

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

31 MARCH 2012 (UNAUDITED)

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION TO THE BOARD OF DIRECTORS OF AREF ENERGY HOLDING
COMPANY K.S.C. (CLOSED)****Report the Interim Condensed Consolidated Financial Information***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 31 March 2012, and the related interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three month period then ended. The management of the company is responsible for the preparation and presentation of the interim condensed consolidated financial information in accordance with International Financial Reporting Standard, 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. Consequently, it 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 are not aware of any material violations of the Commercial Companies Law of 1960, as amended, or of the articles of association of the company during the period ended 31 March 2012 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 Subsidiaries
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
 (UNAUDITED)
 For the period ended 31 March 2012

	Notes	Three months ended 31 March	
		2012 KD	2011 KD
Continuing operations			
Revenue			
Rendering of services		368,566	311,724
Net rental income		57,399	3,500
		<u>425,965</u>	<u>315,224</u>
Cost of revenue			
Cost of rendering of services		(639,850)	(298,933)
		<u>(639,850)</u>	<u>(298,933)</u>
Gross (loss) profit		(213,885)	16,291
Other income		106,941	23,388
Staff costs		(446,934)	(200,275)
General and administration expenses		(314,335)	(203,796)
Finance cost		(37,960)	(53,929)
Share of results of associates		(98,042)	(106,219)
Foreign exchange loss		(50,947)	(357,464)
Amortisation of intangible assets		(26,123)	(24,114)
		<u>(1,081,285)</u>	<u>(906,118)</u>
Loss for the period before taxation from continuing operations		(1,081,285)	(906,118)
Write back of board of directors' remuneration		-	150,000
Taxation		-	(2,333)
		<u>(1,081,285)</u>	<u>(758,451)</u>
Loss for the period from continuing operations		(1,081,285)	(758,451)
(Loss) profit for the period from discontinued operations	5	(12,387,605)	191,864
		<u>(13,468,890)</u>	<u>(566,587)</u>
Loss for the period		(13,468,890)	(566,587)
Attributable to:			
Equity holders of the company		(9,193,197)	(633,025)
Non-controlling interests		(4,275,693)	66,438
		<u>(13,468,890)</u>	<u>(566,587)</u>
Loss for the period		(13,468,890)	(566,587)
Basic and diluted loss per share attributable to equity holders of the company	3	<u>(12.3) fils</u>	<u>(0.8) fils</u>
Basic and diluted loss per share from continuing operations attributable to equity holders of the company	3	<u>(1.3) fils</u>	<u>(1.0) fils</u>

The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)

For the period ended 31 March 2012

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2012</i>	<i>2011</i>
	<i>KD</i>	<i>KD</i>
Loss for the period	(13,468,890)	(566,587)
Other comprehensive income (loss)		
Foreign currency translation adjustment	(54,810)	(2,193,976)
Discontinued operation (Note 5)	5,508,364	-
Other comprehensive income (loss) for the period	5,453,554	(2,193,976)
Total comprehensive loss for the period	(8,015,336)	(2,760,563)
Attributable to:		
Equity holders of the company	(5,692,281)	(2,059,379)
Non-controlling interests	(2,323,055)	(701,184)
Total comprehensive loss for the period	(8,015,336)	(2,760,563)

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)

