

## BOARD OF DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors of Al Batinah Power Company SAOG (the "Company"), I have the pleasure to present the Directors' Report of the Company for the quarter ended 31 March 2016.

### Operational Results

The Plant ran smoothly and efficiently with reliability of 100% and delivered 698 GWh to the grid. This excellent performance was achieved with no Lost Time Accidents to any of our staff, thereby clocking 1,730 Lost Time Accident free days since inception, and is reflective of our continued focus on Health, Safety, Environment and Quality Management. The actual plant load for the period was 43% as against 30% in corresponding period of 2015.

### Financial Results

	3-month 2016 RO Unaudited	3-month 2015 RO Unaudited	Percentage change
Revenues	9,905,038	8,054,959	23.0%
Direct costs	(9,345,106)	(7,546,436)	
<b>Gross profit</b>	<b>559,932</b>	<b>508,523</b>	<b>10.1%</b>
General and administrative expenses	(191,619)	(230,196)	
<b>Profit before interest and tax</b>	<b>368,313</b>	<b>278,327</b>	<b>32.3%</b>
Finance costs (net)	(2,751,856)	(2,897,582)	
<b>(Loss) before tax</b>	<b>(2,383,543)</b>	<b>(2,619,255)</b>	<b>9.0%</b>
Tax expense	(352,302)	(610,297)	
<b>Net (loss) for the period</b>	<b>(2,735,845)</b>	<b>(3,229,552)</b>	<b>15.3%</b>

Lower consumption of backfeed power and better fuel margin have resulted in an improvement of gross profit of 10.1% as compared to the Q1 2015. The steady reduction in finance cost as compared to Q1 2015 and tax expense reduction resulted in lower net loss by 15.3% as compared to Q1 2015.

The share price was 207 Baizas at the end of March 2016.

### Corporate Social Responsibility

During the month of March, the Company has gifted 5 Smart Projectors for the school class rooms of Al Rakha'a Basic Education School, Al Khuwairiya Sohar. The Smart Projectors are interactive and very versatile and enable students to follow intricate mathematics, graphical presentations as also scientific study/teaching material. Additional projects are under development.

### Medium term Outlook

The Company pursued with its efforts to refinance the Company's long term debt. Unfortunately, in spite of its best efforts, the final responses received from the lenders did not present material financial value to the Company and involved numerous financing, pricing and legal challenges. As a result, the Board has decided to suspend the exercise. The Company will continue to monitor the developments in financial markets and should these show significant improvement, the Company will revive the refinancing exercise.

All reasonable measures are taken by the management to maintain the high reliability levels in 2016.

Finally, on behalf of the Board of Directors, I would like to extend our deep appreciation and gratitude to His Majesty Sultan Qaboos Bin Said and His Government for their continued support and encouragement to the private sector by creating an environment that allows us to participate effectively in the growth of the Sultanate's economy and to dedicate our achievements to the building of a strong nation.



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Catherine Lorgere Chouteau  
Chairperson

**AL BATINAH POWER COMPANY SAOG**

**Unaudited condensed interim financial statements**

**31 March 2016**

**Registered office:**

P.O. Box 39  
Postal Code 103  
Bareeq Al Shatti  
Sultanate of Oman

**Principal place of business:**

Sohar Industrial Port  
Sohar  
Sultanate of Oman

# AL BATINAH POWER COMPANY SAOG

## Unaudited condensed interim financial statements

31 March 2016

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## AL BATINAH POWER COMPANY SAOG

### Unaudited condensed income statement

for the three month period ended 31 March

	Notes	2016 RO	2015 RO
Revenues		9,905,038	8,054,959
Direct costs	3	<u>(9,345,106)</u>	<u>(7,546,436)</u>
Gross profit		559,932	508,523
General and administrative expenses	4	<u>(191,619)</u>	<u>(230,196)</u>
<b>Profit before interest and tax</b>		368,313	278,327
Finance costs (net)	5	<u>(2,751,856)</u>	<u>(2,897,582)</u>
<b>(Loss) before tax</b>		<u>(2,383,543)</u>	<u>(2,619,255)</u>
Tax expense		<u>(352,302)</u>	<u>(610,297)</u>
<b>Net (loss) for the period</b>		<u><u>(2,735,845)</u></u>	<u><u>(3,229,552)</u></u>
Earnings per share			
Basic earnings per share (Baizas)	17	<u><u>(4.05)</u></u>	<u><u>(4.79)</u></u>

The notes on pages 6 to 13 form an integral part of these condensed interim financial statements.

