

Protecting the Precious



Preserving the future

by Securing the Present



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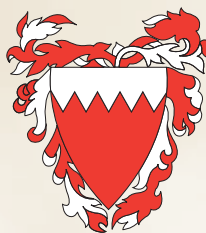
H.M. King
Abdullah bin Abdulaziz Al Saud
Custodian of the Two Holy Mosques
Kingdom of Saudi Arabia



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



Ensuring a Clean & Green Future



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Chairman's Message

GPIC continued its successful growth with firm steps and realised further local, regional and international achievements, while ensuring full compliance with the Company's basic sustainable development principles of corporate social responsibility, commitment to the environment and strengthening the Company's financial position.

As we all know, the top priority for GPIC is the safety of both its employees and the citizens of Bahrain. Therefore, the Company has always worked hard to ensure full compliance with safety standards and as a result was able to maintain its accident free record since May 2002.

Gulf Petrochemical Industries Company is fully committed in terms of carrying out its responsibilities towards protecting and developing the environment. It has a solid belief and conviction in the importance of giving a positive image to the role that industry can play in protecting the environment and consequently benefiting the community at large. The Company has effectively applied these principles through continuous investment in its equipment and systems, which are environmentally friendly and help to maintain the plants in a continuous safe, stable and efficient condition.

Corporate social responsibility continues to be one of the main concerns of GPIC. This has enabled the Company to win the Arabia Social Responsibility Award 2011 during the Arabia

Corporate Social Responsibility Award Forum organised by the Arabia CSR Network. This Award has come to further emphasise the Company's sound community service policy and care for sustainable development.

In addition, GPIC was able for the tenth successive time to win the Chemical Sector Award from the Royal Society for the Prevention of Accidents (RoSPA) UK.

Further distinguished achievements were garnered in the area of manpower development, enabling GPIC to obtain an exemption from payment of the training subscription from the Bahrain Ministry of Labour in recognition of the Company's efforts in the area of training and development of human resources.

Owing to the intensive training policy pursued by GPIC, as well as effective staff replacement, the Company boasts having 92% Bahrainisation level by the end of the year, including the trainees.

Thanks to the combined efforts of all the Company's departments, the net profit increased during 2011 to reach US\$265 million against US\$138 million in 2010, an increase of approximately 92%. These improved results reflect the Company's excellent performance and its keen concern with furthering the safety and reliability of the plants, as well as the efficiency of both the executive management and employees. This is a further demonstration

Achieving sustainable development through a commitment to social responsibility

Gulf Petrochemical Industries Co. has achieved a new record for the highest total production in 2011 since its inception.

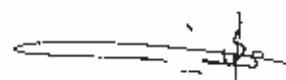
of the close relationship and concerted co-ordination between the shareholders and marketers of GPIC's products. On the product front, it gives me great pride to note that Gulf Petrochemical Industries Co. has achieved a new record for the highest total production in 2011 since its inception.

Over the years GPIC's achievements have been made possible with the strong support and wise directives of the Kingdom's leadership. We seize this opportunity to express our sincere thanks and appreciation to His Majesty King Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain, His Royal Highness Prince Khalifa bin Salman Al Khalifa, Prime Minister and His Royal Highness, the Crown Prince and Deputy Supreme Commander His Royal Highness Prince Salman Bin Hamad Al Khalifa, for their support and guidance.

I would like to express my gratitude to the Shareholders, namely the National Oil and Gas Authority in the Kingdom of Bahrain, Saudi Basic Industries Corporation of Saudi Arabia and Kuwait's Petrochemical Industries Company for their continuous commitment to ensuring the Company's success and supporting its operational and marketing activities.

I would also like to express my thanks and appreciation for the close co-operation we enjoy from our marketers and the tremendous efforts made by my colleagues on the Board of Directors. Their prudent policies and total professionalism have been key factors behind the Company's continuous success and growth.

Such good results could not have been possible without the remarkable role played by the executive management and all the employees whose loyalty and team spirit have been instrumental in the Company's growth and achievements.



Isa bin Ali Al Khalifa,
Chairman



H.E. Shaikh Isa bin Ali Al Khalifa
Chairman

Board of Directors



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, 2011

In 2011, GPIC won the Chemical Sector Award from the Royal Society for the Prevention of Accidents UK (RoSPA) for the tenth successive time.

With the advent of the New Year, the Board of Directors of Gulf Petrochemical Industries Company is pleased to present to the Shareholders the annual report on the Company's achievements during 2011 and the results of its financial, technical, administrative and marketing activities.

2011 was an eventful year that witnessed numerous remarkable achievements. The Company continued its efforts to enhance its excellent records in the areas of occupational safety, health and the environment through the continuous focus on these areas. A new record was reached with 14,791,760 hours free of lost-time accidents for GPIC employees and contractors; hence the Company maintained its clean record of accidents causing disruption from work since May 2002.

On the technical and human resources levels, the Company implemented an intensive training programme for all its employees designed to enhance safety levels and highlight the importance of strict compliance with the requirements of occupational safety, health and environmental standards. In addition, GPIC continued its major investment in protection of the environment through the successful operation of the Carbon Dioxide Recovery unit to minimise Carbon Dioxide emissions, to boost the output of the Methanol and Urea plants and to reduce energy consumption.

All these combined efforts and initiatives enabled GPIC to win numerous awards during 2011, the most important of which was winning the Chemical Sector Award from the Royal Society for the Prevention of Accidents UK (RoSPA) for the tenth successive time.

In addition, GPIC won the Arab Social Responsibility Award 2011 for medium-size enterprises during the Arab Social Corporate Responsibility Award Forum organised by the Arabic CSR Network. This achievement was due to the correct approach adopted by the Company and its outstanding strategic vision in community service and major commitment to social responsibility.

On the production level, GPIC was able to produce a combined total of 1,575,018 tonnes of Ammonia, Urea and Methanol, which was the highest annual output since its inception. The Urea plant achieved the highest annual production level since commencing operation in 1998 as the plant's output totalled 673,681 tonnes during 2011.

Close cooperation with our marketers, namely Saudi Basic Industries Corporation (SABIC) of Saudi Arabia and Petrochemical Industries Company of Kuwait, was highly effective in ensuring the smooth flow of exports of the Company's products. A total of 1,170,569 tonnes of the Company's products were shipped on board 61 ships.

