



## Chairman's Report

### 1. Introduction

We are pleased to present the unaudited financial statements for nine months ended September 2010.

### 2. Review of Operations for nine months ended September 2010

The plant operated well during the first nine months of the current year and achieved 99.54% commercial availability. During the period, 1,029 GWh of electricity was exported to the grid as against 1,045 GWh of electricity exported for the same period in 2009. The reduced generation was mainly due to the milder weather experienced by the region which reduced demand for power.

Since May 2009 the financial results of the company have been impacted by a higher interest cost claimed by the Company's project lenders who have invoked the 'Market Disruption Event' clause of the loan agreement. The resultant additional interest cost for the first nine months of the current year is RO 0.240m (US\$ 0.623m).

### 3. Financial Results

#### a. *Operating Revenue and Gross Profit*

The Company achieved a turnover of RO 14.280 million and a gross profit of RO 3.948 million.

#### b. *Operating costs*

The operating costs were RO 10.826 million.

#### c. *Administrative and General Expenses*

Administrative expenses amounted to RO 0.262 million and were 10% below the amount incurred for the same period in 2009.

#### d. *Financing Expenses*

Net financing costs were RO 1.418 million after factoring in the higher interest charged by the lenders on invoking the 'Market Disruption Event' clause of the loan agreement.

#### e. *Net Profit*

The net profit for the period was RO 2.004 million, 18.54% higher than the net profit for the same period in 2009, which was RO 1.690 million.

#### f. *Trade and Other Receivables*

At the end of the reporting period there were no overdue invoices payable by OPWP.

#### g. *Cash and Bank Balances*

The cash and bank balances at the end of the period amounted to RO 3.301 million.

### 4. Future Outlook

Plant availability is expected to remain high. However, the current year's financial results are expected to be impacted by the higher interest cost being claimed by the Company's project lenders who have invoked the 'Market Disruption Event' clause of the loan agreement.

**Dr. Ranald G.L. Spiers**  
Chairman