As at 31 March 2012

	Notes	31 March 2012 KD	(Audited) 31 December 2011 KD	31 March 2011 KD
ASSETS				
Non-current assets				
Property and equipment		3,371,298	3,218,582	13,938,395
Intangible assets		950,272	942,584	999,698
Investment property		-	-	5,137,290
Investment in associates		3,243,014	3,373,556	4,534,004
Financial assets available for sale		35,115,600	35,115,600	3,335,498
		<u>42,680,184</u>	<u>42,650,322</u>	<u>27,944,885</u>
Current assets				
Inventories		270,022	184,011	2,879,790
Financial assets at fair value through statement of income		-	-	32,400,000
Accounts receivable and other assets		1,911,345	1,110,628	22,315,568
Bank balances, deposits and cash	4	17,103,481	18,408,063	21,910,445
		<u>19,284,848</u>	<u>19,702,702</u>	<u>79,505,803</u>
Assets classified as held for sale	5	24,502,184	31,387,191	-
		<u>43,787,032</u>	<u>51,089,893</u>	<u>79,505,803</u>
TOTAL ASSETS		<u>86,467,216</u>	<u>93,740,215</u>	<u>107,450,688</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		472,723	472,723	472,723
Voluntary reserve		314,957	314,957	314,957
Foreign currency translation reserve		119,339	129,230	(3,154,396)
(Accumulated losses) retained earnings		(13,603,336)	(4,410,139)	70,408
Cumulative changes in fair values		-	-	23,922
Reserves of a disposal group classified as held for sale		-	(3,510,807)	-
Equity attributable to equity holders of the company		<u>62,497,233</u>	<u>68,189,514</u>	<u>72,921,164</u>
Non-controlling interests		505,027	640,868	8,510,699
Non-controlling interests relating to disposal group		3,246,229	5,433,443	-
Total equity		<u>66,248,489</u>	<u>74,263,825</u>	<u>81,431,863</u>
Non-current liabilities				
Employees' end of service benefits		286,662	258,794	267,372
Liabilities against assets subject to finance lease		2,634	3,191	3,215,235
		<u>289,296</u>	<u>261,985</u>	<u>3,482,607</u>
Current liabilities				
Accounts payable and other liabilities		1,085,836	740,909	18,381,225
Current portion of liabilities against assets subject to finance lease		2,648	3,926	936,533
Bank overdrafts	4	769,548	475,029	-
Murabaha payables	7	2,650,752	2,613,252	3,218,460
		<u>4,508,784</u>	<u>3,833,116</u>	<u>22,536,218</u>
Liabilities directly associated with the assets classified as held for sale	5	15,420,647	15,381,289	-
		<u>19,929,431</u>	<u>19,214,405</u>	<u>22,536,218</u>
Total liabilities		<u>20,218,727</u>	<u>19,476,390</u>	<u>26,018,825</u>
TOTAL EQUITY AND LIABILITIES		<u>86,467,216</u>	<u>93,740,215</u>	<u>107,450,688</u>

Walid K. Al-Hashash
Chairman

Tareq J. Al Wazzan
Managing Director & CEO

The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

AREF Energy Holding Company K.S.C. (Closed) and Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the period ended 31 March 2012

	<i>Attributable to equity holders of the company</i>											
	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Foreign currency translation reserve KD	(Accumulated losses retained earnings) KD	Cumulative changes in fair values KD	Reserves of a disposal group classified as held for sale KD	Sub total KD	Non-controlling interests KD	Non-controlling interests relating to disposal group KD	Total equity KD
Balance at 1 January 2012	75,000,000	193,550	472,723	314,957	129,230	(4,410,139)	-	(3,510,807)	68,189,514	640,868	5,433,443	74,263,825
Loss for the period	-	-	-	-	-	(9,193,197)	-	-	(9,193,197)	(134,994)	(4,140,699)	(13,468,890)
Other comprehensive loss for the period	-	-	-	-	(9,891)	-	-	3,510,807	3,500,916	(847)	1,953,485	5,453,554
Total comprehensive loss for the period	-	-	-	-	(9,891)	(9,193,197)	-	3,510,807	(5,692,281)	(135,841)	(2,187,214)	(8,015,336)
Balance at 31 March 2012	75,000,000	193,550	472,723	314,957	119,339	(13,603,336)	-	-	62,497,233	505,027	3,246,229	66,248,489
Balance at 1 January 2011	75,000,000	193,550	461,295	314,957	(1,728,042)	714,861	23,922	-	74,980,543	8,600,633	-	83,581,176
Loss for the period	-	-	-	-	-	(633,025)	-	-	(633,025)	66,438	-	(566,587)
Other comprehensive loss	-	-	-	-	(1,426,354)	-	-	-	(1,426,354)	(767,622)	-	(2,193,976)
Total comprehensive loss for the period	-	-	-	-	(1,426,354)	-	-	-	-	-	-	-
Transfer to reserve	-	-	11,428	-	(1,426,354)	(633,025)	-	-	(2,059,379)	(701,184)	-	(2,760,563)
Acquisition of a subsidiary	-	-	-	-	-	(11,428)	-	-	-	-	-	-
Balance at 31 March 2011	75,000,000	193,550	472,723	314,957	(3,154,396)	70,408	23,922	-	72,921,164	8,510,699	-	81,431,863

The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

AREF Energy Holding Company K.S.C. (Closed) and Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)
For the period ended 31 March 2012

