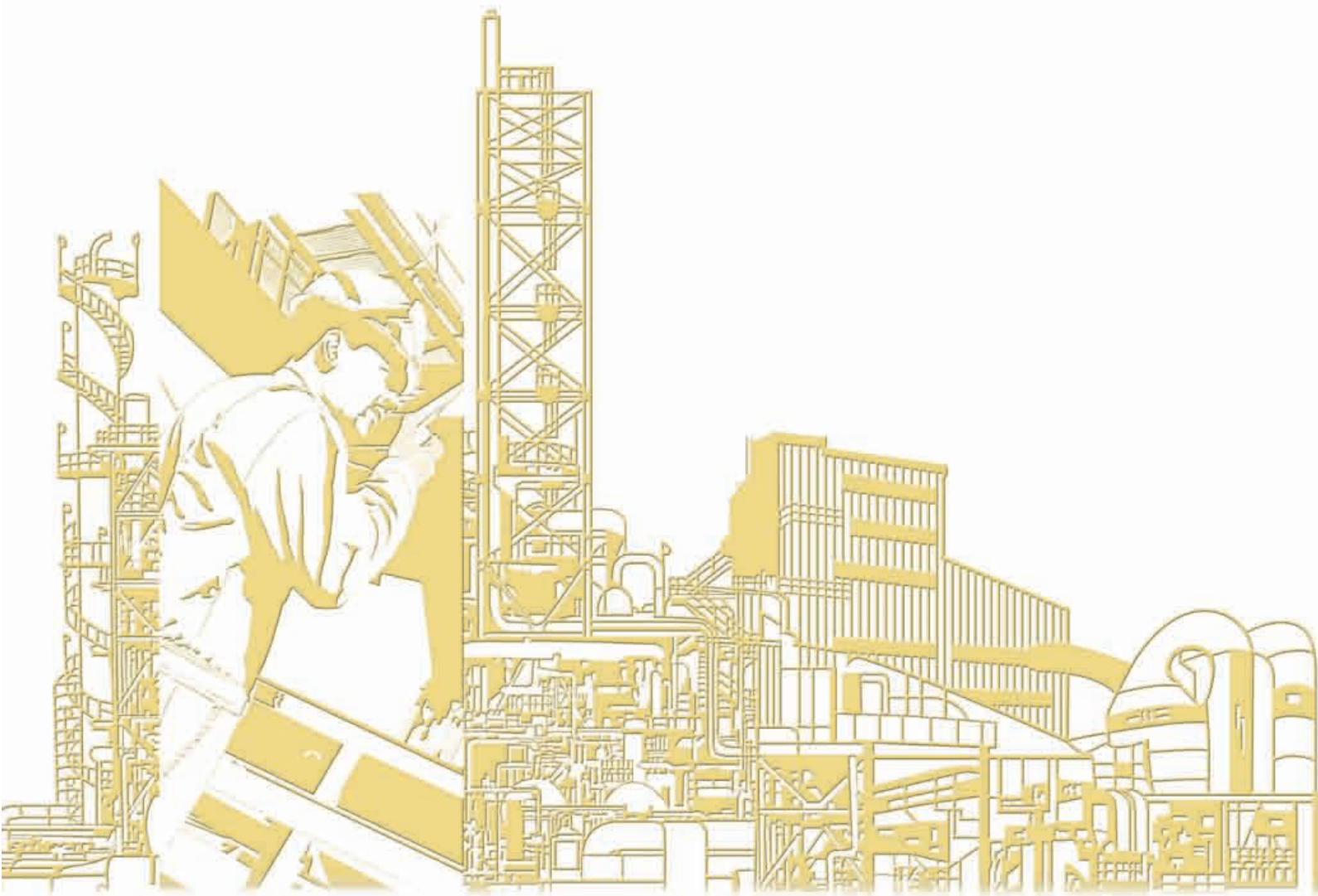


ANNUAL REPORT 2010

Growing together



ج.ب.ك
GPIC

Gulf Petrochemical Industries Co. (BSC)



Committed to a clean and safe environment





H.M. King
Abdullah bin Abdulaziz Al Saud
*Custodian of the Two Holy Mosques
Kingdom of Saudi Arabia*



H.M. King
Hamad bin Isa Al Khalifa
The King of the Kingdom of Bahrain



H.H. Sheikh
Sabah Al Ahmed Al-Jaber Al Sabah
Amir of the State of Kuwait



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A dynamic vision of growth and prosperity

Chairman's Message



The company completed the largest turnaround and upgrade in its history safely, within the approved budget and as scheduled.

Within the framework of the company's three basic principles represented by corporate social responsibility, concern for protection of the environment and strengthening its financial position, GPIC continued its confident march with firm steps to realise further local and international achievements in all spheres.

In spite of the continuation of the economic and financial slowdown in the wake of the international financial crisis that has swept the global markets, the company was able to make more profits amounting to US\$138 million by the end of 2010, against US\$105 million in 2009, an increase of 30%. This remarkable performance reflects the plants' safety and reliability on one hand and efficiency of the executive management and employees on the other hand. It also reflects the close relationship and co-ordination with the shareholders and marketers of the GPIC's products.

One of our top priorities is undertaking our corporate social responsibilities, the most important of which is the safety of employees and citizens. Therefore, GPIC has worked hard to ensure its observance of the principles of corporate social responsibility and that has been recognised by the RC 14001 Certification of social responsibility.

GPIC is the first company to be committed to such standards and guidelines among all Middle East companies and businesses. This will motivate GPIC to uphold and continue to

maintain this policy in the next few years.

