

**AREF Energy Holding Company K.S.C.
(Closed) and its Subsidiaries**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

30 SEPTEMBER 2010 (UNAUDITED)



**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION TO THE BOARD OF DIRECTORS OF AREF ENERGY HOLDING
COMPANY K.S.C. (CLOSED)**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Aref Energy Holding Company K.S.C. (Closed) ("the company") and its subsidiaries ("the group") as at 30 September 2010 and the related interim condensed consolidated income statement and interim condensed consolidated statement of comprehensive income for the three month and nine month periods then ended and the related interim condensed consolidated statement of cash flows and interim condensed consolidated statement of changes in equity for the nine month period then ended. The management of the company is responsible for the preparation of the interim condensed consolidated financial information in accordance with International Financial Reporting Standards, IAS 34: Interim Financial Reporting ("IAS 34"). 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 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 is not prepared, in all material respects, in accordance with IAS 34.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the company. We further report that, to the best of our knowledge and belief, we have not become aware of any material violations of the Commercial Companies Law of 1960, as amended, or of the articles of association of the company have occurred during the period ended 30 September 2010 that might have had a material effect on the business of the company or on its financial position.



WALEED A. AL OSAIMI
LICENCE NO. 68 A
OF ERNST & YOUNG




DR. SAUD AL-HUMAIDI
LICENSE NO. 51 A
DR. SAUD AL-HUMAIDI & PARTNERS
MEMBER OF BAKER TILLY INTERNATIONAL


AREF Energy Holding Company K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)

At 30 September 2010

	Notes	30 September 2010 KD	(Audited) 31 December 2009 KD	30 September 2009 KD
ASSETS				
NON-CURRENT ASSETS				
Property and equipment		16,743,564	19,925,450	18,867,545
Investment property		4,806,402	4,956,952	4,793,188
Intangible assets	3	698,513	13,298,679	16,170,364
Investment in associates		3,401,360	3,581,377	5,280,349
Financial assets available for sale		3,406,524	3,428,166	3,369,037
		<u>29,056,363</u>	<u>45,190,624</u>	<u>48,480,483</u>
CURRENT ASSETS				
Inventories		3,450,582	4,696,945	4,971,832
Financial assets at fair value through income statement		32,400,000	32,400,000	32,400,000
Accounts receivable and other assets		28,655,172	26,435,322	30,006,832
Bank balances, deposits and cash	4	26,920,142	3,310,819	4,391,469
		<u>91,425,896</u>	<u>66,843,086</u>	<u>71,770,133</u>
TOTAL ASSETS		<u>120,482,259</u>	<u>112,033,710</u>	<u>120,250,616</u>
EQUITY AND LIABILITIES				
EQUITY				
Share capital		75,000,000	75,000,000	75,000,000
Share premium		193,550	193,550	193,550
Statutory reserve		314,957	314,957	314,957
Voluntary reserve		314,957	314,957	314,957
Foreign currency translation reserve		(1,480,930)	(1,294,751)	(2,054,703)
Cumulative changes in fair values		23,922	23,922	-
Retained earnings / (accumulated losses)		1,355,160	(9,937,083)	(2,451,244)
		<u>75,721,616</u>	<u>64,615,552</u>	<u>71,317,517</u>
Non-controlling interests		8,579,807	9,355,609	11,007,420
TOTAL EQUITY		<u>84,301,423</u>	<u>73,971,161</u>	<u>82,324,937</u>
NON-CURRENT LIABILITIES				
Employees' end of service benefits		324,297	337,006	327,983
Murabaha payables	5	-	295,092	-
Liabilities against assets subject to finance lease	8	4,077,325	4,909,211	-
		<u>4,401,622</u>	<u>5,541,309</u>	<u>327,983</u>
CURRENT LIABILITIES				
Accounts payable and other liabilities		20,706,241	17,730,369	20,165,882
Current portion of liabilities against assets subject to finance lease	8	1,166,291	765,781	-
Murabaha payables	5	9,906,682	14,025,090	17,431,814
		<u>31,779,214</u>	<u>32,521,240</u>	<u>37,597,696</u>
TOTAL LIABILITIES		<u>36,180,836</u>	<u>38,062,549</u>	<u>37,925,679</u>
TOTAL EQUITY AND LIABILITIES		<u>120,482,259</u>	<u>112,033,710</u>	<u>120,250,616</u>


 Walid K. Al-Hashash
 Chairman


 Tareq Al-Wazzan
 Chief Executive Officer

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

AREF Energy Holding Company K.S.C. (Closed) and its Subsidiaries
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)
For the period ended 30 September 2010

