

## **Al Batinah Power Company SAOG**

### **Board of Directors' Report** for the nine-month period ended 30 September 2015

Dear Shareholders,

On behalf of the Board of Directors of Al Batinah Power Company SAOG ("Company"), I have the pleasure to present the Directors' Report together with the unaudited financial statements of the Company for the nine-month period ended 30 September 2015

#### **Corporate governance**

The Company continues to strengthen corporate structures, policies and processes in order to ensure the highest standards of corporate governance in compliance with local regulatory requirements as well as with international principles and best practice.

#### **Health, safety and environmental ("HSE")**

The health and safety performance was excellent, with no lost time injuries ("LTI"). The Operations and Maintenance Contractor completed 1,547 days of plant operation without LTI's at the end of September 2015.

#### **Operations**

During the nine-month period of 2015, the Company achieved an excellent operational performance, with the Plant demonstrating a high level of reliability, the key parameter to monitor performance of the plant. The power plant dispatched an aggregated net power volume of nearly 3,302 GWh (compared to 2,897 GWh for the corresponding period of last year). The plant reliability for the period was 99.7% (compared to 99.8% in the same period of 2014), showing only 0.3% of forced outages.

#### **Financial results**

Revenues of RO 57.00 million and direct costs of RO 35.83 million for the nine-month period were higher by RO 12.68 million and RO 12.64 million respectively compared to corresponding period of 2014 mainly due to increase in gas price by the Ministry of Oil and Gas under the Natural Gas Supply Agreement effective 1 January 2015 and consequent application of the same on a back to back basis in Company's monthly invoices to OPWP under PPA. The finance costs were lower compared to the corresponding period of 2014 as a result of reduction in outstanding debt due to scheduled debt repayments.

As a result, the Company posted a net profit of RO 10.00 million for the period. In comparison, net profit was RO 8.16 million for the same period of 2014.

The Company distributed a cash dividend of 3.63% per share (Baizas 3.63 per share) in June 2015.

The share price was 213 Baizas at the end of September 2015.

## **Future Outlook**

Plant reliability is expected to remain high throughout 2015.

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.

A handwritten signature in black ink, appearing to read 'Anantha', written over a horizontal line.

— Padmanabhan Ananthan  
Deputy Chairman

## AL BATINAH POWER COMPANY SAOG

### Unaudited condensed income statement

for the nine month period ended 30 September

	<i>Notes</i>	<b>2015 RO</b>	2014 RO
Revenues		<b>57,001,018</b>	44,325,254
Direct costs	<i>10</i>	<u><b>(35,832,658)</b></u>	<u>(23,188,993)</u>
Gross profit		<b>21,168,360</b>	21,136,261
General and administrative expenses	<i>11</i>	<u><b>(540,256)</b></u>	<u>(885,393)</u>
<b>Profit before interest and tax</b>		<b>20,628,104</b>	20,250,868
Finance costs (net)	<i>12</i>	<u><b>(8,802,145)</b></u>	<u>(9,293,711)</u>
<b>Profit before tax</b>		<b>11,825,959</b>	10,957,157
Tax expense		<u><b>(1,830,891)</b></u>	<u>(2,798,968)</u>
<b>Net profit</b>		<u><b>9,995,068</b></u>	<u>8,158,189</u>
<b>Earnings per share</b>			
Basic earnings per share (Baizas)	<i>15</i>	<b>14.81</b>	12.09

The notes on pages 6 to 15 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 nine month period ended 30 September

	2015	2014
	RO	RO
<b>Net profit</b>	<b>9,995,068</b>	8,158,189
<b>Other comprehensive (loss), net of income tax:</b>		
<i>Item that will be reclassified to profit and loss</i>		
Cash flow hedges-effective portion of changes in fair value	<u>(3,889,848)</u>	<u>(3,944,529)</u>
<b>Total comprehensive income for the period</b>	<b><u><u>6,105,220</u></u></b>	<b><u><u>4,213,660</u></u></b>

The notes on pages 6 to 15 form an integral part of these condensed interim financial statements.