In addition, the company's occupational safety, health and environment records have reached international standards. The company has been able to renew the endorsement of its occupational safety, health and environment systems and has been able to win numerous prestigious awards at local, regional and international levels. This is a demonstration of the soundness of GPIC's systems and the high level of management of occupational safety, health and environment systems, which keep pace with the highest international standards. The company was able to further enhance this achievement by winning the International Safety Award from the British Safety Council for the third successive time and the Chemical Sector Award from the Royal Society for the Prevention of Accidents, UK. This is a recognition by RoSPA of the company's continuous efforts to raise the standards of occupational safety, health and environment to unprecedented levels, which is a cause of pride for industry as a whole in the Kingdom of Bahrain.

As planned, the company completed the largest turnaround and upgrade in its history safely, within the approved budget and as scheduled. This total maintenance exercise resulted in increased productivity to record levels not witnessed previously and is expected to produce lucrative returns in the next few years.

The operation of the Carbon Dioxide Recovery Unit had a significant impact upon increasing

Achieving success through employees' loyalty & hardwork

production of Methanol and Urea, which contributed to increased profitability and a major reduction of environmental impact.

Given the great importance of human resources for the company's success and growth, considerable effort was given by the management to prepare a comprehensive plan to achieve their aspirations, with the greater part of it being completed during the year. This enabled the company to win the Kingdom of Bahrain Ministry of Labour Award for Outstanding Companies in Training, and Human Resources Development – First Place. The Company also won the prestigious Outstanding GCC Companies in Nationalisation and Human Resources Development Award from the GCC Ministers' Council, for the second time.

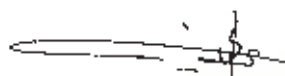
The remarkable performance and continuous achievements of the company this year and in previous years could not have been possible without the support and guidance of the wise leadership which enabled us to grow and succeed and made the Kingdom of Bahrain a fertile soil for viable investment. We wish to express our thanks and appreciation to His Majesty King Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain, HRH Prince Khalifa bin Salman Al Khalifa, Prime Minister and HRH Prince Salman bin Hamad Al Khalifa, Crown Prince and Deputy Supreme Commander for their support and guidance to the company.

We would also like to express our thanks to all the government organisations in the Kingdom of

Bahrain and our shareholders, the National Oil and Gas Authority (NOGA) in the Kingdom of Bahrain, Saudi Basic Industries Corporation (SABIC), Saudi Arabia, and Petrochemical Industries Company (PIC) of the State of Kuwait, for their continuous support and strong encouragement.

We wish to seize this opportunity to express thanks and appreciation for the significant efforts made by members of the Board of Directors, as their wise policies, sound views and professionalism were the primary reasons for the company's success and prosperity. Finally, we wish to thank all members of the executive management and employees for their loyalty, hard work and tremendous efforts which made all these achievements possible.

We are also confident that this excellent team spirit will enable the company to achieve further development and growth in the coming years.



Isa bin Ali Al Khalifa,
Chairman

Thanks to the outstanding success in operation, profitability and care for society and the environment, GPIC has proved to be the jewel in the crown of cooperation between Gulf States.

Board of Directors



H.E. Shaikh Isa bin Ali Al Khalifa
Chairman



Mr. Yousef A. Rahman Al Zamel
Deputy Chairman



Mr. Anwar Saeed ben Salamah
Managing Director



Mr. Ahmed A. Rahman Al Sayed
Board Member



Dr. Ahmed Ali Al Sharyan
Board Member



Mr. Mohammed bin Ali Al Yemni
Board Member



Mr. Fahad Hamad Al Dubayan
Board Member



Mr. Hamad Dakheel Al Sebaie
Board Member



Mr. Sa'ad Mohammed Al Ajmi
Board Member

Board of Directors' Report to the Shareholders

For the year ending 31st December, 2010

With the advent of the fourth decade in the company's history, the Board of Directors is pleased to present to the Shareholders its Annual Report, which reflects the company's excellent performance during 2010.

Given GPIC's outstanding performance in the areas of occupational safety, health and the environment, which has become synonymous with the company's name in both local and international arenas, the company has continued its efforts to further enhance its excellent performance on all levels. On the technical level the company implemented numerous projects and acquired various items of modern equipment and facilities, enabling it to ensure better occupational health, safety and protection of the environment for the benefit of both the employees and the equipment. The company also reviewed and issued more guidelines related to this particular area and launched an intensive training program for all the employees with the aim of furthering the level of awareness and strict compliance with the rules of occupational safety, health and environment. Moreover, GPIC continued its major investments in the preservation of the environment and completed the Carbon Dioxide Recovery Project, which was successfully commissioned to contribute to the limitation of Carbon Dioxide emissions. The plant currently recycles around 450 tonnes daily of Carbon Dioxide for reuse in plant operations.

In addition, the company was able to maintain its outstanding safety record by achieving 12,147,233 man-hours without any lost time accidents being suffered by its employees or its contractor workers.

All these efforts and initiatives contributed to the company being presented several prestigious

awards during the year. The most significant of these was the International Safety Award received from the British Safety Council for the third successive time and the Chemical Sector Award from the Royal Society for Prevention of Accidents (RoSPA), UK.

During the year GPIC successfully completed a total plant turnaround during which several items of equipment and systems were replaced by new ones to ensure the continued high standards of safety and reliability.

In addition, all the major items of equipment were tested and maintained and catalysts were replaced. This investment contributed to achieving a utilisation factor of 105.8% for all the plants while the on-stream factor reached 92.85%. As a result the company was able to achieve a total production of 1,475,892 tonnes of Ammonia, Urea and Methanol. The Urea plant achieved the highest record of monthly production since its commissioning in 1998 as it produced a total of 60,574 tonnes during December 2010.

Thus, all the company's plants were able to achieve their production targets and even raised the rate of daily output by 5% owing to the continuous modernisation of the plants, increased reliability and the commissioning of the Carbon Dioxide Recovery Unit.