## AL BATINAH POWER COMPANY SAOG

### Unaudited condensed statement of profit or loss and other comprehensive income for the three month period ended 31 March

	2016 RO	2015 RO
Net (loss) for the period	(2,735,845)	(3,229,552)
<b>Other comprehensive (loss) for the period, net of income tax:</b>		
<i>Item that will be reclassified to profit or loss</i>		
Effective portion of change in fair value of cash flow hedge	(3,184,690)	(4,420,423)
<b>Total comprehensive (loss) for the period</b>	<b>(5,920,535)</b>	<b>(7,649,975)</b>

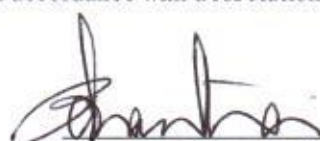
The notes on pages 6 to 13 form an integral part of these condensed interim financial statements.

**AL BATINAH POWER COMPANY SAOG**  
**Unaudited condensed statement of financial position**  
*as at*

	<i>Notes</i>	<b>31 March 2016 RO</b>	Audited 31 December 2015 RO
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	274,330,012	276,182,750
<b>Total non-current assets</b>		<u>274,330,012</u>	<u>276,182,750</u>
<b>Current assets</b>			
Trade and other receivables	7	7,105,333	3,251,942
Inventories		1,782,260	1,790,054
Short term deposit	8	2,696,114	2,696,114
Cash and cash equivalents	9	251,364	370,464
<b>Total current assets</b>		<u>11,835,071</u>	<u>8,108,574</u>
<b>Total assets</b>		<u>286,165,083</u>	<u>284,291,324</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	10(a)	67,488,743	67,488,743
Legal reserve	10(b)	2,300,849	2,300,849
Retained earnings		5,902,949	8,638,794
<b>Shareholders' fund</b>		<u>75,692,541</u>	<u>78,428,386</u>
Hedging reserve	10(c)	<u>(15,455,552)</u>	<u>(12,270,862)</u>
<b>Total equity</b>		<u>60,236,989</u>	<u>66,157,524</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Term loans	11	177,147,640	176,825,949
Derivative instruments		17,563,126	13,944,161
End of service benefits		15,530	14,465
Asset retirement obligation		515,178	504,323
Deferred tax liability		8,170,788	8,252,761
<b>Total non-current liabilities</b>		<u>203,412,262</u>	<u>199,541,659</u>
<b>Current liabilities</b>			
Term loans	11	13,668,806	13,668,806
Trade and other payables	12	6,812,026	3,853,335
Short term borrowing		2,035,000	1,070,000
<b>Total current liabilities</b>		<u>22,515,832</u>	<u>18,592,141</u>
<b>Total liabilities</b>		<u>225,928,094</u>	<u>218,133,800</u>
<b>Total equity and liabilities</b>		<u>286,165,083</u>	<u>284,291,324</u>
<b>Net assets per share (Baizas)</b>	16	<u>112.16</u>	<u>116.21</u>

The financial statements were approved and authorised for issue in accordance with a resolution of the Board of Directors on 26 April 2016.

  
 \_\_\_\_\_  
 Chairperson

  
 \_\_\_\_\_  
 Director

The notes on pages 6 to 13 form an integral part of these condensed interim financial statements.