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

as at

	Notes	30 September 2015 RO	Audited 31 December 2014 RO
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	277,977,100	283,550,247
Deferred tax asset		2,594,138	1,620,327
<b>Total non-current assets</b>		<b>280,571,238</b>	<b>285,170,574</b>
<b>Current assets</b>			
Trade and other receivables	5	7,714,121	2,544,811
Inventories		1,784,140	1,824,259
Short term deposit	6	-	3,076,000
Cash and cash equivalents	7	15,261,087	561,558
<b>Total current assets</b>		<b>24,759,348</b>	<b>8,006,628</b>
<b>Total assets</b>		<b>305,330,586</b>	<b>293,177,202</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	8(a)	67,488,743	67,488,743
Legal reserve	8(b)	1,592,488	1,592,488
Retained earnings		15,768,030	8,222,803
<b>Shareholders' fund</b>		<b>84,849,261</b>	<b>77,304,034</b>
Hedging reserve	8(c)	(14,433,042)	(10,543,194)
<b>Total equity</b>		<b>70,416,219</b>	<b>66,760,840</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Term loans	4	188,708,702	189,149,897
Derivative instruments		16,401,184	11,980,902
End of service benefits		13,484	10,369
Asset retirement obligation		493,580	463,030
Deferred tax liability		10,052,698	7,778,430
<b>Total non-current liabilities</b>		<b>215,669,648</b>	<b>209,382,628</b>
<b>Current liabilities</b>			
Term loans	4	12,934,704	13,001,238
Trade and other payables	9	6,310,015	3,032,496
Short term borrowing		-	1,000,000
<b>Total current liabilities</b>		<b>19,244,719</b>	<b>17,033,734</b>
<b>Total liabilities</b>		<b>234,914,367</b>	<b>226,416,362</b>
<b>Total equity and liabilities</b>		<b>305,330,586</b>	<b>293,177,202</b>
<b>Net assets per share (Baizas)</b>	14	<b>125.72</b>	<b>114.54</b>

The financial statements were approved and authorised for issue in accordance with a resolution of the Board of Directors on 21 October 2015.

  
 Deputy Chairman

  
 Director

The notes on pages 6 to 15 form an integral part of these condensed interim financial statements.

## AL BATINAH POWER COMPANY SAOG

### Unaudited condensed statement of cash flows

for the nine month period ended 30 September

	<i>Notes</i>	<b>2015</b>	2014
		<b>RO</b>	RO
<b>Cash flows from operating activities:</b>			
Net profit		<b>9,995,068</b>	8,158,189
<i>Adjustments for:</i>			
Tax expense		<b>1,830,891</b>	2,798,968
Depreciation		<b>5,590,440</b>	5,583,327
Ineffective portion of hedge		-	(3,360)
Amortisation of deferred finance cost		<b>1,023,166</b>	1,086,205
Asset retirement obligation-unwinding of discount		<b>30,550</b>	28,048
End of service benefits		<b>3,115</b>	2,900
		<b>18,473,230</b>	17,654,277
<i>Changes in:</i>			
Trade and other receivables		<b>(5,169,310)</b>	(3,265,227)
Inventories		<b>40,119</b>	55,460
Trade and other payables		<b>3,277,519</b>	1,620,081
Net cash flow from operating activities		<b>16,621,558</b>	16,064,591
<b>Cash flows from investing activities:</b>			
Addition to fixed assets		<b>(17,293)</b>	(75,030)
Proceeds from sale of fixed asset		-	220,000
Net cash (used in) from investing activities		<b>(17,293)</b>	144,970
<b>Cash flows from financing activities:</b>			
(Repayment of) term loans		<b>(1,530,895)</b>	(1,008,611)
(Repayment of) short term borrowing		<b>(1,000,000)</b>	(2,655,000)
Maturity of short term deposit		<b>3,076,000</b>	-
Dividend paid		<b>(2,449,841)</b>	(1,012,331)
Net cash (used in) financing activities		<b>(1,904,736)</b>	(4,675,942)
<b>Net increase in cash and cash equivalents</b>		<b>14,699,529</b>	11,533,619
<b>Cash and cash equivalents at beginning of the period</b>		<b>561,558</b>	5,057,149
<b>Cash and cash equivalents at end of the period</b>	7	<b>15,261,087</b>	16,590,768

The notes on pages 6 to 15 form an integral part of these condensed interim financial statements.