Owing to the magnificent record of continuous and secure operation and the stringent cost reduction and manpower qualification measures, GPIC achieved net profits totalling US\$265 million, an increase of US\$127 million over the 2010 figures.

Owing to the good results and unique achievements on various levels, especially on the level of manpower development, GPIC was able to get an exemption from the Ministry of Labour, Kingdom of Bahrain, from the training

Board of Directors' Report to the Shareholders

For the year ending 31st December, 2011

levy in recognition of the Company's efforts in the areas of training and human resources development.

Thanks to the extensive training policy and Bahrainisation plan adopted by the Company, Bahrainisation reached around 92% by the end of the year, including the trainees.

A close look at the Company's record in recent years in general and the last six years in particular will show us that the Company has reached its highest performance, which was an impressive performance as confirmed by petrochemical professionals worldwide. Such admirable achievements could not have been possible without the strong support and guidance received by GPIC from the wise leadership of the Kingdom of Bahrain.

On this occasion, the Board of Directors would like to seize the opportunity to express its sincere thanks and appreciation to His Majesty King Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain, His Royal Highness Prince Khalifa bin Salman Al Khalifa, Prime Minister and His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince and Deputy Supreme Commander for their continuous support to the Company and for providing a solid groundwork for the growth and success of the oil and gas industry and its byproducts in the Kingdom of Bahrain.

The Board of Directors would like to express its gratitude to the Shareholders namely the National Oil and Gas Authority in the

Kingdom of Bahrain, Saudi Basic Industries Corporation (SABIC) of Saudi Arabia and Kuwait's Petrochemical Industries Company for their continuous commitment to ensuring the Company's success and supporting its operational and marketing activities.

The Board of Directors also notes with appreciation the sincere efforts made by the executive management and all the Company's staff members for their team spirit and keen desire to maintain GPIC's status as an international centre for production of petrochemicals and fertilizers.

Due to continuous and secure operations, and manpower qualification measures, GPIC achieved net profits totalling US\$265 million, an increase of US\$127 million over the 2010 figures

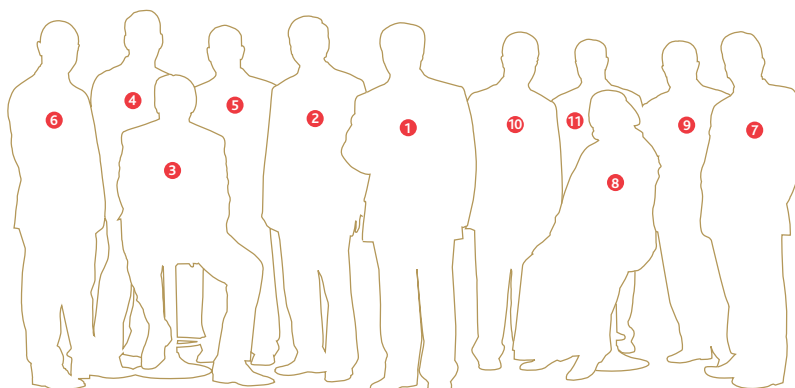


Executive Management



Symbolizing strength, leadership & success

1. Mr. Abdulrahman A.Hussain Jawahery
President
2. Mr. Fadhel Malalla Al Ansari
*General Manager-Manufacturing
(From Nov. 2011)*
3. Mr. Ahmed Abdulla Nuruddin
*General Manager-Special Projects
(From Nov. 2011)*
4. Mr. Yasser A. Rahim Mohamed
Technical Services Manager
5. Mr. Ahmed Ghuloom Ismael
Maintenance Manager
6. Mr. Jassim Ahmed Darwish
*Safety, Health & Environment
Manager*
7. Mr. Yusuf Ebrahim Fakhroo
Human Resources Manager
8. Mr. Adel Ahmed A.Malik
Finance Manager
9. Mr. Jihad A.Rahman Taqi
Marketing Manager
10. Mr. Adnan A. Razzaq Al Mahmood
*Information Technology &
Knowledge Manager*
11. Mr. Zuhair A.Aziz Tawfiqi
Public Relations Manager



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.

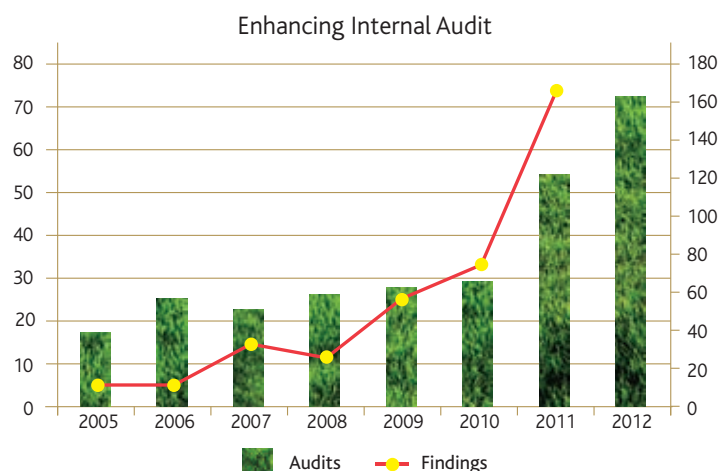
Mission

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



GPIC has witnessed major changes and achievements in 2011 in general and in the Management Systems Section in particular. During 2011, GPIC has been recertified for its four main Integrated Management System standards, i.e. Quality Management System ISO 9001, Environment Management System ISO 14001, Occupational Health & Safety Management System OHSAS 18001 and the Integrated Management System PAS 99.

Beside the increase in the number of Internal Audits, the Management Systems Section has introduced Department Managers Audit for the first time, and published six Management Systems Newsletters, in addition to conducting Process Safety Management (PSM) internal audits for the first time utilising GPIC's internal auditors.

In addition to these remarkable achievements in 2011, three external audits for the Integrated Management Systems (IMS) were conducted by the British Standards Institution (BSI), in January, May/July (off and on-site audits respectively), and in October. Furthermore, one Information Security Management System (ISMS) ISO 27001 external audit was conducted by DNV in February 2011 and a Responsible Care RC 14001 external audit was carried out by DNV in June 2011.

In line with the Management Systems Section objectives, a number of awareness lectures were conducted for both internal auditors as well as GPIC employees, aiming to improve and enhance the staff knowledge and information pertaining to General Management Systems requirements. Furthermore, during 5th-7th July 2011, the Management Systems Section organized an in-house Internal Auditor Course run by BSI for our Internal Auditors and Trainee Auditors. On 28th December 2011, ISO 9001 Internal Auditor course was conducted in-house by GPIC for our new trainee lady auditors.