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2010 KD	2009 KD	2010 KD	2009 KD
Continuing operations					
Contract revenue		7,158,676	8,227,363	16,482,897	31,793,532
Rental income from investment property		152,934	175,692	416,966	440,413
Share of results of associates		(273,651)	(67,910)	(820,474)	(311,605)
Gain on disposal of intangible asset	3(a)	260,473	-	24,515,994	-
Foreign exchange gain (loss)		100,504	(446,726)	332,613	(129,305)
Other income		61,867	34,226	729,051	126,686
Income		7,460,803	7,922,645	41,657,047	31,919,721
Contract cost		6,838,993	7,272,588	16,333,643	27,821,677
Finance cost		286,604	164,314	923,051	694,324
Amortisation of intangible assets		24,650	67,325	73,147	201,171
Impairment of intangible assets	3(b)	-	-	2,607,504	-
Staff cost		363,815	593,200	1,017,603	1,515,337
General and administration expenses		458,722	85,579	1,594,663	1,067,706
Expenses		7,972,784	8,183,006	22,549,611	31,300,215
(Loss) profit before taxation from continuing operations		(511,981)	(260,361)	19,107,436	619,506
Taxation	6	(33,584)	7,952	(8,333,982)	(626,272)
(Loss) profit for the period after taxation from continuing operations		(545,565)	(252,409)	10,773,454	(6,766)
Loss on sale of discontinued operation		-	-	-	(25,543)
(Loss) profit for the period		(545,565)	(252,409)	10,773,454	(32,309)
Attributable to:					
Equity holders of the company		(583,399)	(322,480)	11,292,243	(473,771)
Non-controlling interests		37,834	70,071	(518,789)	441,462
(Loss) profit for the period		(545,565)	(252,409)	10,773,454	(32,309)
Basic and diluted (loss) earnings per share attributable to equity holders of the company	7	(0.8) fils	(0.4) fils	15.1 fils	(0.6) fils
Basic and diluted (loss) earnings per share from continuing operations attributable to equity holders of the company	7	(0.8) fils	(0.4) fils	15.1 fils	(0.6) fils

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

AREF Energy Holding Company K.S.C. (Closed) and its Subsidiaries
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
 INCOME (UNAUDITED)**
 For the period ended 30 September 2010

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
(Loss) profit for the period	(545,565)	(252,409)	10,773,454	(32,309)
Foreign currency translation adjustment	(2,164,327)	(302,628)	(443,192)	(1,734,992)
Other comprehensive loss for the period	(2,164,327)	(302,628)	(443,192)	(1,734,992)
Total comprehensive (loss) income for the period	(2,709,892)	(555,037)	10,330,262	(1,767,301)
Attributable to:				
Equity holders of the company	(1,997,594)	(525,253)	11,106,064	(1,196,608)
Non-controlling interests	(712,298)	(29,784)	(775,802)	(570,693)
Total comprehensive (loss) income for the period	(2,709,892)	(555,037)	10,330,262	(1,767,301)

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

AREF Energy Holding Company K.S.C. (Closed) and its Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 30 September 2010

		<i>Nine months ended 30 September</i>	
		<i>2010</i>	<i>2009</i>
	<i>Notes</i>	<i>KD</i>	<i>KD</i>
OPERATING ACTIVITIES			
Profit for the period		10,773,454	(32,309)
Adjustments for:			
Rental income from investment property		(416,966)	(440,413)
Share of results of associates		820,474	311,605
Gain on disposal of property and equipment		(93,430)	(2,784)
Gain on disposal of intangible asset		(24,515,994)	-
Amortisation of intangible assets		73,147	201,171
Depreciation		3,031,693	2,993,929
Impairment of intangible asset		2,607,504	-
Provision for employees' end of service benefits		45,396	183,551
Provision for taxation		8,333,982	626,272
Loss on sale of discontinued operation		-	25,543
		<u>659,260</u>	<u>3,866,565</u>
Working capital changes:			
Inventories		1,246,363	1,609,096
Accounts receivable and other assets		(2,219,850)	(4,561,120)
Accounts payable and other liabilities		1,694,407	4,186,130
Cash from operating activities		<u>1,380,180</u>	<u>5,100,671</u>
Employees' end of service benefits paid		(58,105)	(75,629)
Taxes Paid		<u>(7,239,479)</u>	<u>(253,659)</u>
Net cash (used in) from operating activities		<u>(5,917,404)</u>	<u>4,771,383</u>
INVESTING ACTIVITIES			
Purchase of property and equipment		(894,159)	(807,874)
Sale of property and equipment		766,103	68,523
Rental income from investment property		416,966	440,413
Increase in investment in associate		(519,965)	-
Acquisition of intangible assets		(328,678)	(3,078,259)
Disposal of intangible assets (net)		34,992,457	-
(Increase)/ decrease in restricted bank balances and deposits	4	(834,186)	(118,210)
Proceeds from disposal of discontinued operation		-	242,161
Net cash from (used in) investing activities		<u>33,598,538</u>	<u>(3,253,246)</u>
FINANCING ACTIVITIES			
Net movement in murabaha payables		(4,413,500)	1,003,975
Net movement in liabilities against assets subject to finance lease		(431,376)	-
Net cash (used in) from financing activities		<u>(4,844,876)</u>	<u>1,003,975</u>
Net increase in cash and cash equivalents		<u>22,836,258</u>	<u>2,522,112</u>
Net foreign exchange difference		(61,121)	335,221
Cash and cash equivalents at the beginning of the period		<u>2,670,506</u>	<u>937,495</u>
Cash and cash equivalents at the end of the period	4	<u>25,445,643</u>	<u>3,794,828</u>