Owing to the close cooperation with our marketers in Saudi Basic Industries Corporation (SABIC) of Saudi Arabia and Petrochemical Industries Company (PIC), Kuwait, we were able to enjoy smooth export operations of the company's products. A total of 1,133,618 tonnes of products were shipped on board 60 vessels. This magnificent record of continuous and safe operations and the stringent measures for cost

The continuous CAPEX investment contributed to achieving a utilization factor of 105.8% for all the plants. As a result, the Company was able to achieve a total output of 1,475,892 tonnes of ammonia, urea and methanol.



Board of Directors' Report to the Shareholders

For the year ending 31st December, 2010

Due to the intensive training policy and localisation program adopted by the company, the rate of Bahrainisation, including trainees, reached 95% by the end of the year.



rationalisation and qualification of the workforce, contributed to achieving US\$138 million in net profits an increase of US\$33 million over the profit figure in 2009.

As part of extensive efforts to enhance the efficiency of its human resources and to keep abreast of the latest scientific and technological developments, the Training and Development Centre was upgraded in an unprecedented move to become the Academy of Leadership and Learning. The new Academy has a mission of qualifying a new generation of adequately developed and educated leaders, both theoretically and practically, to enable the continuation of the company's success and to seize future investment opportunities.

Such efforts have led to winning First Place in the Bahrain Ministry of Labour Award for Outstanding Companies in Training and Human Resources Development, and becoming the top company among the organisations exempted from payment of occupational training subscriptions. GPIC was also able to win the Award for the Best GCC Company in the Localisation of Jobs and Manpower Development.

Thanks to this intensive training policy and localisation program adopted by the company the rate of Bahrainisation, including trainees, reached 95% by the end of the year.

Looking at the company's record over the last 30 years in general and the last 5 years in particular, we will find that the company has achieved its best performance ever, a great accomplishment in the eyes of petrochemical professionals worldwide. Such an achievement would not have been possible without the support received by the company from the Bahrain leadership. The Board

of Directors wishes to emphasise its confidence, support and backing to the company's ambitious plan for expansion of the plants and the launch of new projects, as envisaged by the GPIC Strategic Plan 2020.

On this occasion, the Board of Directors would like to take this opportunity to express its sincere thanks and appreciation to His Majesty King Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain, HRH Prince Khalifa bin Salman Al Khalifa, Prime Minister and HRH Prince Salman bin Hamad Al Khalifa, Deputy Supreme Commander for their unlimited support to the company and for providing a solid ground for growth and progress of the oil and gas industry and its byproducts in the Kingdom of Bahrain.

The Board of Directors also wishes to express its thanks to the Shareholders, namely the National Oil and Gas Authority, Kingdom of Bahrain, Saudi Basic Industries Company (SABIC) of Saudi Arabia and Petrochemical Industries Company, Kuwait, for their unwavering commitment to ensuring the company's success and supporting its operations and marketing activities.

The Board would like to pay tribute to the extensive efforts made by the executive management and all the employees who have worked with a team spirit to maintain GPIC's status as a global centre for the manufacture of petrochemicals and fertilizers.

Corporate Governance



Audit, Finance and Risk committee members

Dr. Ahmed Ali Al Sharyan
Chairman

Mr. Mohammed bin Ali Al Yemni
Member

Mr. Sa'ad Mohammed Al Ajmi
Member

Audit, Finance and Risk Committee Meeting

GPIC Corporate Governance is a dynamic document which is reviewed every three years by the Executive Management with the Managing Director. Any proposed amendments/

recommendations to the document will be presented to the Board of Directors for their final approval.



Organization Structure Review committee members

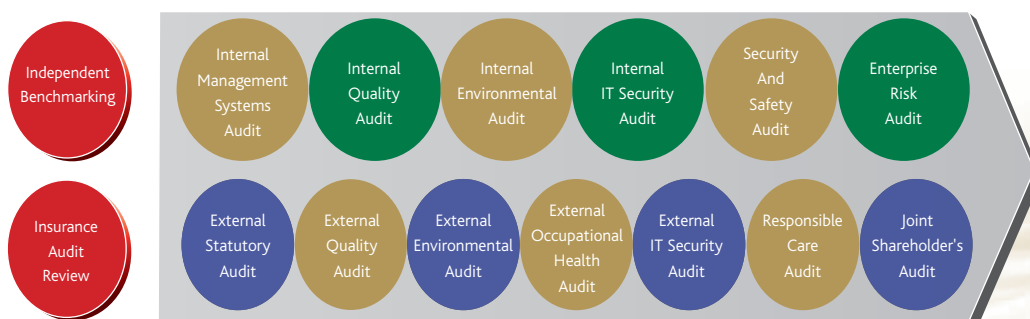
Mr. Anwar Saeed ben Salama
Chairman

Dr. Ahmed Ali Al Sharyan
Member

Mr. Fahad Hamad Al Dubayan
Member

Organization Structure Review Committee Meeting

Multi Auditing for Effective Corporate Governance



Executive Management



Symbolizing strength, leadership & success

Standing from left to right

Mr. Ahmed Ghuloom Ismael
Maintenance Manager

Mr. Yasser A. Rahim Mohamed
Safety, Health & Environment Manager

Mr. Ahmed Abdulla Nuruddin
Plants Operation Manager

Mr. Abdulrahman A.Hussain Jawahery
General Manager

Mr. Adnan A. Razzaq Al Mahmood
*Information Technology &
Knowledge Manager*

Mr. Zuhair A.Aziz Tawfiqi
Public Relations Manager

Mr. Jehad A.Rahman Taqi
Marketing Manager

Mr. Yusuf Ebrahim Fakhroo
Human Resources Manager

Sitting from left to right

Mr. Fadhel Malalla Al Ansari
Technical Services Manager

Mr. Yusuf Abdulla Al Yaqoub
Deputy General Manager

Mr. Adel Ahmed A.Malik
Finance Manager

Enterprise Risk Management

GPIC has always been keen and proactive in adopting the best practices in the Industry and the Enterprise Risk Management (ERM) Program is one of the steps taken in this direction.