	Notes	<i>Three months ended</i> <i>31 March</i>	
		<i>2012</i>	<i>2011</i>
		<i>KD</i>	<i>KD</i>
OPERATING ACTIVITIES			
Loss for the period from continuing operations		(1,081,285)	(758,451)
(Loss) profit for the period from discontinued operations		(12,387,605)	191,864
		<u>(13,468,890)</u>	<u>(566,587)</u>
Adjustments for:			
Rental income from investment property		(99,318)	(135,310)
Share of results of associates		124,960	47,005
Gain on disposal of property and equipment		(134,743)	-
Depreciation		502,772	801,466
Amortisation of intangible assets		26,123	24,114
Impairment of accounts receivable		-	21,410
Impairment of property and equipment	5	6,431,441	-
Transfer of foreign currency translation reserves	5	5,508,364	-
Provision for employees' end of service benefits		5,367	57,914
Provision for taxation		56,646	2,333
Finance cost		54,541	199,611
		<u>(992,737)</u>	<u>451,956</u>
Working capital changes:			
Inventories		(190,898)	(177,425)
Accounts receivable and other assets		(912,403)	570,486
Accounts payable and other liabilities		407,362	(369,910)
		<u>(1,688,676)</u>	<u>475,107</u>
Cash (used in) from operating activities		(1,688,676)	475,107
Employees' end of service benefits paid		(8,159)	(40,590)
Taxes paid		(11,429)	(2,333)
		<u>(1,708,264)</u>	<u>432,184</u>
INVESTING ACTIVITIES			
Purchase of property and equipment		(213,348)	(26,751)
Proceeds from disposal of property and equipment		215,289	-
Purchase of intangible assets		(34,775)	-
Rental income from investment property		99,318	135,310
Investment in associates		-	(37,886)
Dividend income from associates		22,945	-
Investment in wakala deposits	4	4,467,400	(4,440,000)
Net movement in restricted bank balances and deposits	4	62,004	241,602
Net cash inflow on acquisition of subsidiary		-	8,660
		<u>4,618,833</u>	<u>(4,119,065)</u>
Net cash from (used in) investing activities		4,618,833	(4,119,065)
FINANCING ACTIVITIES			
Finance cost paid		(41,560)	(110,037)
Net movement in murabaha payables		(17,351)	(2,715,087)
Net movement in liabilities against assets subject to finance lease		(4,938)	(550,778)
		<u>(63,849)</u>	<u>(3,375,902)</u>
Net cash used in financing activities		(63,849)	(3,375,902)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Net foreign exchange difference		2,846,720	(7,062,783)
		9,732	(177,525)
Cash and cash equivalents at the beginning of the period		10,433,542	22,482,111
		<u>13,289,994</u>	<u>15,241,803</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	<u>13,289,994</u>	<u>15,241,803</u>

The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2012

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 9.

The interim condensed consolidated financial information of the group for the period ended 31 March 2012 are approved by the board of directors on 9 May 2012.

Aref investment Group S.A.K. ("AIG"), one of the subsidiaries of Kuwait Finance House ("KFH") had 72.52% equity interest in the company. Accordingly, AIG was the parent company and KFH was the ultimate parent company upto 28 December 2011. On 29 December 2011, AIG sold 29% equity interest in the company to Development Enterprise Holding Company K.S.C. (Closed) ("DEH"), another subsidiary of KFH. AIG continued to hold the remaining 43.52% equity interest in the company with significant influence as at the reporting date. As a result, at the reporting date, AIG is no longer the parent company, however KFH is considered the parent company by virtue of its holdings in the company through AIG and DEH.

Further, AIG has agreed to sell the remaining 43.52% equity interest in the company to DEH and the same is pending regulatory approvals as on the date of these interim condensed consolidated financial information.

The annual general assembly of the shareholders of the company to approve the consolidated financial statements of the group for the year ended 31 December 2011 was held on 7 May 2012.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information of the group has been prepared in accordance with International Accounting Standard (IAS) 34: Interim Financial Reporting. The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2011, except for the following revised standards effective for annual periods beginning on or after 1 January 2012.

IFRS 3: Business Combinations (Amendment) (effective 1 July 2011)

The measurement options available for non controlling interest have been amended. Only components of non controlling interest that constitute a present ownership interest that entitles their holder to a proportionate share of the entity's net assets in the event of liquidation shall be measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components are to be measured at their acquisition date fair value. The amendment has no effect on the interim condensed consolidated financial information of the group.

IFRS 7: Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements (Amendment) (effective 1 July 2011)

The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment becomes effective for annual periods beginning on or after 1 July 2011. The amendment affects disclosure only and has no impact on the group's financial position or performance.

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)

As at 31 March 2012

2 BASIS OF PREPARATION (continued)

The interim condensed consolidated financial information do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with IFRS, and should be read in conjunction with the group's annual consolidated financial statements for the year ended 31 December 2011. Further, results for the three months ended 31 March 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012.