## AL BATINAH POWER COMPANY SAOG

### Unaudited condensed statement of cash flows

for the three month period ended 31 March

	<i>Notes</i>	2016 RO	2015 RO
<b>Cash flows from operating activities:</b>			
Net (loss) for the period		(2,735,845)	(3,229,552)
<i>Adjustments for:</i>			
Tax expense		352,302	610,297
Depreciation		1,864,309	1,862,788
Amortisation of deferred finance costs		321,691	342,705
Asset retirement obligation-unwinding of discount		10,855	9,857
End of service benefits		1,065	1,023
		<u>(185,623)</u>	<u>(402,882)</u>
<i>Change in:</i>			
Trade and other receivables		(3,853,391)	(1,373,460)
Inventories		7,794	(21,300)
Trade and other payables		2,958,691	2,028,156
Net cash (used in)/from operating activities		<u>(1,072,529)</u>	<u>230,514</u>
<b>Cash flows from investing activities:</b>			
Acquisition of property, plant and equipment		(11,571)	(1,688)
Net cash (used in) investing activities		<u>(11,571)</u>	<u>(1,688)</u>
<b>Cash flows from financing activities:</b>			
Proceeds from/repayment of short term borrowing		965,000	(370,000)
Net cash from/(used in) financing activities		<u>965,000</u>	<u>(370,000)</u>
<b>Net decrease in cash and cash equivalents</b>		<b>(119,100)</b>	<b>(141,174)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<i>9</i>	<b>370,464</b>	<b>561,558</b>
<b>Cash and cash equivalents at end of the period</b>	<i>9</i>	<b><u>251,364</u></b>	<b><u>420,384</u></b>

The notes on pages 6 to 13 form an integral part of these condensed interim financial statements.



**AL BATINAH POWER COMPANY SAOG**  
**Unaudited condensed statement of changes in equity**  
*for the three month period ended 31 March*

	Share capital RO	Legal reserve RO	Retained earnings RO	Hedging reserve RO	Total RO
<b>Balance at 1 January 2016</b>	<b>67,488,743</b>	<b>2,300,849</b>	<b>8,638,794</b>	<b>(12,270,862)</b>	<b>66,157,524</b>
<i>Total comprehensive (loss) for the period</i>					
Net (loss) for the period	-	-	(2,735,845)	-	(2,735,845)
<i>Other comprehensive (loss) for the period, net of income tax</i>					
Effective portion of change in fair value of cash flow hedge	-	-	-	(3,184,690)	(3,184,690)
<i>Total comprehensive (loss) for the period</i>	-	-	(2,735,845)	(3,184,690)	(5,920,535)
<b>Balance at 31 March 2016</b>	<b>67,488,743</b>	<b>2,300,849</b>	<b>5,902,949</b>	<b>(15,455,552)</b>	<b>60,236,989</b>
Balance at 1 January 2015	67,488,743	1,592,488	8,222,803	(10,543,194)	66,760,840
<i>Total comprehensive (loss) for the period</i>					
Net (loss) for the period	-	-	(3,229,552)	-	(3,229,552)
<i>Other comprehensive (loss) for the period, net of income tax</i>					
Effective portion of change in fair value of cash flow hedge	-	-	-	(4,420,423)	(4,420,423)
<i>Total comprehensive (loss) for the period</i>	-	-	(3,229,552)	(4,420,423)	(7,649,975)
Balance at 31 March 2015	67,488,743	1,592,488	4,993,251	(14,963,617)	59,110,865

The notes on pages 6 to 13 form an integral part of these condensed interim financial statements.

# AL BATINAH POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

### 1. Legal status and principal activities

Al Batinah Power Company ("Company") was registered as a closed Omani Joint Stock company ("SAOC") on 2 August 2010 under the Commercial Companies Law of Oman. The Founder Shareholders in the Extraordinary General Meeting ("EGM") held on 31 March 2014 resolved to convert the Company from SAOC to a public joint stock company ("SAOG") in connection with which the Founder Shareholders offered to sell 35% of their shares for public subscription through an initial public offering and listing on the Muscat Securities Market ("IPO"). The IPO was finalised during the month of June 2014 and the Company was listed on the Muscat Securities Market on 23 June 2014.

The Company's objectives are to develop, finance, design, construct, operate, maintain, insure and own a power generating facility (the Sohar 2 Power Plant with a capacity of about 750MW), and associated gas interconnection facilities and other relevant infrastructure; making available the demonstrated power capacity; and selling the electrical energy generated to Oman Power and Water Procurement Company SAOC ("OPWP"). Commercial Operation of the Plant was achieved by the Company on 3 April 2013.

### 2. Basis of preparation and significant accounting policies

#### Basis of preparation

#### (a) *Statement of compliance*

These condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, applicable requirements of the Oman Commercial Companies Law of 1974 (as amended) ("CCL") and disclosure requirements of the Capital Market Authority of the Sultanate of Oman ("CMA"). Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual financial statements as at and for the year ended 31 December 2015. The condensed interim financial statements do not include all information required for full annual financial statements prepared in accordance with International Financial Reporting Standards (IFRSs).