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

AREF Energy Holding Company K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2010

Attributable to equity holders of the company

	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Foreign currency translation reserve KD	Cumulative changes in fair value KD	(Accumulated losses) / retained earnings KD	Total KD	Non- controlling interests KD	Total equity KD
Balance at 1 January 2010	75,000,000	193,550	314,957	314,957	(1,294,751)	23,922	(9,937,083)	64,615,552	9,355,609	73,971,161
Profit (loss) for the period	-	-	-	-	-	-	11,292,243	11,292,243	(518,789)	10,773,454
Other comprehensive loss	-	-	-	-	(186,179)	-	-	(186,179)	(257,013)	(443,192)
Total comprehensive (loss) income for the period	-	-	-	-	(186,179)	-	11,292,243	11,106,064	(775,802)	10,330,262
Balance at 30 September 2010	75,000,000	193,550	314,957	314,957	(1,480,930)	23,922	1,355,160	75,721,616	8,579,807	84,301,423
Balance at 1 January 2009	75,000,000	193,550	314,957	314,957	(1,331,866)	-	(1,977,473)	72,514,125	11,847,361	84,361,486
(Loss) profit for the period	-	-	-	-	-	-	(473,771)	(473,771)	441,462	(32,309)
Other comprehensive loss	-	-	-	-	(722,837)	-	-	(722,837)	(1,012,155)	(1,734,992)
Total comprehensive loss for the period	-	-	-	-	(722,837)	-	(473,771)	(1,196,608)	(570,693)	(1,767,301)
Discontinued operation	-	-	-	-	-	-	-	-	(269,248)	(269,248)
Balance at 30 September 2009	75,000,000	193,550	314,957	314,957	(2,054,703)	-	(2,451,244)	71,317,517	11,007,420	82,324,937

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

AREF Energy Holding Company K.S.C. (Closed) and its Subsidiaries

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2010

1 ACTIVITIES

AREF Energy Holding Company K.S.C. (Closed) ("the company") is a Kuwaiti shareholding company registered in Kuwait on 1 October 1996 and is listed on the Kuwait Stock Exchange. The registered office of the company is located at P.O. Box 21909, Safat 13080, Kuwait. The company carries out its activities as per Islamic Shari'ah. The principal activities of the company and its subsidiaries (collectively "the group") are explained in Note 10.

The company is a subsidiary of AREF Investment Group S.A.K. (the "parent company"). The parent company is a subsidiary of Kuwait Finance House (the "ultimate parent company"). Both the parent company and the ultimate parent company are listed on the Kuwait Stock Exchange.

The interim condensed consolidated financial information of the group for the period ended 30 September 2010 are approved by the board of directors on 10 November 2010.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information of the group is prepared in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting" ("IAS 34"):

The interim condensed consolidated financial information do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the group's annual consolidated financial statements for the year ended 31 December 2009.

In the opinion of management, all adjustments (consisting of normal recurring accruals), considered necessary for a fair presentation have been included. Except as discussed below, the accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2009. In addition, results for the nine months ended 30 September 2010 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2010.

New and amended IASB Standards issued and adopted

During the period, the group has adopted the following standards.