Enterprise Risk Management

GPIC implemented a formal Enterprise Risk Management (ERM) Programme at the company addressing potential risks at a corporate level. The ERM programme involved the identification of key risks applicable to GPIC at the highest level and devised a formal framework to monitor, manage, reduce and if possible eliminate these risks. A comprehensive internal risk auditing programme was initiated to evaluate, assess and ensure a robust mechanism is in place to:

- Identify significant risks and to prioritize them.
- Measure the risk exposure levels to the risk appetite level based in the tolerance limits.
- Analyze the sources of each of the risks and to have in place appropriate controls in the shape of preventive and corrective measures.
- Undertake regular Risk Audits to ensure that the preventive measures continue to remain place and the planned corrective actions have been undertaken within the agreed target dates.
- Update the ERM Register and Heat Map.
- Periodically report the status of the risks and trends.

Corporate Objectives

The GPIC Corporate Objectives are a key component of GPIC's strategic management process and are developed with a view to ensure that the activities of the company meet the set objectives in terms of vision and strategy focusing not only on financial outcomes, but also other important factors to ensure the company's sustainability. This helps to provide a comprehensive view of a business and assists the organization to act in its best long-term interests.

The high level Corporate Objectives are later translated into more detailed Departmental objectives and targets. These Departmental objectives form the basis for evaluating performance of both the departments and their employees.

GPIC Corporate Objectives are comprehensively reviewed by the Management on quarterly basis. This follow-up helps in monitoring the progress of the processes while at the same time assists in taking corrective actions to ensure the smooth accomplishment objectives.



GPIC continued its commitment to social responsibility through unique environmental projects with the establishment of the Queen Margrethe II Olive Oasis in commemoration of the Queen's visit to the company's complex.

In 2011 GPIC continued to enhance and strengthen its Safety, Health and Environmental (SHE) management systems. These efforts culminated in achieving a record number of 14,599,511 working hours without any lost time accident, which is equivalent to 4413 days of work. This achievement is the highest in the history of the company since its inception. This achievement comes after a year full of achievements in the field of safety, health and the environment both locally and globally.

This year the company won the Chemical Sector Award from the Royal Society for the Prevention of Accidents (RoSPA) UK for the tenth successive time, outperforming approximately 5000 major international companies. The company also won a Safety Award from the British Safety Council for the fourth time in a row. In the area of environment, GPIC won the Arabia Corporate Social Responsibility Award for the second time as the best organisation in the Arab world. The award reflects the depth and breadth of involvement with the society and the environment.

GPIC continued its commitment to social responsibility through unique environmental projects with the establishment of the Queen Margrethe II Olive Oasis in commemoration of the Queen's visit to the company's complex. The oasis includes various species of olive trees and Bahraini palm trees.

The following is a list of the significant SHE achievements during 2011:

1. The company reaffirmed its compliance to local and international occupational health safety & environment laws and regulations and was successfully qualified for the Integrated Management System of Publicity Available Specification (PAS 99) from the British Standards Institute (BSI).
2. Safety training is being provided for both Operational and Non-Operational personnel. During 2011 there were 13 Modulised Emergency Response Training (MERT) sessions, attended by Plant Operators. Furthermore, 35 Safety Training sessions were held for personnel including administration and technical personnel.



H.R.H. Princess Sabeeka Aromatic Garden and Queen Margrethe II Olive Oasis



Fish Farm

3. 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 behaviour. This in turn ensures that the company's activities are carried out in the best possible safe environment, thus raising productivity to a new level. More than 2777 observations were captured and corrected during 2011 thus making GPIC a safer workplace.
4. A total of 903 Permit To Work audits were carried out on all the plants. In additions, carrying out 32 integrated SHE audits throughout the year ensured that all work areas were controlled
5. As part of its annual contribution to replenish the national fish stock in the territorial waters of the Kingdom, GPIC has further enhanced its fish farm to hold 80,000 sea bream fish.
6. Publicizing environmental awareness amongst future generations progressed as planned. Our engineers presented a number of environmental lectures in both public and private schools. The total number of students benefiting from this programme has now risen to 20,927 since launching the programme in 2001.
7. For the eighth consecutive academic year, GPIC sponsored the Ministry of Education/GPIC Environmental Research Programme for the GPIC Environment Award for secondary school students. This Award has taken momentum and become the best Environment Award available for secondary school students.
8. The medical centre held 8 health educational lectures to increase the employees' health awareness. In addition, various health campaigns took place, such as GPIC No Smoking Day, "Think Pink" Campaign, and Obesity Management Programme.

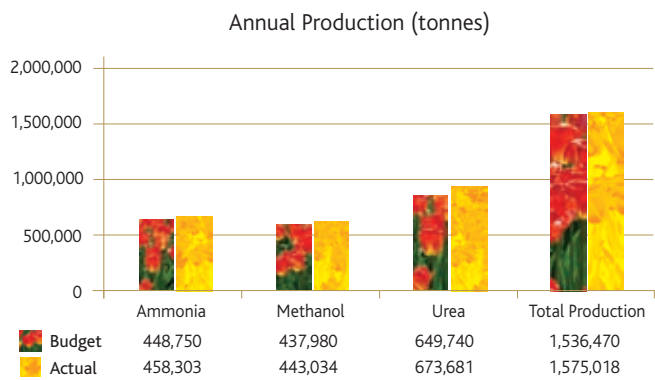


Production Performance

The year 2011 was another challenging year for the Plant Operations Department. All plants were operated in a reliable, safe and efficient manner whilst maintaining the quality for all products.

The total production (Ammonia + Urea + Methanol) of 1,575,018 tonnes made this year

was the highest ever made. This record is higher by 1.9%, equivalent of 29,530 tonnes over the previous record of 1,545,488 tonnes made in 2008.