**AL BATINAH POWER COMPANY SAOG**  
**Unaudited condensed statement of changes in equity**  
*for the nine month period ended 30 September*

	Share capital RO	Legal reserve RO	Retained earnings RO	Hedging reserve RO	Total RO
Balance at 1 January 2014	67,488,743	1,091,682	9,114,642	(2,999,008)	74,696,059
<i>Total comprehensive income for the period</i>					
Net profit			8,158,189		8,158,189
<i>Other comprehensive (loss) for the period net of income tax</i>					
Cash flow hedges-effective portion of changes in fair value	-	-	-	(3,944,529)	(3,944,529)
<i>Total comprehensive income for the period</i>	-	-	8,158,189	(3,944,529)	4,213,660
<i>Transactions with owners of the Company</i>					
<i>Dividend</i>	-	-	(1,012,331)	-	(1,012,331)
Total transactions with owners of the Company	-	-	(1,012,331)	-	(1,012,331)
Balance at 30 September 2014	67,488,743	1,091,682	16,260,500	(6,943,537)	77,897,388
	<b>RO</b>	<b>RO</b>	<b>RO</b>	<b>RO</b>	<b>RO</b>
<b>Balance at 1 January 2015</b>	<b>67,488,743</b>	<b>1,592,488</b>	<b>8,222,803</b>	<b>(10,543,194)</b>	<b>66,760,840</b>
<i>Total comprehensive income for the period</i>					
Net profit	-	-	9,995,068	-	9,995,068
<i>Other comprehensive (loss) for the period net of income tax</i>					
Cash flow hedges-effective portion of changes in fair value	-	-	-	(3,889,848)	(3,889,848)
<i>Total comprehensive income for the period</i>	-	-	9,995,068	(3,889,848)	6,105,220
<i>Transactions with owners of the Company</i>					
<i>Dividend</i>	-	-	(2,449,841)	-	(2,449,841)
Total transactions with owners of the Company	-	-	(2,449,841)	-	(2,449,841)
Balance at 30 September 2015	67,488,743	1,592,488	15,768,030	(14,433,042)	70,416,219

The notes on pages 6 to 15 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 electricity 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 as compared to the originally scheduled date of 1 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 statement as at and for the year ended 31 December 2014. 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 cost 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 2014.

#### Significant accounting policies

The 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 2014.



**AL BATINAH POWER COMPANY SAOG****Notes to the unaudited condensed interim financial statements****3 Property, plant and equipment**

	Property, plant and equipment RO	Decommi ssioning asset RO	Technical spares RO	Others assets RO	Total RO
<b>Cost</b>					
<b>1 January 2015</b>	<b>296,310,904</b>	<b>398,620</b>	<b>1,640,548</b>	<b>117,302</b>	<b>298,467,374</b>
Additions during the period	-	-	-	17,293	17,293
Disposals during the period	-	-	-	(9,950)	(9,950)
<b>30 September 2015</b>	<b><u>296,310,904</u></b>	<b><u>398,620</u></b>	<b><u>1,640,548</u></b>	<b><u>124,645</u></b>	<b><u>298,474,717</u></b>
<b>Depreciation</b>					
<b>1 January 2015</b>	<b>14,688,649</b>	<b>17,718</b>	<b>127,295</b>	<b>83,465</b>	<b>14,917,127</b>
Charge during the period	5,521,096	7,558	49,215	12,571	5,590,440
Disposals during the period	-	-	-	(9,950)	(9,950)
<b>30 September 2015</b>	<b><u>20,209,745</u></b>	<b><u>25,276</u></b>	<b><u>176,510</u></b>	<b><u>86,086</u></b>	<b><u>20,497,617</u></b>
<b>Carrying amount</b>					
<b>30 September 2015</b>	<b><u>276,101,159</u></b>	<b><u>373,344</u></b>	<b><u>1,464,038</u></b>	<b><u>38,559</u></b>	<b><u>277,977,100</u></b>
31 December 2014	<u>281,622,255</u>	<u>380,902</u>	<u>1,513,253</u>	<u>33,837</u>	<u>283,550,247</u>

# AL BATINAH POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

### 4 Term loans

	<b>30 September 2015 RO</b>	31 December 2014 RO
Term loans	<b>210,509,659</b>	212,040,554
<i>Less:</i> current portion	<b>(12,934,704)</b>	<u>(13,001,238)</u>
Non-current portion	<b>197,574,955</b>	199,039,316
<i>Less:</i> Unamortised transaction cost	<b>(8,866,253)</b>	<u>(9,889,419)</u>
	<b><u>188,708,702</u></b>	<b><u>189,149,897</u></b>

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 30 September 2015 and 31 December 2014 the outstanding amounts were as follows:

Hermes Covered Variable Facility	<b>63,720,109</b>	64,168,283
Commercial facility	<b>47,980,336</b>	48,368,087
Hermes Covered Fixed Facility	<b>40,672,410</b>	40,958,478
KEIM Direct Facility	<b>39,599,675</b>	39,878,198
KEXIM Covered Facility	<b>18,537,129</b>	<u>18,667,508</u>
	<b><u>210,509,659</u></b>	<b><u>212,040,554</u></b>

## AL BATINAH POWER COMPANY SAOG

### Notes to the unaudited condensed interim financial statements

#### 5 Trade and other receivables

	<b>30 September</b>	<b>31 December</b>
	<b>2015</b>	2014
	<b>RO</b>	RO
Trade receivables	<b>7,280,258</b>	2,074,956
Prepayments	<b>404,027</b>	371,312
Due from related parties (note 13)	<b>2,997</b>	55,481
Other receivable	<b>26,839</b>	43,062
	<b><u>7,714,121</u></b>	<u>2,544,811</u>

#### 6 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 as at 31 December 2014 was invested as a short term deposit which matured on the repayment date of 30 April 2015.

#### 7 Cash and cash equivalents

Cash in hand and at bank	<b><u>15,261,087</u></b>	<u>561,558</u>
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# AL BATINAH POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

### 8 Equity

#### (a) Share capital

The IPO, where the Founder Shareholders offered to sell 35% of their shares for public subscription was finalised during the month of June 2014 and the Company was listed on the Muscat Securities Market on 23 June 2014.

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

30 September 2015	Nationality	No. of shares held of		Aggregate
		nominal value 100 Bzs. each	% of total	nominal value of shares held RO
Kahrabel FZE	UAE	201,791,343	29.90%	20,179,135
Multitech LLC	Omani	96,508,899	14.30%	9,650,890
Civil Service Employees Pension Fund	Omani	55,116,806	8.17%	5,511,681
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	40,389,961	5.98%	4,038,996
Shareholders with less than 5% shareholding		140,703,834	20.85%	14,070,383
		<b>674,887,430</b>	<b>100.00%</b>	<b>67,488,743</b>

31 December 2014

Kahrabel FZE	UAE	201,791,343	29.90%	20,179,135
Multitech LLC	Omani	96,508,899	14.30%	9,650,890
Civil Service Employees Pension Fund	Omani	53,875,161	7.98%	5,387,516
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	38,345,869	5.68%	3,834,587
Shareholders with less than 5% shareholding		143,989,571	21.34%	14,398,957
		<b>674,887,430</b>	<b>100.00%</b>	<b>67,488,743</b>

In 2013, the Capital Markets Authority (“CMA”) advised to proceed with a stock split of 1:10, i.e. 10 shares with a nominal value of 100 baizas in replacement of 1 share with RO 1 nominal value. Pursuant to the approval by the shareholders to proceed with the stock split during the Extraordinary General Meeting held on 18 February 2014, the Articles of Association of the Company and the Shareholders’ Register at Muscat Clearing and Depository Company SAOC have been amended with effect from 30 March 2014. Accordingly from 30 March 2014, the Company’s issued and paid-up capital consists of 674,887,430 shares of 100 baizas each.

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

#### 9 Trade and other payables

	30 September 2015 RO	31 December 2014 RO
Accrued fuel gas	3,089,840	560,839
Accrued interest cost	2,198,673	1,763,274
Due to related parties (note 13)	21,928	-
Other payable and accruals	999,574	708,383
	<u>6,310,015</u>	<u>3,032,496</u>

#### 10 Direct costs

	30 September 2015 RO	30 September 2014 RO
Fuel gas	23,426,830	10,953,591
Depreciation (note 3)	5,577,869	5,575,923
Operation and maintenance fee	5,135,318	5,005,636
Seawater extraction	681,832	668,457
Insurance	502,758	585,212
Grid connection fee	151,733	146,642
Fuel oil	74,373	55,460
Asset retirement obligation - unwinding of discount	30,550	28,048
Other operating expenses	251,395	170,024
	<u>35,832,658</u>	<u>23,188,993</u>

#### 11 General and administrative expenses

Secondment fees	185,930	178,095
Public company related costs	90,768	61,699
Employment costs	91,403	74,101
Agency fees	36,587	36,030
Office rent	17,212	13,872
Depreciation (note 3)	12,571	7,404
Plant inauguration costs	-	121,313
Net IPO costs	-	260,063
Other general and administrative expenses	105,785	132,816
	<u>540,256</u>	<u>885,393</u>