To safeguard the Company's business and protect the interests of the shareholders against potential risks (which include strategic, financial and market, geo-political risks, operational, legal and regulatory and reputation risks) associated with the nature of its core business, the company initiated the process for the establishment of an environment and framework which addresses, evaluates and effectively manages risks not only at the enterprise level but also at the business process levels.

GPIC Management has provided full support to the program by setting up an Enterprise Risk Management Committee comprising of senior members from all functional areas of the organization to oversee the smooth implementation of robust Risk Management systems at all levels of the organization.

A detailed risk analysis was conducted, identifying the main as well as sub-sources for each of the risks at the corporate level, which was later followed by an in-depth study by the ERM Committee in the presence of key members of the relevant departments to determine the corrective actions

already in place as well as proposed preventive and corrective actions required to eliminate or minimize the impact for each source of risk. These mitigation measures were later presented and thoroughly perused by the Company's Board of Directors and the Board's Audit, Finance and Risk Committee.

Later, a comprehensive ERM Audit Program was initiated to assess the extent to which the corrective actions continued to be in place as well as the degree to which the proposed preventive and corrective measures were implemented in line with the target dates.

ERM Framework





GPIC's Vision, Mission & Corporate Values



One of the factors, among many others which have contributed to GPIC's success, is its realistic Vision, sound Mission and solid Corporate Values. These are the main drivers of all GPIC operations and activities and set the framework for the way our business is conducted.

Vision

To be a global, dynamic world-class petrochemical and fertiliser company of choice recognized for excellence.

Mission

To grow and add value to our customers and shareholders by meeting their expectations whilst:

- Producing high quality products
- Focusing on customers
- Optimising business in a cost effective, safe, environmentally friendly and socially responsible way
- Embracing knowledge, creativity and best practices

Values

- Excellence
- Integrity & Fairness
- Respect
- Transparency
- Safety
- Professionalism
- Social Responsibility
- Creativity
- Team Work

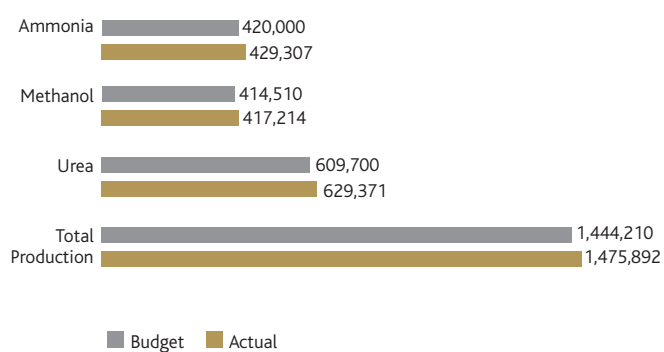
Production Performance



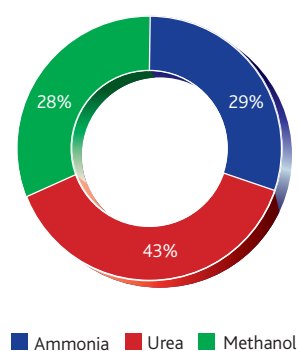
View of the Complex

The year 2010 was another challenging year for GPIC Plants Operation. All plants were operated in a reliable, safe and efficient manner whilst maintaining the quality of all products.

Annual production(tonnes)



Actual product distribution



Production and performance factors

Product	Average daily production, tonnes	Utilisation factor %	Capacity Utilisation %	On-stream factor %
Ammonia	1,276	106.3	98.0	92.2
Urea	1,867	109.8	101.4	92.4
Methanol	1,216	101.4	95.3	93.9

Production Performance

Turnaround days

Plant	Days
Ammonia	24.5
Urea	25.9
Methanol	21.9

- The annual turnaround 2010 was initiated on 26th February 2010 and was carried out successfully. All the planned and Capex jobs were completed in time and the plants were back in operation by 24th March 2010.
- In order to enhance the safety and reliability of the electrical network, the 11 KV switchboard was replaced with a new one and 'Bus-bar Differential Protection Trip' was installed during the turnaround.
- An electronic governor was installed on the synthesis gas compressor in the Ammonia plant for precise, smooth and reliable operation.
- The Honeywell DCS system was upgraded with the new Experion version which has many new features to enhance the control and operation of the plants.
- The HIMA motor control system was upgraded from the existing hard wired type to the latest PLC based control system. This will eliminate the risk of obsolescence and enhance precision control, safety and reliability.



Maintenance work during 2010 Turnaround



View of the Complex

Production Performance



Ammonia Plant

Ammonia plant

- Average daily Ammonia production was 1,276 tonnes/day for the operating days.
- Ammonia Plant completed 289 days of continuous production run before it was shut down by end of February for the annual turnaround.



Plants Control Desk

Production Performance



Urea Plant

Urea plant

- Average daily Urea production was 1,867 tonnes/day for the operating days which is the highest ever achieved.
- The Urea plant completed 820 days of continuous production run before it was shut down on 26th February for the Annual Turnaround.
- The new high pressure Omega-bond Urea stripper which is the first of its kind, was installed in the Urea plant. Snamprogetti together with ATI Wah Chang, USA, designed the stripper using Titanium and Zirconium bimetallic tubes that are manufactured with a special process of extrusion bonding.



Urea stripper internals



Omega-bond Urea stripper

Production Performance



Methanol Plant

Methanol plant

- Average daily Methanol production was 1,216 tonnes/day for the operating days which is the highest since 1998.
- On 28th May 2010, the Methanol plant achieved 10 million tonnes of Methanol production since its inception in 1985.
- Commissioning and guaranty test activities of the Carbon Dioxide Recovery (CDR) plant were completed and the unit was handed over to GPIC, by the Technology Licensor Mitsubishi Heavy Industries (MHI) Japan, and the Engineering, Procurement & Construction (EPC) contractor Tecnimont ICB (TICB), Italy.