Production and performance factors

Product	Average daily production, tonnes	Utilisation factor %	Capacity Utilisation %	On-stream factor %
Ammonia	1,267	105.6	104.6	99.1
Urea	1,911	112.4	108.6	96.6
Methanol	1,214	101.2	101.2	100.0



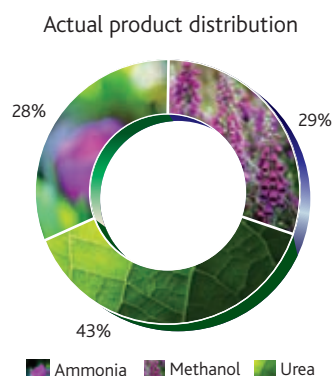
Aerial view of the Complex

Production Performance



View of the Complex

The overall distribution of the quantities produced during 2011 was as follows:



The saleable production (Ammonia + Urea + Methanol) of 1,195,060 tonnes made this year was the highest made ever. This record is higher by 1.93%, equivalent to 22,630 tonne over the previous record of 1,172,430 tonnes made in 2008.

All these achievements were possible due to dedicated efforts of all the employees. In order to maintain strict quality control in all aspects,

Management Systems for Quality, Environment, Safety and Information Technology were rigorously used all throughout the year.

- The Carbon Dioxide Recovery (CDR) unit was in service continuously which helped GPIC in reducing the CO₂ emission and promote environmental care. The liquid and gaseous effluents were monitored continuously and strict controls were in place in order to be in line with Bahrain Government regulations. On line monitoring of gaseous effluents is now connected to office of the Public Commission for the Protection of Marine Resources, Environment & Wild life.
- GPIC maintains its elaborate preventive maintenance systems which gives the necessary reliability to all its units. A ten year rolling plan is in place to systematically refurbish or replace the equipment based on their life cycle and its evaluation based on inspection.

Ammonia plant

- The Ammonia plant was running in a normal & stable mode at full load during the year and the average daily Ammonia production was 1,267 tonnes/day for the operating days.
- The Advanced Process Controller (APC) was continuously used for optimising the plant performance.
- The total Ammonia production made since 1985 reached 10.89 million tonnes by the end of 2011.
- The Ammonia plant completed 643 days of continuous production run by the end of December 2011.



Ammonia Plant

Production Performance



Urea Plant

Urea plant



Urea stripper internals

- The Urea plant achieved the highest daily average production of 1,967.5 tonnes for a month during February 2011.
- The daily average Urea production of 1,845.7 tonnes for the whole year was also the highest ever made.
- The Urea plant also recorded the highest yearly production of 673,681 tonnes, which is higher by 1.9%, equivalent of 12,238 tonne over the previous record of 661,443 tonnes made in 2008.
- The Urea plant was running in a normal & stable mode at full load during the year and the average daily Urea production was 1,911 tonnes/day for the operating days.
- The upgraded HONEYWELL control system helped in keeping the plant running in a steady and stable state.
- The total Urea production made since 1985 reached 8.19 million tonnes by the end of 2011.



Urea Bagging Unit

Methanol plant

- The Methanol plant was running in a normal & stable mode at full load during the year and the average daily Methanol production was 1,214 tonnes/day for the operating days.
- The Methanol plant completed 652 days of continuous production run and 652 days of uninterrupted production run by the end of December 2011.
- The total Methanol production made since 1985 reached 10.71 million tonnes by the end of 2011.



Methanol Plant

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 1,911 t/d of Urea production and 1,214 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 Area

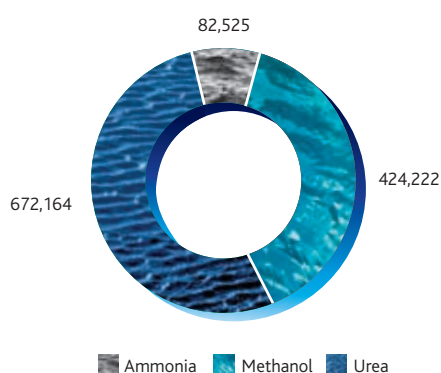
Production Performance

Products Handling and Exports

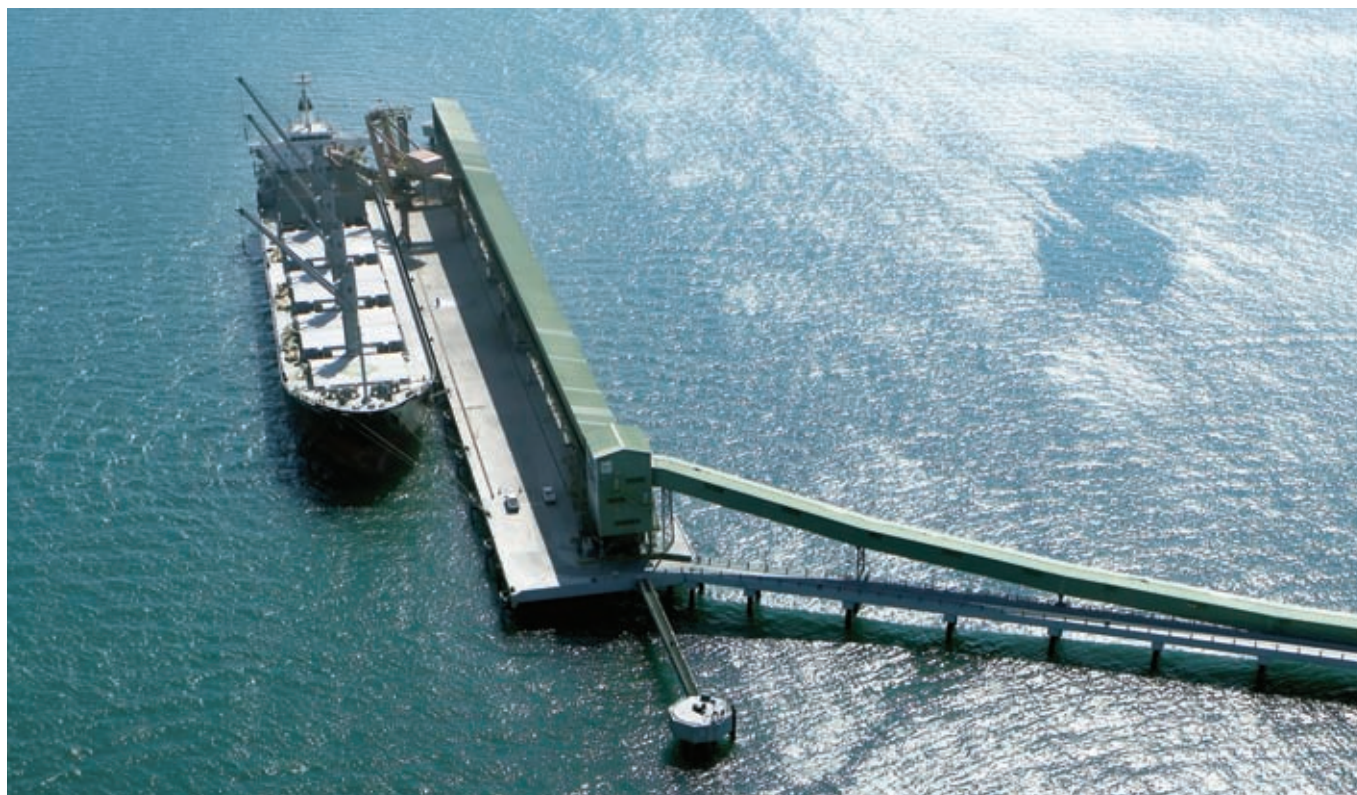
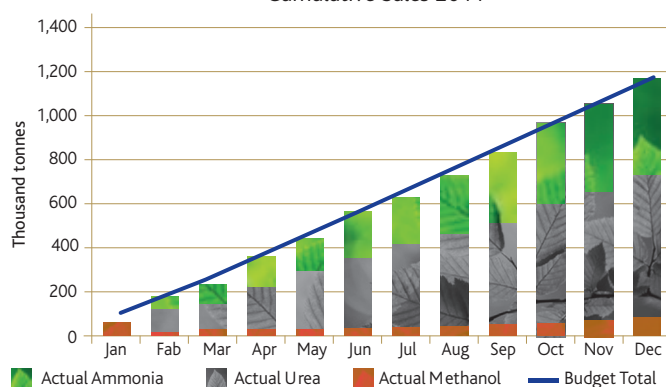
- The Products Handling & Exports Section gave an uninterrupted support by loading within allocated time throughout the year.
- All throughout the year Ammonia, Methanol and Granular Urea of the topmost quality were produced for the premium market.
- A total of 1.17 million tonnes of product was exported during 2011.