#### (b) *Basis of measurement*

These condensed interim financial statements are prepared on historical cost basis except for provision for asset retirement obligation and deferred finance costs which are measured at amortised cost and certain financial instruments which are measured at fair value.

#### (c) *Use of estimates and judgements*

The preparation of the financial statements in conformity with IFRSs requires the Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in these condensed interim financial statements are same as those that were applied to the financial statements as at and for the year ended 31 December 2015.

#### Significant accounting policies

The significant accounting policies applied by the Company in these condensed interim financial statements are consistent with those applied by the Company in its financial statements as at and for the year ended 31 December 2015.

# AL BATINAH POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

	<b>31 March 2016 RO</b>	31 March 2015 RO
<b>3. Direct costs</b>		
Fuel gas	5,371,577	3,622,624
Depreciation (note 6)	1,859,380	1,859,262
Operation and maintenance fees	1,585,356	1,472,242
Seawater extraction	231,827	227,278
Insurance	157,525	171,578
Grid connection fee	40,326	65,979
Asset retirement obligation - unwinding of discount	10,855	9,857
Fuel oil	7,794	13,033
Other operating expenses	80,466	104,583
	<u>9,345,106</u>	<u>7,546,436</u>
<b>4. General and administrative expenses</b>		
Secondment fees	61,571	61,080
Employment costs	33,990	34,940
Public company related costs	29,518	75,032
Agency fees	12,474	12,224
Office rent	5,738	5,738
Directors' sitting fee (note 13)	5,000	3,400
Depreciation (note 6)	4,929	3,526
Other general and administrative expenses	38,399	34,256
	<u>191,619</u>	<u>230,196</u>
<b>5. Finance costs (net)</b>		
Interest on term loans	1,402,899	1,354,279
Swap interest	992,719	1,164,711
Amortisation of deferred finance costs	321,691	342,705
Debt Service Reserve Account ("DSRA") LC cost	23,774	24,801
Interest on working capital	6,213	7,790
Exchange loss	4,683	3,296
Interest income	(123)	-
	<u>2,751,856</u>	<u>2,897,582</u>

## AL BATINAH POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

## 6. Property, plant and equipment

	Property, plant and equipment RO	Decommi ssioning asset RO	Technical spares RO	Others assets RO	Total RO
<b>Cost</b>					
1 January 2016	296,310,903	398,620	1,649,601	120,137	298,479,261
Additions during the period	-	-	10,511	1,060	11,571
31 March 2016	<u>296,310,903</u>	<u>398,620</u>	<u>1,660,112</u>	<u>121,197</u>	<u>298,490,832</u>
<b>Depreciation</b>					
1 January 2016	22,050,112	27,822	131,968	86,609	22,296,511
Charge during the period	1,840,365	2,519	16,496	4,929	1,864,309
31 March 2016	<u>23,890,477</u>	<u>30,341</u>	<u>148,464</u>	<u>91,538</u>	<u>24,160,820</u>
<b>Carrying amount</b>					
31 March 2016	<u>272,420,426</u>	<u>368,279</u>	<u>1,511,648</u>	<u>29,659</u>	<u>274,330,012</u>
31 December 2015	<u>274,260,791</u>	<u>370,798</u>	<u>1,517,633</u>	<u>33,528</u>	<u>276,182,750</u>

## 7. Trade and other receivables

	31 March 2016 RO	Audited 31 December 2015 RO
Trade receivables	6,798,114	2,830,631
Prepayments	226,467	342,622
Due from related parties (note 13)	17,540	-
Other receivables	63,212	78,689
	<u>7,105,333</u>	<u>3,251,942</u>

## AL BATINAH POWER COMPANY SAOG

### Notes to the unaudited condensed interim financial statements

#### 8. Short term deposit

As per the CTA, the Company is required to maintain a debt service provisioning account ("DSPA") to ensure funds are available to service the loan instalments and interest on due date. At each repayment date at the end of October the Company is required to put the scheduled amount towards the next six monthly payment. The amount lying in the DSPA cannot be utilised for any purpose other than servicing the loan instalments and interest and is as such restricted cash. The amount in the DSPA has been put into a short term deposit maturing on the next repayment date, i.e. 28 April 2016.