3 BASIC AND DILUTED LOSS PER SHARE

Basic and diluted loss per share is calculated by dividing the loss 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>31 March</i>	
	<u>2012</u>	<u>2011</u>
Loss for the period attributable to equity holders of the company (KD)	<u>(9,193,197)</u>	<u>(633,025)</u>
Weighted average number of shares outstanding during the period	<u>750,000,000</u>	<u>750,000,000</u>
Basic and diluted loss per share	<u>(12.3) fils</u>	<u>(0.8) fils</u>

Basic and diluted loss per share from continuing operations

	<i>Three months ended</i>	
	<i>31 March</i>	
	<u>2012</u>	<u>2011</u>
Loss for the period attributable to equity holders of the company (KD)	<u>(9,193,197)</u>	<u>(633,025)</u>
(Loss) profit from discontinuing operations attributable to equity holders of the company (KD)	<u>(8,246,906)</u>	<u>123,273</u>
Loss for the period attributable to equity holders of the company from continuing operations (KD)	<u>(946,291)</u>	<u>(756,298)</u>
Weighted average number of shares outstanding during the period	<u>750,000,000</u>	<u>750,000,000</u>
Basic and diluted loss per share from continuing operations	<u>(1.3) fils</u>	<u>(1.0) fils</u>
Basic and diluted (loss) profit per share from discontinuing operations	<u>(11) fils</u>	<u>0.2 fils</u>

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)

As at 31 March 2012

4 BANK BALANCES, DEPOSITS AND CASH

	<i>31 March</i>	<i>(Audited)</i> <i>31 December</i>	<i>31 March</i>
	<i>2012</i>	<i>2011</i>	<i>2011</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Bank balances and cash	4,842,381	5,868,763	11,507,945
Wakala deposits	12,261,100	12,539,300	10,402,500
	<u>17,103,481</u>	<u>18,408,063</u>	<u>21,910,445</u>
Bank balances, deposits and cash	17,103,481	18,408,063	21,910,445
Add: discontinued operation (Note 5)	355,288	429,139	-
Less: Bank overdrafts	(769,548)	(475,029)	-
Less: restricted bank balances	(312,327)	(374,331)	(428,642)
Less: wakala deposits with original maturity more than 3 months	(3,086,900)	(7,554,300)	(6,240,000)
	<u>13,289,994</u>	<u>10,433,542</u>	<u>15,241,803</u>
Cash and cash equivalents for the purpose of interim condensed consolidated statement of cash flows	13,289,994	10,433,542	15,241,803

Restricted bank balances represent margin deposits that are held as security against letters of guarantees (Note 8). Further, wakala deposits with original maturity of more than 3 months includes KD 1,800,000 (31 December 2011: KD 1,800,000; 31 March 2011: KD 1,800,000) that represent margin deposits that are held as security against the same letters of guarantee.

5 DISCONTINUED OPERATIONS

As at 31 March 2012 the management of the company has committed to a plan to sell entire equity interest in Higlieg Petroleum Services & Investment Company Ltd ("Higlieg"). The disposal of Higlieg is due to be completed in the first half of 2012 and, as at the reporting, final negotiations for the sale were in progress. As a result, Higlieg has been classified as a disposal group held for sale and disclosed as a discontinued operation as per International Financial Reporting Standard 5: Non-current Assets held for sale and discontinued operations. The results of Higlieg for the period are presented below:

	<i>Three months ended</i> <i>31 March</i>	
	<i>2012</i>	<i>2011</i>
	<i>KD</i>	<i>KD</i>
Revenues	1,137,912	4,376,469
Expenses	(1,529,066)	(4,058,273)
Impairment loss recognised on the remeasurement of fair value less costs to sell	(6,431,441)	-
	<u>(6,822,595)</u>	<u>318,196</u>
(Loss) profit before tax from discontinued operations	(6,822,595)	318,196
Taxation	(56,646)	(126,332)
Transfer of foreign currency translation reserves to interim condensed consolidated statement of income	(5,508,364)	-
	<u>(12,387,605)</u>	<u>191,864</u>
(Loss) profit for the period from discontinued operations	(12,387,605)	191,864

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)

As at 31 March 2012

5 DISCONTINUED OPERATIONS (continued)

The major classes of assets and liabilities of Higeig classified as held for sale are as follows:

	<i>31 March 2012 KD</i>	<i>31 December 2011 KD</i>
Assets		
Property and equipment	110,197	7,090,249
Investment property	7,729,485	7,751,803
Investment in associate	1,369,111	1,400,008
Financial assets available for sale	623,298	625,097
Inventories	1,936,439	1,831,554
Accounts receivable and other assets	12,378,366	12,259,341
Cash and bank balances (Note 4)	355,288	429,139
Assets classified as held for sale	24,502,184	31,387,191
Liabilities		
Employees' end of service benefits	(110,581)	(133,902)
Liabilities against assets subject to finance lease	(740,633)	(826,059)
Accounts payable and other liabilities	(14,170,017)	(14,062,365)
Current portion of liabilities against assets subject to finance lease	(333,916)	(251,593)
Murabaha payables	(65,500)	(107,370)
Liabilities directly associated with the assets classified as held for sale	(15,420,647)	(15,381,289)
Net assets directly associated with disposal group	9,081,537	16,005,902
Impairment loss allocation		
		<i>31 March 2012 KD</i>
Property and equipment		(6,431,441)

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)

As at 31 March 2012

6 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>Parent company KD</i>	<i>Other related parties KD</i>	<i>31 March 2012 KD</i>	<i>(Audited) 31 December 2011 KD</i>	<i>31 March 2011 KD</i>
Interim condensed consolidated statement of financial position					
Bank balances, deposits and cash	4,050,562	-	4,050,562	4,972,633	9,279,029
Accounts receivables and other assets	-	417,362	417,362	422,692	2,199,111
Assets classified as held for sale	-	2,119,837	2,119,837	1,955,495	-
Murabaha payables secured against financial assets (Note 7)	2,634,752	-	2,634,752	2,597,252	2,522,912
Liabilities against assets subject to finance lease	-	-	-	-	4,151,768
Liabilities directly associated with the assets classified as held for sale	-	1,091,098	1,091,098	1,100,672	-
Accounts payable and other liabilities	-	1,125	1,125	23,116	312,923

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

	<i>Parent company KD</i>	<i>Other related parties KD</i>	<i>Three months ended 31 March</i>	
Interim condensed consolidated statement of income			<i>2012 KD</i>	<i>2011 KD</i>
Brokerage fees	55	-	55	250
Murabaha finance cost	37,500	-	37,500	200,124

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:

	<i>Three months ended 31 March</i>	
	<i>2012 KD</i>	<i>2011 KD</i>
Salaries and other short term benefits	243,639	85,708
End of service benefits	28,130	7,169
Discontinued operation	21,824	20,106
	293,593	112,983

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2012

7 MURABAHA PAYABLES

Murabaha payables include facilities amounting to KD 2,634,752 (31 December 2011: KD 2,597,252; 31 March 2011: KD 2,522,912) taken from a related party (Note 6) and are secured against financial assets available for sale amounting to KD 8,323,700 (31 December 2011: KD 8,323,700; 31 March 2011: KD 8,323,700).

8 CAPITAL COMMITMENTS AND CONTINGENCIES

	<i>31 March</i> <i>2012</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2011</i> <i>KD</i>	<i>31 March</i> <i>2011</i> <i>KD</i>
Capital expenditure commitments			
<i>Financial assets</i>			
Financial assets available for sale	<u><u>6,678,000</u></u>	<u><u>6,696,000</u></u>	<u><u>6,660,000</u></u>

Contingent liabilities

As at 31 March 2012, the group had contingent liabilities in respect of outstanding letters of guarantee amounting to KD 1,800,000 (31 December 2011: KD 720,379; 31 March 2011: KD 3,182,378) from which it is anticipated that no material liabilities will arise. These letters of guarantee are partially secured against bank balances and deposits (Note 4).

AREF Energy Holding Company K.S.C. (Closed) and Subsidiaries
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
 At 31 March 2012

9 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.

	Energy		Others		Total	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	KD	KD	KD	KD	KD	KD
Segment revenue	31,960	-	394,005	315,224	425,965	315,224
Loss for the period from continuing operations	(1,083,272)	(750,322)	1,987	(8,129)	(1,081,285)	(758,451)
(Loss) profit for the period from discontinued operations	(12,486,923)	60,054	99,318	131,810	(12,387,605)	191,864
	(13,570,195)	(690,268)	101,305	123,681	(13,468,890)	(566,587)
Segment assets	73,214,265	98,202,886	13,252,951	9,247,802	86,467,216	107,450,688
Segment liabilities	17,540,570	21,736,710	2,678,157	4,282,115	20,218,727	26,018,825