Exports during 2011, tonnes



Cumulative Sales 2011



Urea Export Terminal

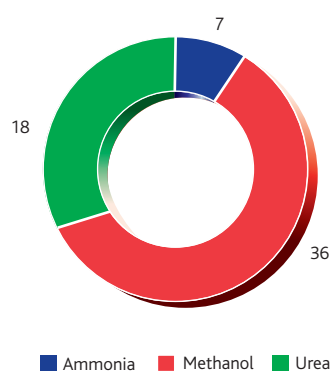
Production Performance



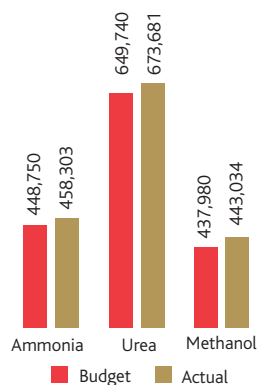
Urea bulk storage warehouse

- The annual AQIS audit was carried out by the external assessor in September. The assessors were happy about the overall conditions and systems at GPIC Product Handling and Export facilities and the audit results were satisfactory.
- A total of 61 ships which included 7 Ammonia ships, 36 Methanol ships and 18 Urea ships were loaded during 2011.

Number of ships loaded in 2011



Exports in 2011 (in 1000 tonnes)



All the above results substantiate the fact that year 2011 was yet another challenging year and the Plants Operation Department came out with flying colours.

The warehouse service level was more than 99% throughout the year indicating ready availability of materials required by the plants.

Materials & Procurement Section

During 2011, GPIC received materials with an approximate value of BD27 Million, which 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 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. In preparation for Turnaround 2012, a number of purchase orders were issued for major equipment and spares that will be replaced during the Turnaround.

Inspection Section

Mechanical Integrity and Proactive Actions:
GPIC Continued with its proactive approach toward enhancing the reliability and mechanical integrity of its assets. During the year many equipment and piping corrosion loops were subject to Risk Based

Inspection Methodology studies bringing the overall progress to 76% completed studies.

Furthermore the company procured many items of inspection equipment to enhance its testing and inspection capabilities and it is in the process of procuring a root cause failure analysis software.

Engineering Section

During the year GPIC has maintained its legacy of success by achieving remarkable levels of production and an excellent track record of safety and reliability of the plants and other facilities.

On the way to preparing for the Turnaround 2012, GPIC has completed processing of 31 Capital Expenditure (CAPEX) Projects; worth around US\$ 63.6 million.

Major CAPEX projects under implementation during the year were Installation of Additional High Pressure Steam Boiler, Hypochlorite Unit, Replacement of Ammonia Converter Basket, Replacement of Reformer Tubes, Replacement of 3.3 kV Switchgear, Refurbishment of Heat Exchangers, Reliability Improvement in Urea Plant.



Data Analysis



Laboratory Analysis Session

The benefits accrued due to the implementation of these projects will help in achieving improved reliability of the plants.

All the CAPEX Projects and modifications have undergone a rigorous Process Hazards Assessment study. This has helped in maintaining safety and reliability of the plants.

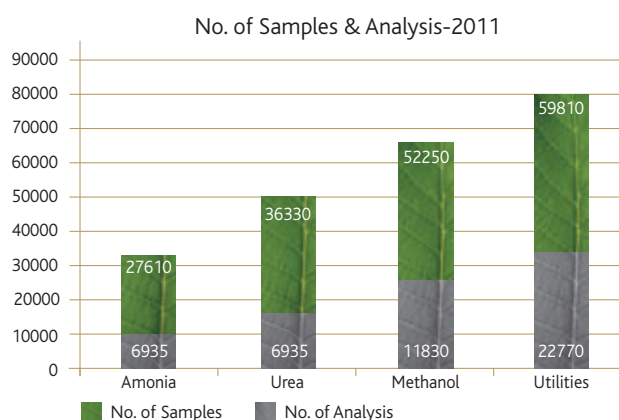
Laboratory Section

During 2011, the Laboratory successfully completed all analytical requirements of the plant.

The Laboratory issued seven final product certificates for Ammonia, thirty eight certificates for Methanol and ninety certificates for Granular Urea. Monitoring of waste water and gaseous emission from stacks, was also carried out as per directives of Bahrain Environmental Affairs.

To strengthen the analytical capabilities, Laboratory personnel underwent internal as well as external training courses on various analytical techniques. New analytical techniques were introduced and eleven methods were modified/developed during the year.

New analytical techniques were introduced and eleven methods were modified/developed during the year.