#### 9. Cash and cash equivalents

	31 March 2016 RO	Audited 31 December 2015 RO
Cash in hand and at bank	<u>251,364</u>	<u>370,464</u>

# AL BATINAH POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

### 10. Equity

#### (a) Share capital

The details of shareholders holding more than 5% shares are as follows:

31 March 2016	Nationality	No. of shares held of		Aggregate nominal value of shares held RO
		nominal value 100 Bzs. each	% of total	
Kahrabel FZE	UAE	201,791,343	29.90%	20,179,134
Multitech LLC	Omani	96,508,899	14.30%	9,650,890
Civil Service Employees Pension Fund	Omani	69,748,239	10.33%	6,974,824
SEP International Netherlands B.V.	Netherlands	48,254,453	7.15%	4,825,445
Blue Horizon Sohar Power B.V.	Netherlands	48,254,453	7.15%	4,825,445
Public Authority for Social Insurance	Omani	43,867,681	6.50%	4,386,768
Ministry of Defence Pension Fund	Omani	40,200,737	5.96%	4,020,074
Shareholders with less than 5% shareholding		126,261,625	18.71%	12,626,163
		<b>674,887,430</b>	<b>100.00%</b>	<b>67,488,743</b>

31 December 2015				
Kahrabel FZE	UAE	201,791,343	29.90%	20,179,134
Multitech LLC	Omani	96,508,899	14.30%	9,650,890
Civil Service Employees Pension Fund	Omani	56,175,569	8.32%	5,617,557
SEP International Netherlands B.V.	Netherlands	48,254,453	7.15%	4,825,445
Blue Horizon Sohar Power B.V.	Netherlands	48,254,453	7.15%	4,825,445
Public Authority for Social Insurance	Omani	43,867,681	6.50%	4,386,768
Ministry of Defence Pension Fund	Omani	40,200,737	5.96%	4,020,074
Shareholders with less than 5% shareholding		139,834,295	20.72%	13,983,430
		<b>674,887,430</b>	<b>100.00%</b>	<b>67,488,743</b>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are ordinary and rank equally with regard to the Company's residual assets.

#### (b) Legal reserve

Article 106 of the Commercial Companies Law of 1974 requires that 10% of a company's net profit be transferred to a non-distributable legal reserve until the amount of legal reserve becomes equal to at least one-third of the Company's issued share capital.

#### (c) Hedging reserve

Hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

## AL BATINAH POWER COMPANY SAOG

### Notes to the unaudited condensed interim financial statements

	<b>31 March 2016 RO</b>	Audited 31 December 2015 RO
<b>11. Term loans</b>		
Term loans	199,039,317	199,039,317
Less: current portion	<u>(13,668,806)</u>	<u>(13,668,806)</u>
Non-current portion	185,370,511	185,370,511
Less: Unamortised transaction cost	<u>(8,222,871)</u>	<u>(8,544,562)</u>
	<u><b>177,147,640</b></u>	<u><b>176,825,949</b></u>

On 16 September 2010, the Company entered into a Common Terms Agreement ("CTA"), for credit facilities with a consortium of international banks, export credit agencies and a local bank, with Credit Agricole Corporate and Investment Bank as the Global Facility Agent, Offshore Security Trustee, Offshore Account Bank, KEXIM Facility Agent and Commercial Facility Agent; with Bank Muscat SAOG as Onshore Security Agent and Onshore Account Bank; and with KfW IPEX - Bank GmbH as the Hermes Facility Agent.

At 31 March 2016 and 31 December 2015 the outstanding amounts were as follows:

Hermes Covered Variable Facility	59,317,892	59,317,892
Commercail Facility	47,738,622	47,738,622
Hermes Covered Fixed Facility	37,862,484	37,862,484
KEXIM Direct Facility	36,863,861	36,863,861
KEXIM Covered Facility	<u>17,256,458</u>	<u>17,256,458</u>
	<u><b>199,039,317</b></u>	<u><b>199,039,317</b></u>

### 12. Trade and other payables

Fuel gas accrued and payable	3,791,729	1,322,921
Accrued finance costs	2,069,089	1,701,786
Due to related parties (note 13)	-	93,613
Other payable and accruals	<u>951,208</u>	<u>735,015</u>
	<u><b>6,812,026</b></u>	<u><b>3,853,335</b></u>

### 13. Related party transactions

Related parties comprise the shareholders, directors, key management personnel, business entities that have the ability to control or exercise significant influence in financial and operating decisions of the Company and entities over which certain shareholders are able to exercise significant influence. Prices and terms of these transactions, which are entered into in the normal course of business, are on mutually agreed terms and conditions.

