assets and liabilities and the Group has been released from any commitments or responsibility toward these subsidiaries, therefore the consolidation has been ceased as of that date. The total value of the sale amounted to KD 9,279,000 resulting gain from sale of KD 342,290 during the period. The selling price has been included in the amount due from related parties. The transfer of ownership of these companies is under progress the amount due from the related party are reduced against the Parent Company investment in subsidiary.

12. Segmental Financial Information

The Group activities are concentrated in Exploitation right, oil service and consulting and Rigs lease, the following is the revenue and segment result as its reported to management:

(A) Three months ended 31 March 2009:

	Exploitation right (Indonesia)	Oil well services (United Arab Emirates/ Syria)	Rigs lease (Egypt)	Total
Revenues	619,974	-	2,459,121	3,079,095
Segments results	(1,140,861)	-	726,107	(414,745)
Adjustments:				
Investment losses				(78,975)
Finance cost and foreign currency difference				(1,042,185)
Net losses before tax and deductions				(1,535,914)
Total assets	13,038,622	-	31,097,519	44,136,141
Add the following:				
Available for sale investments				1,799,995
Investments at fair value - profit or loss				194,400
Other assets				12,622,708
Total				58,753,244

(B) Three months ended 31 March 2008

	Exploitation right (Indonesia)	Oil services (United Arab Emirates / Syria)	Rigs lease (Egypt)	Total
Revenues	1,246,947	907,044	3,550,081	5,704,072
Segment results	33,379	13,354	2,168,170	2,214,903
Adjustments:				
Investment losses				(24,300)
Gain from sale of subsidiaries				342,290
Finance cost and foreign currency differences				362,998
Net losses before tax and deductions				2,895,891
Total assets	13,026,661	-	22,548,351	35,575,012
Add the following:				
Available for sale investments				206,875
Investments at fair value - profit or loss				17,798,001
Other assets				13,256,150
Total				66,836,038

13. Contingent liabilities and capital commitments

	31 March 2009	31 December 2008 (Audited)	31 March 2008
Letters of guarantee	146,466	146,466	-
Project under construction	3,940,412	4,919,074	167,664

14. Proposed dividends

The board of directors held on 14 April 2009 proposed to not distribute dividends for the year ended 2008, this is subject to approval the shareholders in the general assembly approved.

The General Assembly had not been held for the year ended 31 December 2008 till the date of issue of this financial information, so the financial statements for the year ended 31 December 2008 has not been approved yet neither the above proposed dividends.