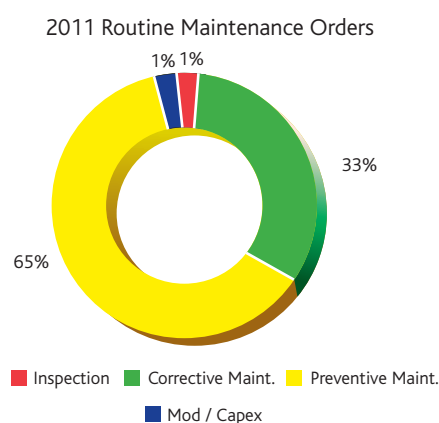


All Maintenance Objectives set for 2011 have been successfully achieved.

All Maintenance Objectives set for 2011 have been successfully achieved. Maintenance KPIs were discussed, reviewed and refined with the external consultant. Similarly all the procedures (SOPs) and 20% Preventive Maintenance Records were reviewed to align with the current business practice. Each Maintenance employee attended at least eight (8) hours Technical training. Various critical Equipment was upgraded with the latest technology; as these were no longer supported by the manufacturers due to

the technology obsolescence. The working environment in the Maintenance Workshop was improved by replacing the corroded Roof Sheets and Shutter Doors, providing more light and installing new Air Conditioning Unit. A new Milling machine was commissioned.

In-house spares manufacturing continued unabated with strict quality control which resulted in a saving of nearly US\$ 687,600 taking the total saving to more than US\$ 6.5 million since inception of the programme in 2001.



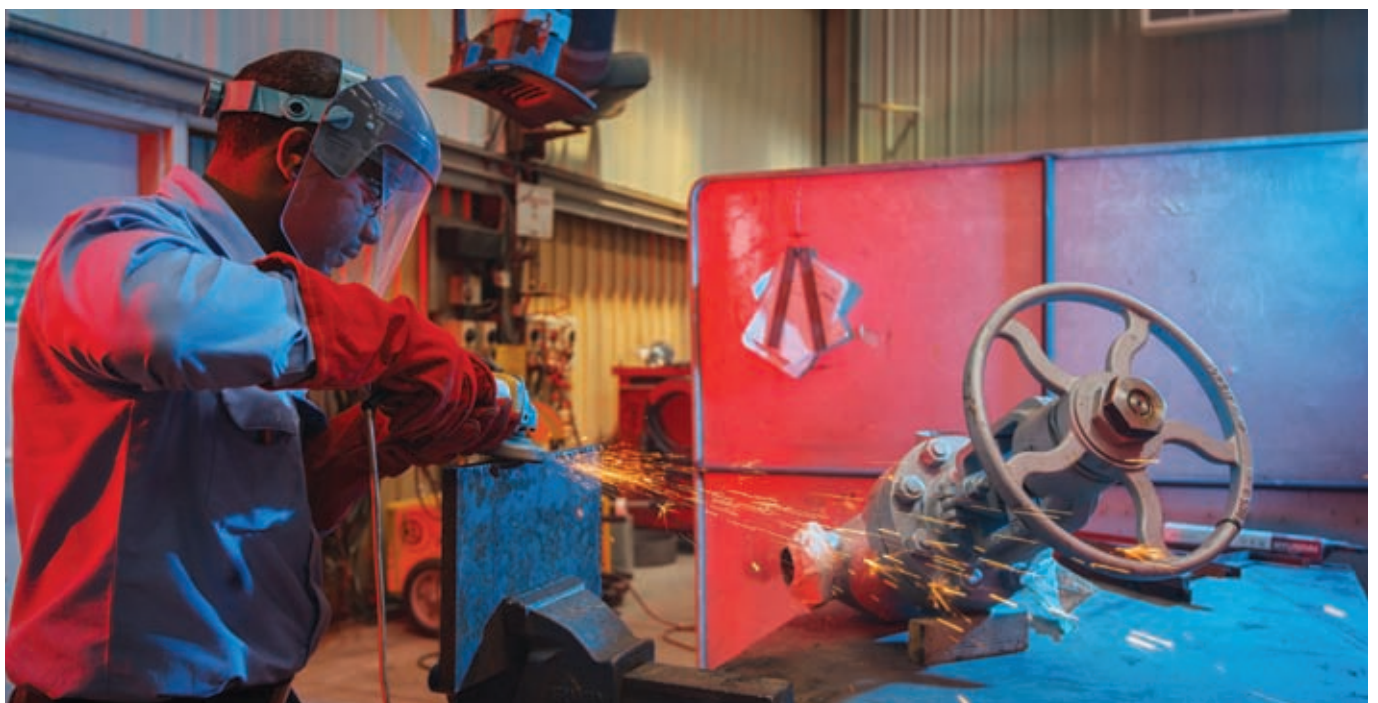
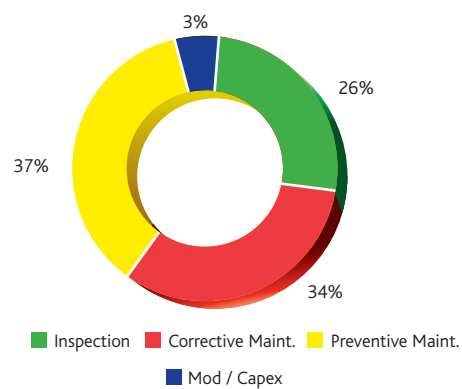
Maintenance Workshop

Maintenance

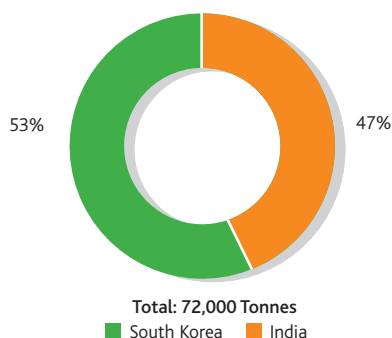


The Turnaround is scheduled for November 2012. A Roadmap has been issued as a guideline for the major preparatory activities and milestones. All the Services and Material related procurement actions are In progress in accordance with the Roadmap targets.