Methanol plant control panel

Production Performance



Carbon Dioxide Recovery Unit

- The CDR unit performance test was concluded by 1st February and all the test parameters were observed to be within the guaranteed limits. The unit was running throughout the year in a stable condition, enhancing Methanol and Urea production.
- The CO₂ produced from the CDR unit was utilised in the Methanol and Urea plants to enhance production. As a result the plants were able to run at an average of 1,867 t/d of Urea production and 1,216 t/d of Methanol production.

Utilities Plant

Throughout the year the Utilities Plant continued to give outstanding support to keep the process plants running at full load at all times. The consumption of electricity, water and

chemicals was carefully monitored and controlled resulting in optimizing the variable cost per tonne.



Seawater Intake Basin

Production Performance



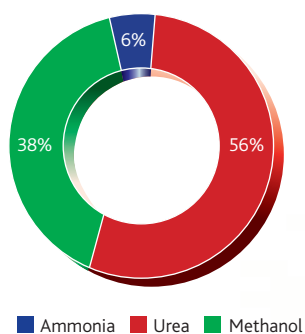
Urea Export Terminal

Products Handling and Exports

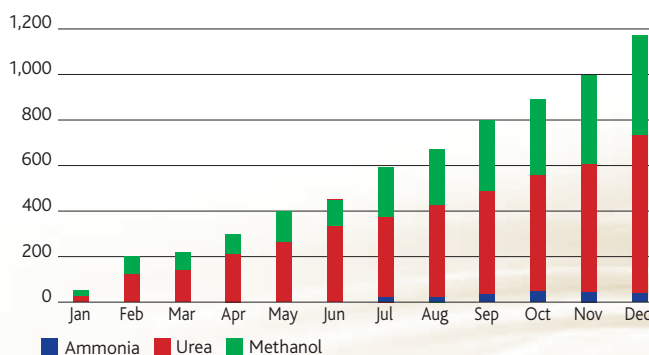
During 2010 Ammonia, Methanol and Granular Urea were exported within the time allowed, with no demurrage and the product meeting full customer satisfaction.



Exports in 2010 (in percentage)



Cumulative Exports 2010 (in 1000 tonnes)



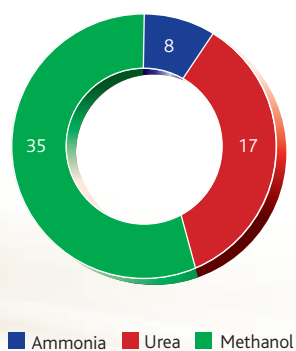
Production Performance



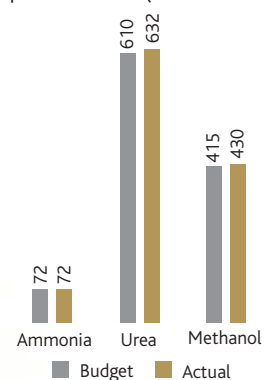
Urea bulk storage warehouse

- In 2010 the organisation setup for wharf services was revised and the section was renamed as Products Handling and Export. The position of Loading Master was removed and all the shift supervisors were re-designated as Loading Shift Supervisors.
- GPIC crossed yet another milestone in June 2010 by completing 10 million tonnes of Methanol exports since 1985.

Number of ships loaded in 2010



Exports in 2010 (in 1000 tonnes)



Safety, Health and Environment



Fire drill and safety practices.

GPIC was able to maintain its outstanding safety record by achieving 12, 147, 233 man-hours without any lost time accidents.

In 2010 GPIC continued to enhance and strengthen its Safety, Health and Environmental (SHE) management systems. These efforts culminated in winning the Chemical Sector Award from the Royal Society for the Prevention of Accidents (RoSPA) and the International Safety Award from the British Safety Council for the third time.

GPIC continued its commitment to social responsibility through unique environmental projects such as the Fish Farm, the Bird Sanctuary and expanding the green areas with the establishment of the 'Princess Sabeeka Aromatic Garden' which is the largest collection of indigenous aromatic plants in the Kingdom of Bahrain. This commitment culminated in the successful acquisition of the Responsible Care certification of RC14001, making the company the first establishment in the Middle East to achieve this important milestone.

GPIC successfully executed a major Turnaround during February/March 2010 without any injuries, environmental incidents, ill health to employees or interruption of contracts due to the strict safety, health and environment management system employed by the company.



H.R.H. Princess Sabeeka bint Ibrahim Al Khalifa Aromatic Garden

Safety, Health and Environment

Behavioural Based Safety (BBS) is considered one of the cutting edge safety programmes available, in which employees gain an increased awareness of good safety practices and these practices then become natural behavior. This in turn ensures that the company's activities are carried out in the safest possible environment, thus raising productivity to a new level. More than 170,658 observations were captured and corrected during 2010 thus making GPIC a safer workplace. Hence, large number of the observations were captured during the Turnaround.

During 2010, GPIC achieved 1,120,873 man-hours of work or 365 continuous work days, without any lost time accidents. Similarly, contractors working for GPIC achieved 1,573,084 man-hours of work or 365 continuous work days without a lost time accident. The total combined safe working hours attained was 2,693,957. This outstanding record was achieved through the encouragement of employees, contractors and visitors to report

unsafe conditions and to take proactive remedial action, thus preventing accidents. In addition, carrying out 1,876 integrated PTW audits and more than 12 other SH&E audits throughout the year ensured that all work areas were controlled in such a way that they remained safe.

Safety training is being provided for all personnel. During 2010 there were 18 Modulised Emergency Response Training (MERT) sessions, attended by 100% of the Plant's Operators. Furthermore, 80 safety training sessions were held for personnel, including administration and technical personnel, with 100% attendance.