Key Management personnel are those having authority for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise). Total compensation paid to the top five employees, including Key management personnel for the three month period ended are as follows:

	<b>31 March 2016 RO</b>	31 March 2015 RO
Key Management benefits	<u><b>105,842</b></u>	<u><b>100,696</b></u>

## AL BATINAH POWER COMPANY SAOG

### Notes to the unaudited condensed interim financial statements

#### 13 Related party transactions (continued)

The Company had the following significant transactions with related parties during the three month period ended:

	31 March 2016 RO	31 March 2015 RO
Suez-Tractebel Operation & Maintenance Oman LLC	1,591,544	1,475,260
Kahrabel Operation & Maintenance (Oman) LLC	34,498	33,731
Shikoku Electric Power Co. Inc.	30,382	30,923
Al Suwadi Power Company SAOG	37,626	35,607
International Power SA Dubai Branch	12,302	9,950
Electrabel S.A.	10,936	11,408
Multitech LLC	5,230	5,456
Directors (sitting fees) (note 4)	5,000	3,400
Sojitz Corporation	2,615	2,728
Public Authority for Social Insurance	2,377	2,480
Laborelec Middle East	-	2,470
	<u>1,732,510</u>	<u>1,613,413</u>

The nature of the above transactions is as follows:

O&M fixed fee	1,303,305	1,291,195
O&M variable fee	282,051	181,047
Secondment fees	61,571	61,080
DSRA LC cost	23,774	24,801
Professional fees	11,990	12,420
Directors' sitting fees (note 4)	5,000	3,400
Others	44,819	39,470
	<u>1,732,510</u>	<u>1,613,413</u>

	31 March 2016 RO	Audited 31 December 2015
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Balances due from related parties at 31 March 2016 and 31 December 2015 comprised:

Al Suwadi Power Company SAOG	16,738	-
Kahrabel Operation & Maintenance (Oman) LLC	802	-
	<u>17,540</u>	<u>-</u>

Balances due to related parties at 31 March 2016 and 31 December 2015 comprised:

Suez-Tractebel Operation & Maintenance Oman LLC	-	79,105
Kahrabel Operation & Maintenance (Oman) LLC	-	10,319
Electrabel S.A.	-	4,189
	<u>-</u>	<u>93,613</u>



## AL BATINAH POWER COMPANY SAOG

### Notes to the unaudited condensed interim financial statements

#### 14. Financial risk management

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 31 December 2015.

#### 15. Commitments

- a) Operation and maintenance commitments and land lease commitments are consistent, with those disclosed in the financial statements as at and for the year ended 31 December 2015 as reduced by amounts accounted for during the three month period ended 31 March 2016.
- b) The Company has placed purchase orders for RO 365,816 (mainly relating to spare parts) which are outstanding as at 31 March 2016.

#### 16. Net assets per share

Net assets per share is calculated by dividing the net assets attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period

	<b>31 March 2016</b>	Audited 31 December 2015
Net assets - shareholder funds (RO)	75,692,541	78,428,386
Weighted average number of shares outstanding during the period	674,887,430	674,887,430
Net assets per share (Baizas)	<u>112.16</u>	<u>116.21</u>

The Management believes that the hedging deficit of RO 15.46 million as at 31 March 2016 (RO 12.27 million as at 31 December 2015) represents the loss which the Company would incur, if it opts to terminate its swap agreements on this date. However, under the terms of its Financing Documents, the Company is not permitted to terminate the swap agreements. Accordingly, the hedging deficit has been excluded from the Shareholder Funds.

#### 17. Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

	<b>31 March 2016</b>	31 March 2015
Loss for the period (RO)	(2,735,845)	(3,229,552)
Weighted average number of shares outstanding during the period	674,887,430	674,887,430
Basic earnings per share (Baizas)	<u>(4.05)</u>	<u>(4.79)</u>

#### 18. Comparative information

Certain comparative figures have been reclassified where necessary to conform to the presentation adopted in these condensed interim financial statements.