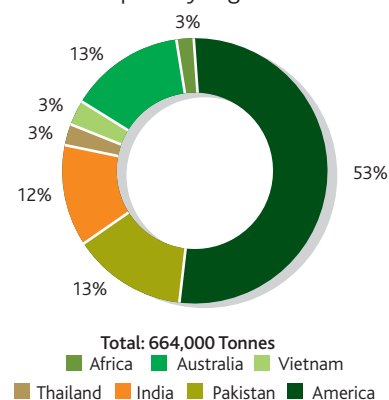
2012 Turnaround Maintenance Orders



Ammonia Exports by Regions 2011



Urea Exports by Regions 2011



During 2011 GPIC's sales of Ammonia, Methanol and Urea totaled 1,170,569 tonnes, which included 71,536 tonnes of Ammonia, 435,286 tonnes of Methanol and 663,747 tonnes of Urea. Of the above quantity, a total of 1,123 tonnes of Urea was supplied to the local market.

The Ammonia, Urea and Methanol markets continued their recovery that started in the second half of 2010 to witness a remarkable recovery in demand levels enabling prices to break the US\$400 barrier for Ammonia, US\$540 for Urea and around US\$300 for Methanol. Such improvement is due to the decline in gas quantities allocated for industrial purposes in the Republic of Trinidad which significantly affected production

of Ammonia and Methabil, hence exports of that country declined. There was also a reduction in China's Urea exports, delays in the operation of certain new capacities which helped prices to strengthen, not to mention the good demand from the US, India, Pakistan and other countries. By the end of the fourth quarter, there was a slight drop in prices of Ammonia and Urea due to the end of the seasonal demand for agricultural and industrial purposes to reach US\$450 and US\$410 for ammonia and urea respectively. Methanol prices continued to remain rather stable. During the year, the Company achieved excellent results and realized its marketing objectives with all its obligations to customers fulfilled. The US market had the biggest share totaling 503,600



Urea ship loading



During the year, the Company achieved excellent results and realized its marketing objectives with all its obligations to customers fulfilled.

Ammonia / Methanol ship loading facilities

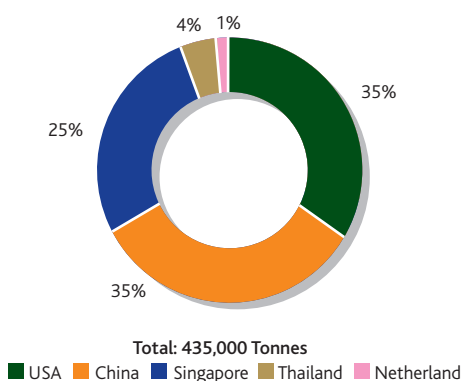
tonnes, equivalent to 43% of the total exports. In addition, GPIC was able to export the biggest Urea shipment in its history totaling around 47,300 metric tonnes to the Islamic republic of Pakistan. 2011 was undoubtedly one of the most significant years for the Company as regards the noticeable increase in the yield of sales on the one hand and maintaining its market shares in the key markets such as the US, China and India.

This brings the total Ammonia and Methanol exports to the world markets since the start of the Company's exports in 1985 to 6.2 million tonnes of Ammonia and 10.7 million tonnes of Methanol. GPIC's Urea exports since the launch of exports in 1998 totalled around 8.2 million tonnes. Therefore, the total exports of all products since 1985 totalled around 25.1 million tonnes.

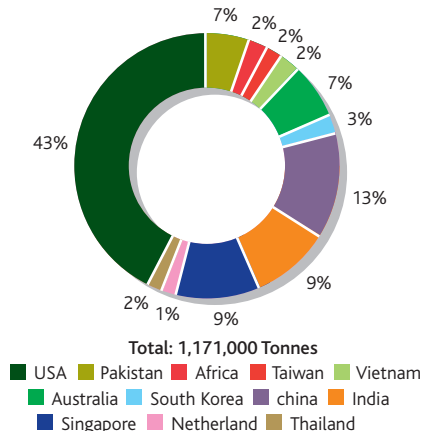
Such results clearly demonstrate the sound planning and continuous co-ordination by the Company's Marketing Department, marketers and the other stakeholders with the aim of achieving the best returns from the Company's exports to the world markets.



Methanol Exports by Region 2011



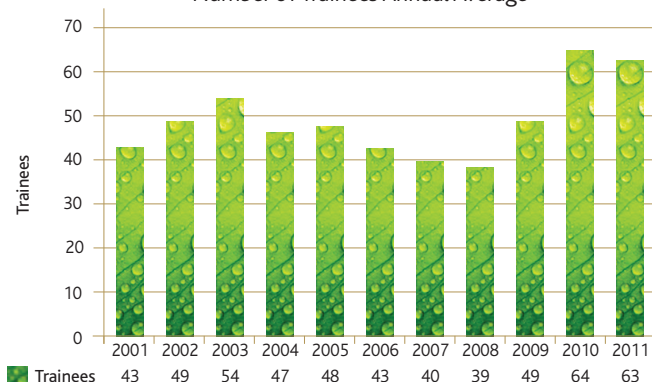
GPIC Exports 2011



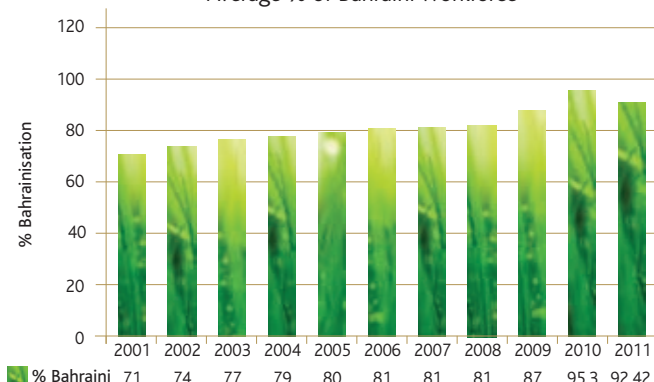
Training and Development



Number of Trainees Annual Average



Average % of Bahraini Workforce



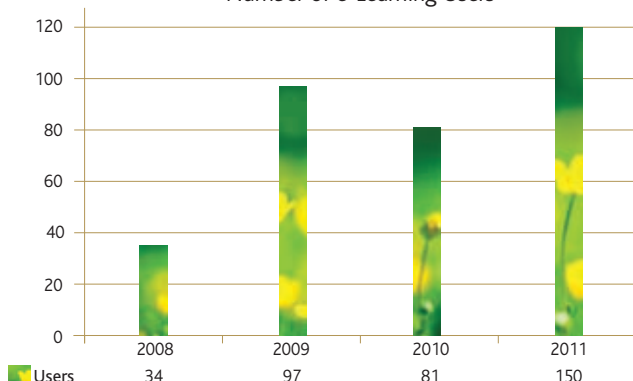
Training and development of Bahraini employees is one of the management's top priorities and keeps abreast of the current development of its future strategy and policies in the areas of training and development.