Air Quality Monitoring Unit

Technical Services Support



Spare Parts Warehouse

During 2010, GPIC received materials with an approximate value of BD 24 million. These were required to support the maintenance and reliability of plant equipment and cater for all operational requirements. The warehouse service level was more than 99% throughout the year indicating the ready availability of materials required by the plants. It is also a clear indication of the close and effective coordination with suppliers and contractors, both local and foreign.

As part of an e-procurement initiative, technical integration was completed successfully, targeting early 2011 for go-live.

In 2010, GPIC continued with its proactive approach toward enhancing the reliability and mechanical integrity of its assets. During the biennial turnaround more than 390 items of equipment were inspected including 72 statutory items based on the outcome of the Risk Based Inspection Program (RBI) study that was carried out in 2008 and 2009.

As part of the trouble shooting and proactive approach toward reliability, the Root Cause Failure Analysis has been fully integrated into the company systems.



Product Quality Laboratory

Technical Services Support



Process Hazards Analysis Session

GPIC has completed the processing of 31 Capital Expenditure (CAPEX) Projects; worth around US\$ 46.6 million.

As part of the troubleshooting and proactive approach toward reliability, the Root Cause Failure Analysis has been fully integrated into company systems. To date, more than 30 employees have been trained in Root Cause Analysis investigation methodology. Furthermore, the inspection database and reporting system have been enhanced to analyze and capture the root cause of reported events. GPIC has completed the processing of 31 Capital Expenditure (CAPEX) Projects; worth around US\$ 46.6 million.

All the CAPEX Projects and modifications have undergone a rigorous Process Hazards Assessments. Besides these, 11 detailed HAZOP studies for various modifications were carried out during 2010. This has helped in ensuring the safety and reliability of the plants throughout the year.



Methanol Tank Inspection



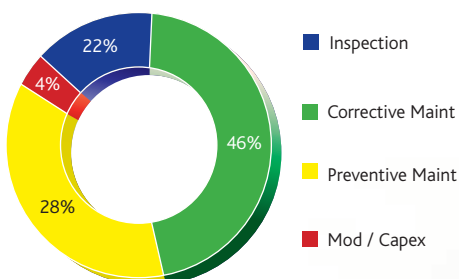
H.E. Mr. Yousef A. Rahman Al Zamel, the Deputy Chairman visiting Turnaround 2010 activities

The Turnaround 2010 was another successful turnaround with outstanding performance achieving excellent results, maintaining safety at its BEST and completing the entire work within the allocation time and budget with synchronized efforts and the ONE TEAM spirit.

- The turnaround 2010 was performed after twenty seven months of running of all the plants of our complex.
- The main scope of this turnaround was developed based on the scope identified in the Rolling 10 Years Turnaround Plan for this turnaround.
- The total number of maintenance works orders is 2454 orders which include 97 Modifications and Capital Projects.

In addition to familiarizing all maintenance staff with the company's Corporate Objectives and the Department's own objectives, 85% of all Maintenance staff attended training.

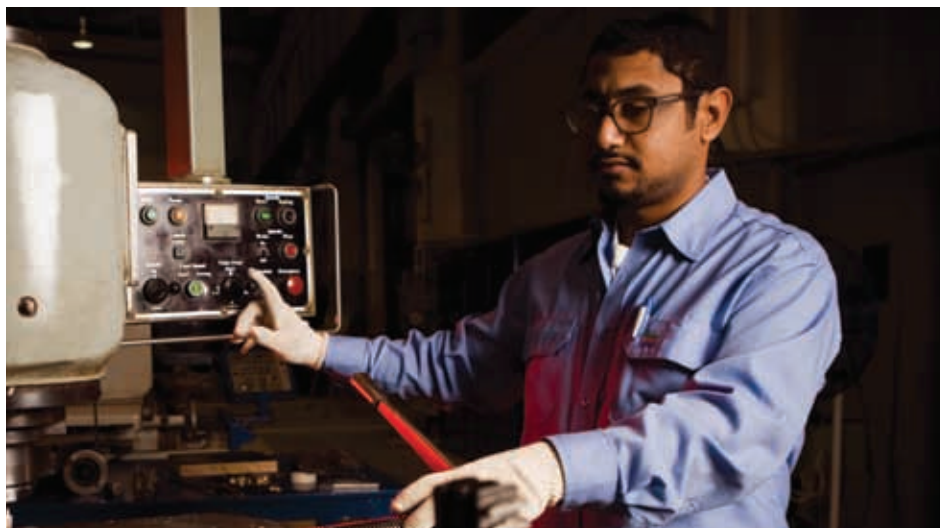
2010 Turnaround Maintenance Orders



The details of the turnaround expenditure

Area of Expenditure	US \$
Local and Foreign Contractor Services	9,200,000
Stock items	3,900,000
Direct use materials	1,100,000
Total	14,200,000

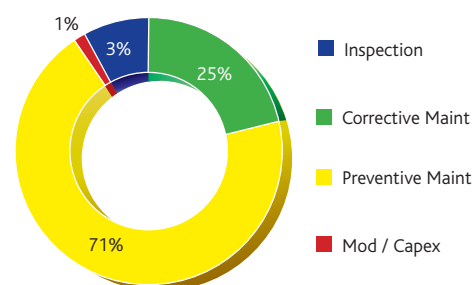
Maintenance



Maintenance Activities

In-house spares manufacturing continued unabated with strict quality control and resulted in a saving of nearly US\$ 656,700 taking the total saving to more than US\$ 5.81 million since inception of the program in 2001.