IFRS 3 Business Combination (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended) (effective for annual periods beginning on or after 1 July 2009)

The Group adopted the revised IFRS 3 (Revised) and IAS 27 (Amended) from 1 January 2010. IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after effective date. Changes affect the valuation of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes by IFRS 3 (Revised) and IAS 27 (Amended) will affect future acquisitions or loss of control of subsidiaries and transactions with non-controlling interests.

The change in accounting policy was applied prospectively and had no material impact on interim condensed consolidated income statement and interim condensed consolidated financial position.

AREF Energy Holding Company K.S.C. (Closed) and its Subsidiaries

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2010

3 INTANGIBLE ASSETS

- (a) During the current period, the group sold exploration assets with the carrying value of KD 10,394,722 for a total sale consideration of KD 35,778,316 which resulted in a total gain of KD 24,515,994, net of transactions costs.
- (b) During the current period, the group has performed impairment testing on the goodwill recognized on the acquisition of Higleig Petroleum Services and Investment Company Limited and recorded an impairment loss of KD 2,607,504 in the interim condensed consolidated income statement.

4 BANK BALANCES, DEPOSITS AND CASH

	30 September 2010 KD	(Audited) 31 December 2009 KD	30 September 2009 KD
Bank balances, deposits and cash	26,920,142	3,310,819	4,391,469
Less: restricted bank balances and deposits	(1,474,499)	(640,313)	(596,641)
Cash and cash equivalents	25,445,643	2,670,506	3,794,828

Restricted bank balances and deposits represent margin deposits that are held as security against letter of guarantees including those granted by a related party (Note 8 and 9).

5 MURABAHA PAYABLES

Murabaha payables include facilities amounting to KD 4,038,151 (31 December 2009: KD 5,831,588; 30 September 2009: KD 5,776,289) taken from a related party (Note 8) are secured against financial assets at fair value through income statement amounting to KD 8,000,000 (31 December 2009: 17,720,000; 30 September 2009: KD 17,720,000).

Of the murabaha payables, facilities amounting to KD 5,496,531 (31 December 2009: KD 7,770,594; 30 September 2009: KD 10,402,887) taken by a subsidiary are secured against plant and equipment amounting to KD 4,364,205 (31 December 2009: KD 7,930,219; 30 September 2009: KD 8,362,546) and inventories amounting to KD 3,450,582 (31 December 2009: KD 4,696,945; 30 September 2009: KD 4,971,832). These payables include facilities amounting to KD 2,734,892 (31 December 2009: KD 4,160,108; 30 September 2009: KD 5,241,656) that are borrowed from a related party (Note 8).

6 TAXATION

	Three months ended 30 September		Nine months ended 30 September	
	2010 KD	2009 KD	2010 KD	2009 KD
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")	(5,492)	-	15,982	-
National Labour Support Tax ("NLST")	(15,256)	-	292,822	-
Zakat	(6,099)	-	111,814	-
Taxation relating to sale of exploration assets (Note 3)	-	-	7,553,805	-
Taxation on foreign operations	60,431	(7,952)	359,559	626,272
	33,584	(7,952)	8,333,982	626,272

AREF Energy Holding Company K.S.C. (Closed) and its Subsidiaries

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2010

7 BASIC AND DILUTED (LOSS) EARNINGS PER SHARE

Basic and diluted (loss) earnings per share is calculated by dividing the (loss) profit attributable to equity holders of the company for the period by the weighted average number of shares outstanding during the period, as follows:

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
(Loss) profit for the period attributable to equity holders of the company (KD)	<u>(583,399)</u>	<u>(322,480)</u>	<u>11,292,243</u>	<u>(473,771)</u>
Weighted average number of shares outstanding during the period	<u>750,000,000</u>	<u>750,000,000</u>	<u>750,000,000</u>	<u>750,000,000</u>
Basic and diluted (loss) earnings per share	<u>(0.8) fils</u>	<u>(0.4) fils</u>	<u>15.1 fils</u>	<u>(0.6) fils</u>

Basic and diluted (loss) earnings per share from continuing operations

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
(Loss) profit for the period attributable to equity holders of the company (KD)	<u>(583,399)</u>	<u>(322,480)</u>	<u>11,292,243</u>	<u>(473,771)</u>
Add: Loss on sale of discontinued operation (KD)	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,543</u>
(Loss) profit for the period attributable to equity holders of the company from continuing operation (KD)	<u>(583,399)</u>	<u>(322,480)</u>	<u>11,292,243</u>	<u>(448,228)</u>
Weighted average number of shares outstanding during the period	<u>750,000,000</u>	<u>750,000,000</u>	<u>750,000,000</u>	<u>750,000,000</u>
Basic and diluted (loss) earnings per share	<u>(0.8) fils</u>	<u>(0.4) fils</u>	<u>15.1 fils</u>	<u>(0.6) fils</u>