Within this framework, on 8th November, 2010 H.E. Dr. Abdul Husain bin Ali Mirza, Minister of Energy and Chairman of the National Oil and Gas Authority inaugurated the Leadership & Learning Academy (formerly the Training Centre) in the GPIC Complex. The GPIC training policy focused on the overall

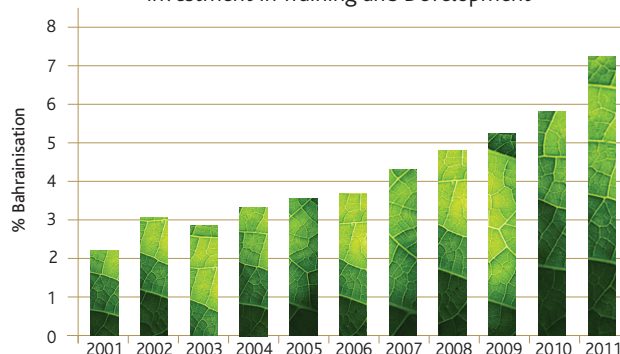
development of Bahraini employees through specialized training courses organized by the Leadership and Learning Academy. This involves the newly recruited employees as well as the remaining members of the staff. The policy focuses on continuous training and development, including on the job training and arranging training courses with the Company or on the local or overseas levels in compliance with the Company's declared policies. In 2011 the Company has a total workforce of 475 employees in addition to 63 trainees. The trainees were subsequently employed to take up different jobs needed by the Company such as operators,

Training and Development

Number of e-Learning Users



Investment in Training and Development



technicians, chemists, engineers and supervisors who completed comprehensive training courses. The Leadership and Learning Academy supervises the qualification of 14 employees for occupying senior supervisory positions in the future.

As for the training of new trainees, several training and development courses were offered by the Academy to meet the Company's staffing requirements. Such courses included 42 training courses organized at the Academy and the GPIC Club to the benefit of 501 employees. Some eighty eight training courses and seminars were held in Bahrain involving 322 employees and trainees. Training course held outside Bahrain totaled 91 courses attended by 229 employees. The training courses totaled 221 courses attended by 1052 employees and trainees. In addition, the Company organized development and awareness enhancement programmes for all the new staff members in the areas of safety, health, environment and quality.

A scholarship scheme was introduced by the Company to encourage the employees to complete their academic education. The scheme also includes support for outstanding university students in addition to scholarships offered to the employees' children.

Operations of the E-Learning Centre support the Company's training and development plans. These included 51 training courses covering a wide range of areas such as communication skills, financial resource management, self-development skills, safety, health and environment courses, computer applications, leadership skills and project management skills. In addition, there were

29 technical programmes designed to develop the employees' technical and technological knowledge in the technical departments such as the Maintenance Department, Plant Operations Department and other technical departments.

By the end of the year, the participants in these courses completed a total of 16,715 training hours, which was an outstanding achievement in this area. This qualified the Company to win the Best Learning Life Cycle Management Award 2011 from SkillSoft, the leading e-learning company in the Middle East.

Thanks to this intensive training policy and Bahrainisation Plan, GPIC was able to increase the level of Bahrainisation to 92.42% by the end of 2011.



Library of the Academy of Leadership and Learning



After establishing a mature IT System we are venturing into the next dimension of Business Computing; Business Intelligence. Having collected a rich base of data and information from our day-to-day operations, we are now venturing into Business Intelligence. Putting knowledge into action to optimize business performance for the management team, our initiative is to connect

people, processes and useful information across departments in an intelligent way. All these are aimed at automatically detecting risks, complying with controls and regulations and ultimately improving the decision making process. We would like to deliver easy-to-use reporting, dashboarding, and What if? analysis solutions so that our systems can grow as our organization grows.



IT Server Room

Social and Sports Events

الأنشطة الإجتماعية والرياضية



الحفل السنوي
Annual Celebration



معرض أسبوع السلامة والصحة والبيئة
SHE Week Exhibition



حفل يوم السلامة العائلي
SHE Family Event



تدشين النسخة العربية لدورة الصحة والسلامة والبيئة
Inauguration of NEBOSH Arabic Book



يوم المشي
Walking Day



المخيم السنوي
GPIC Camping

Summer Programme

النشاط الصيفي



Summer Programme

النشاط الصيفي



Donations and Sponsorships

التبرعات و الرعاية



مؤتمر الشرق الأوسط الأول لهندسة العمليات
MEPEC 2011



مؤسسة إنجاز البحرين
inJAz Bahrain



المؤسسة الخيرية الملكية
Royal Charity Organisation



صندوق الحورة والقضيبيية الخيري
Hoorah and Gudaibiya Fund Charity



الملتقى الثامن - الاعلام والمرأة ذات الإعاقة
8th Forum of Media and Women with Disability



محمية العرين
Alareen Wildlife

Donations and Sponsorships

التبرعات و الرعاية



مؤتمر ذوي الإحتياجات الخاصة
Special Needs Conference



المؤتمر الإقتصادي الثاني
2nd Economic Conference



وزارة التربية والتعليم
Ministry of Education



منتدى ومعرض إدارة النفايات الأول ٢٠١١
1st Bahrain Waste Management Forum & Exhibition 2011



جامعة البحرين
University of Bahrain



الإتحاد البحريني للريشة والاسكواش
Bahraini Association for Badminton and Squash

Official Visits

الزيارات الرسمية



سمو الشيخ ناصر بن حمد آل خليفة يزور الشركة
H.H. Shaikh Nasser Bin Hamad Al Khalifa visits GPIC



صاحبة الجلالة الملكة مارغريت الثانية ملكة الدنمارك تزور الشركة
H.M. the Queen Margrethe II of Denmark visits GPIC



سعادة السفيرة الألمانية تزور البتروكيماويات
H.E. the German Ambassador visits GPIC



سعادة وزير البلديات والتخطيط العمراني يزور الشركة
H.E. the Minister of Municipality and Urban Planning visits GPIC



سعادة الرئيس التنفيذي لشركة صلالة للميثانول يزور الشركة
H.E. the CEO of Salalah Methanol Co. visits GPIC



سعادة مدير عام الإدارة العامة للبيئة والحياة الفطرية يزور الشركة
H.E. the Director General of Environment and Wildlife Protection visits GPIC