Routine Maintenance Orders



Celebrating completion of a successful Turnaround at Seawater Intake

Training and Development



H. E. Dr. Abdul Hussain bin Ali Mirza, Minister of Oil and Gas Affairs and Chairman of the National Oil and Gas Authority inaugurates GPIC Academy of Leadership and Learning

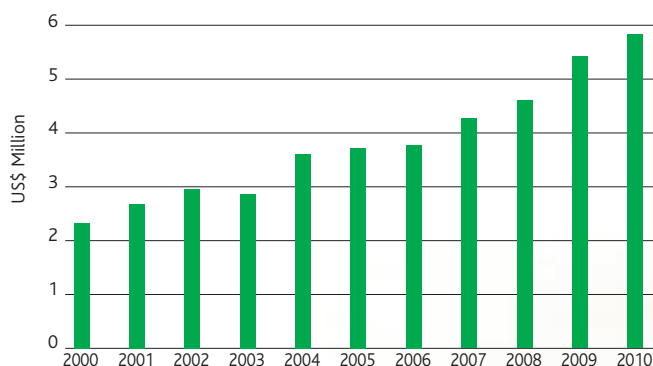
Training and development of Bahraini employees represents a major priority for GPIC management in its efforts to keep pace with the development of its future strategy and policies for training and development of the Company. HE Dr. Abdul Husain bin Ali Mirza, Minister of Oil and Gas Affairs and Chairman of the National Oil & Gas Authority inaugurated the Academy of Leadership and Learning on 8th November, 2010.

In 2010 the Company's manpower totaled 473 employees in addition to 71 trainees. Such trainees

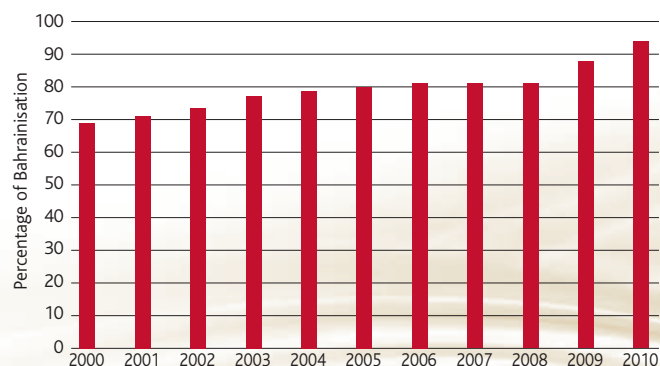
are employed in various jobs and disciplines such as plant operators, technicians, chemists and engineers. The Academy of Leadership and Learning supervises the development of 19 employees to occupy senior supervisory positions in the future.

Further, the E-Learning Centre is considered a support line for the GPIC training and development plan. It offered 27 training courses covering a wide range of topics and disciplines including communication skills, financial resources management, self-development skills, security,

Investment in training and development



Average Bahrainization



Training and Development



E-Learning Centre

Training and development of Bahraini nationals represent a major priority for GPIC's management. Bahrainisation level achieved was 95% by the end of 2010.

health and environment courses, computer applications, leadership skills and project management skills. Thanks to this intensive training policy and replacement plan, GPIC was able to raise the Bahrainisation level to 95.3% by the end of 2010.

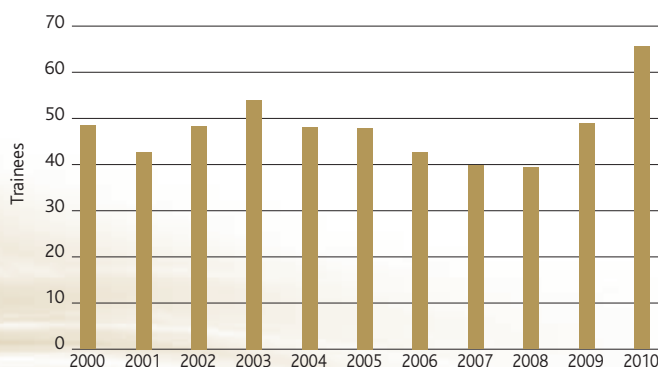
Also on offer were 29 programs designed to develop and enhance the employees' technical knowledge in technical departments such as the Maintenance and Plant Operations Department. By the end of 2010 the participants had completed a total of 23,148 training hours which is considered

a significant achievement.

In May 2010 GPIC won the Labour Ministry Award for Top Position in Training and Human Resources Development in 2010 for Establishments Exempted from Payment of Occupational Training Contributions.

In November 2010 GPIC won a GCC Labour Ministers Council Award for Outstanding GCC companies for Localisation of Jobs and Manpower Development for the second successive year.

Average Number of Trainees



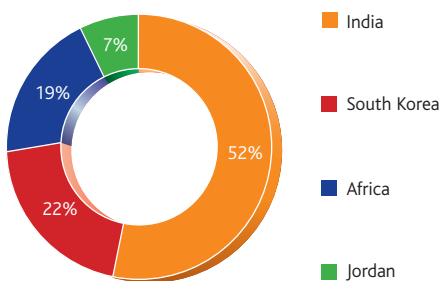
The combined total sales of Ammonia, Methanol and Urea were 1,140,214 tonnes for 2010. This total was made up of 78,677 tonnes of Ammonia, 429,614 tonnes of Methanol and 631,923 tonnes of Granular Urea of which 1,302 tonnes of Urea were sold in the local market. These quantities were safely handled and exported on time without incurring a single customer complaint.

The year 2010 saw prices reflecting a mixed trend. The year started on a weak note which was a continuation of the impact of the world financial crisis. Market prices were prevented from dipping further by frequent Indian purchase

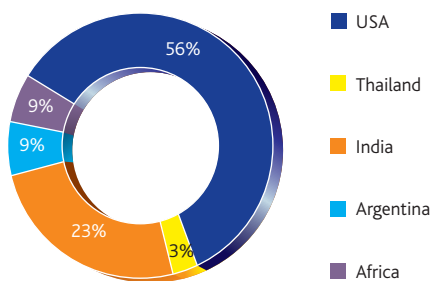
tenders. With the start of the second half of the year prices started to improve and continued through to the end of the year as there was accelerated demand from the USA, Africa and Asian countries.