8 RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, associates, directors and key management personnel of the group and entities controlled, jointly controlled or significantly influenced by such parties. The terms of these transactions are approved by the company's management. Transactions with related parties are as follows:

	<i>Ultimate</i> <i>parent/parent</i> <i>company</i> <i>KD</i>	<i>Other</i> <i>related</i> <i>parties</i> <i>KD</i>	<i>30 September</i> <i>2010</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2009</i> <i>KD</i>	<i>30 September</i> <i>2009</i> <i>KD</i>
Interim condensed consolidated statement of financial position					
Bank balances, deposits and cash	1,655,293	270,090	1,925,383	2,756,070	3,551,727
Accounts receivables and other assets	-	2,485,567	2,485,567	1,336,156	1,244,680
Murabaha payables secured against:					
-Financial assets (Note 5)	4,038,151	-	4,038,151	5,831,588	5,776,289
-Non-financial asset (Note 5)	-	2,734,892	2,734,892	4,160,108	5,241,656
Unsecured murabaha payables	356,000	-	356,000	718,000	1,252,638
Liabilities against assets subject to finance lease	-	5,243,616	5,243,616	5,674,992	-
Accounts payable and other liabilities	151,036	-	151,036	24,939	91,903

AREF Energy Holding Company K.S.C. (Closed) and its Subsidiaries

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2010

8 RELATED PARTY TRANSACTIONS (continued)

As at 30 September 2010, the group had outstanding letter of guarantee facilities obtained from a related party amounting to KD 2,415,345 (31 December 2009: KD 2,706,332; 30 September 2009: KD 2,468,645) (Note 9).

Accounts receivables/payables from/to related parties are unsecured, free of finance charge and are receivable/payable on demand.

Interim condensed consolidated statement of income	Ultimate parent/parent company	Other related parties	Nine months ended 30 September	
			2010	2009
			KD	KD
Brokerage fees	-	-	-	27,700
Murabaha finance cost	212,619	602,452	815,071	556,151

Key management compensation

Remuneration paid or accrued in relation to "key management" (deemed for this purpose to comprise Directors in relation to their committee service, the Chief Executive Officer and other Senior Officers) as follows:

	Nine months ended 30 September	
	2010	2009
	KD	KD
Short term benefits	275,436	438,954
End of service benefits	24,158	25,096
	<u>299,594</u>	<u>464,050</u>

9 CAPITAL COMMITMENTS AND CONTINGENCIES

	30 September 2010 KD	(Audited) 31 December 2009 KD	30 September 2009 KD
Capital expenditure commitments			
Financial assets			
Financial assets available for sale	6,834,600	6,665,940	6,887,700
Others			
Intangible assets	-	5,736,820	1,760,458
	<u>6,834,600</u>	<u>12,402,760</u>	<u>8,648,158</u>

Contingent liabilities

As at 30 September 2010, the group had contingent liabilities in respect of outstanding letters of guarantee amounting to KD 6,081,398 (31 December 2009: KD 2,706,332; 30 September 2009: KD 5,459,279) from which it is anticipated that no material liabilities will arise. Letters of guarantee amounting to KD 2,415,345 (31 December 2009: KD 2,706,332; 30 September 2009: KD 2,468,645) have been obtained from a related party (Note 8). These letters of guarantee are partially secured against bank balances and deposits (Note 4).

AREF Energy Holding Company K.S.C. (Closed) and its Subsidiaries

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2010

10 SEGMENTAL INFORMATION

For management purposes, the group is organised into two operating segments based on business units as follows:

- Energy : Exploration, drilling, development and production of oil and gas, alternate and renewable sources of energy, licensing and other activities related to the energy sector;
- Others : Investment and other related services.

	Continuing operations					
	Energy		Others		Total	
	30 September 2010	30 September 2009	30 September 2010	30 September 2009	30 September 2010	30 September 2009
	KD	KD	KD	KD	KD	KD
Segment revenue	40,709,496	31,404,531	947,551	515,190	41,657,047	31,919,721
Profit before taxation from continuing operations	18,282,412	109,918	825,024	509,588	19,107,436	619,506
Segment assets	113,163,391	113,331,873	7,318,868	6,918,743	120,482,259	120,250,616
Segment liabilities	30,212,273	37,717,679	5,968,563	208,000	36,180,836	37,925,679