**AL BATINAH POWER COMPANY SAOG****Notes to the unaudited condensed interim financial statements****12 Finance costs (net)**

	<b>30 September</b>	30 September
	<b>2015</b>	2014
	<b>RO</b>	RO
Interest on term loans	<b>4,120,806</b>	4,307,036
Swap interest	<b>3,489,347</b>	3,731,222
Amortisation of deferred finance costs	<b>1,023,166</b>	1,086,205
DSRA LC cost	<b>138,839</b>	135,567
Interest on working capital	<b>17,256</b>	23,406
Exchange loss	<b>16,754</b>	18,193
Interest income	<b>(4,023)</b>	(4,558)
Ineffective portion of interest rate swap	-	(3,360)
	<u><b>8,802,145</b></u>	<u>9,293,711</u>

# AL BATINAH POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

### 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.

During the period the following significant transactions were carried out with related parties:

	<b>30 September 2015 RO</b>	30 September 2014 RO
Suez Tractebel Operation & Maintenance Oman LLC	<b>5,150,706</b>	5,005,636
Kahrabel Operation & Maintenance (Oman) LLC	<b>101,412</b>	96,613
Shikoku Electric Power Co. Inc.	<b>99,790</b>	23,966
Electrabel S.A.	<b>63,866</b>	62,361
Al Suwadi Power Company SAOG	<b>53,150</b>	90,036
Multitech LLC	<b>30,545</b>	29,825
International Power SA Dubai Branch	<b>23,462</b>	80,213
Laborelec CVBA/SCRL	<b>16,500</b>	-
Sojitz Corporation	<b>15,272</b>	87,340
Directors (sitting fees)	<b>12,800</b>	12,200
Public Authority for Social Insurance	<b>13,884</b>	13,558
	<b><u>5,581,387</u></b>	<b><u>5,501,748</u></b>

The nature of the above transactions is as follows:

O&M fixed fee	<b>3,864,835</b>	3,909,237
O&M variable fee	<b>1,270,483</b>	1,096,399
Secondment fees	<b>185,930</b>	178,095
DSRA LC fee	<b>138,839</b>	135,567
Professional fees	<b>55,350</b>	80,214
Sitting fees	<b>12,800</b>	12,200
Others	<b>53,150</b>	90,036
	<b><u>5,581,387</u></b>	<b><u>5,501,748</u></b>

	<b>30 September 2015 RO</b>	31 December 2014 RO
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Balance due to related parties at 30 September 2015 and 31 December 2014

Kahrabel Operation & Maintenance (Oman) LLC	<b><u>21,928</u></b>	<b><u>-</u></b>
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Balances due from related parties at 30 September 2015 and 31 December 2014 comprised:

Kahrabel Operation & Maintenance (Oman) LLC	<b>-</b>	37,503
Al Suwadi Power Company SAOG	<b><u>2,997</u></b>	<u>17,978</u>
	<b><u>2,997</u></b>	<b><u>55,481</u></b>

## AL BATINAH POWER COMPANY SAOG

### Notes to the unaudited condensed interim financial statements

#### 14 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>30 September 2015 RO</b>	31 December 2014 RO
Net assets - shareholder funds	<b>84,849,261</b>	77,304,034
Weighted average number of shares outstanding during the period/year	<b>674,887,430</b>	674,887,430
Net assets per share (Baizas)	<b>125.72</b>	114.54

The Management believes that the hedging deficit of RO 14.43 million as at 30 September 2015 (RO 10.54 million as at 31 December 2014) 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.

#### 15 Basic earnings per share

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

	<b>30 September 2015 RO</b>	30 September 2014 RO
Net profit	<b>9,995,068</b>	8,158,189
Weighted average number of shares outstanding during the period	<b>674,887,430</b>	674,887,430
Basic earnings per share (Baizas)	<b>14.81</b>	12.09

#### 16 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 2014.



## AL BATINAH POWER COMPANY SAOG

### Notes to the unaudited condensed interim financial statements

#### 17 Operating lease commitments

At 30 September 2015 future lease commitments under the Sub Usufruct Agreement are as follows:

	<b>30 September</b>	31 December
	<b>2015</b>	2014
	<b>RO</b>	RO
Within one year	<b>139,662</b>	139,662
Between two and five years	<b>558,648</b>	558,648
After five years	<b><u>1,124,949</u></b>	<u>1,229,792</u>

#### 18 Comparative information

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