The Year began on a balanced note with methanol prices showing a somewhat sluggish trend in all major markets. During the second half of the year, prices started picking up mainly due to improved operating rates in the derivatives sectors to meet the increasing demand.

Ammonia Export By Region 2010



Urea Export By Region 2010



Liquid Products Storage Facilities

Marketing

The year 2010 proved yet again a positive year for GPIC both in terms of volumes produced and exported to world markets.

The year 2010 proved yet again a positive year for GPIC both in terms of volumes produced and exported to world markets. The USA took the lion's share of the exports of 553,135 tonnes for the year, capturing nearly 49% of the total. The year also proved remarkable for the company in terms of revenue from sales and also in maintaining its market shares in Strategic markets like the USA, China and India.

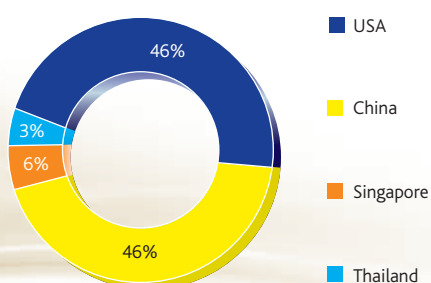
The cumulative export tonnage since export operations started totalled 24,0 million, comprising 6,2 million tonnes of Ammonia, 10,3 million tonnes of Methanol and 7,5 million tonnes of Urea.

These figures reflect the excellent coordination and cooperation between GPIC Marketing Department and the company's marketers, PIC, Kuwait for Ammonia and Granular Urea and SABIC, Saudi Arabia for Methanol.

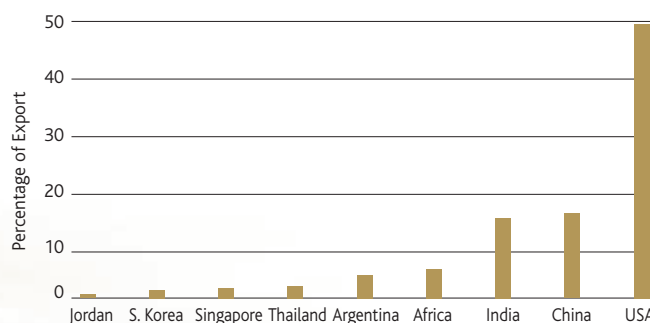


Ammonia / Methanol ship loading facilities

Methanol Export By Region 2010



GPIC Exports 2010 (Total 1,138,907 MT)





IT Server Room

GPIC runs SAP ERP in all its core business processes. The modules of Human Resources, Sales and Marketing, Finance and Controlling, Plant Maintenance, Production Planning, Warehouse Management, Project System, Materials and Procurement and Quality Management processes are automated in SAP and supported by well-defined SAP Workflow and proper authorizations meeting the requirements of IT users within the Company. Today, our Information Technology and Knowledge Management are strategic business enablers and trusted partners, adding value to business functions.

During 2010 many significant dynamic projects were also pursued and implemented to further meet the ever-evolving needs of deploying technology solutions to business. Such projects are:

- Inventory Spare Parts (ISP) project helping GPIC finance by reclassifying its spares inventory and devising a state-of-the-art approach to assessing the related depreciation cost. Spares inventory may be housed for an extended period and as such assessing a depreciation cost against them will give a more realistic picture of the financial position of the company. Additional programs were developed to cater for such assessment within SAP.
- SAP-Mobile Integration: Providing further mobility and ease-of-use to our executive management to view, reject or approve purchase requisitions on their Blackberry in a secure yet effective manner to further reduce the time of approval of SAP workflows.
- Bar Coding with SAP: Ensuring the fast identification of the location of spare parts and stock items using bar codes, hand-held devices were integrated into SAP Materials Management and Warehouse Management modules. This resulted in improving accuracy, reducing process time and the risk of error in all warehouse transactions and movements of stock or materials issued or received.



Community Support & Social Care

Summer Programme 2010



GPIC Club

A total of 320 employees' children took part in the activities of the Summer Camp held at the GPIC Club. This year's summer activities ranged between special computer classes, Taekwondo, painting, handicrafts, scientific experiments, swimming classes, public speaking club, and Traffic Day activities in addition to organizing a number of recreational and educational picnics and trips to historic and archaeological sites within the Kingdom. The purpose of such visits was to educate children about their country's history and heritage while having fun in the fresh air.





Community Support & Social Care

Summer Programme 2010





Community Support & Social Care

Donations



Crown Prince's International Scholarship Program



Al Rahma Youth Centre



NBB Home for Disabled Children



Bahrain Athletics Association



Bahrain Badminton & Squash Federation



Bahrain Billiards & Snooker Association



Bahrain Medical Society



Supreme Council for Women



Sitra Cultural and Sports Club



Hoor and Gudaibiya Charity Fund



Equestrian and Horse Racing Club



Nuwaidrat Sports and Cultural Club

Community Support & Social Care

Donations



Ministry of Social Development



Bahrain Red Crescent Society



Military Women's Conference



Bahrain Chamber of Commerce and Industry



Royal Charity Organization



Um Al Hassam Primary Boys School



Bahrain Diabetes Society & Military Sailing Championship



Bahrain Society of Engineers



Bahrain Mobility International



Bahrain Table Tennis Association



Ma'ameer Charity Fund



Bahrain International Garden Show

Community Support & Social Care

Special Visits, Social & Sports Events



H. E. the French Ambassador visits GPIC



Visit of H. E. the Italian Ambassador to GPIC



H. E. the Japanese Ambassador visits GPIC



KFH delegation visits GPIC



US Delegation visits GPIC



GPIC Marks its 31st Anniversary



Safety, Health & Environment Annual Family Evening 2010



Eid Al Adha Party



GPIC Annual Desert Camping



Woman's Day Celebration



GPIC Volleyball Team wins the Industrial Volleyball League



Safety, Health & Environment Week Celebration