

2009 ANNUAL REPORT



Beyond excellence

Gulf Petrochemical Industries Co. (BSC)

جيبك
GPIC

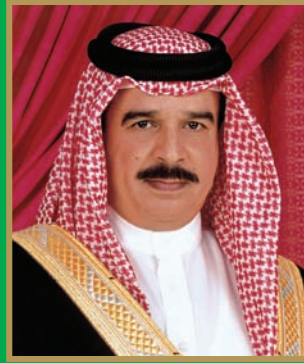


Committed to a clean and safe environment

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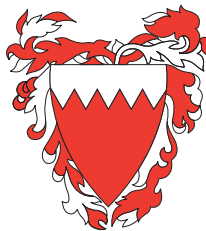
H.M. King
Abdullah bin Abdulaziz Al Saud
*Custodian of the Two Holy Mosques
Kingdom of Saudi Arabia*



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



Contents

Chairman's Message	4
Board of Directors	6
Board of Directors' Report	7
Executive Management	9
Production Performance	10
Safety, Health and Environment	16
Carbon Dioxide Recovery Unit	19
Management of Materials & Contracts	22
Mechanical Integrity & Proactive Actions	23
Projects & Plants Reliability	24
Maintenance	25
Marketing	27
Training and Development	29
Official Visits, Social and Sports Events	30
Community Service	32
Princess Sabeeka Aromatic Garden	34

Towering Symbol of quality and success



Chairman's Message



The end of 2009 marks 30 years of a unique and extremely successful business venture. Gulf Petrochemical Industries Company (GPIC) was the first seed for inter-Arabian Gulf cooperation. The Kingdom of Saudi Arabia through Saudi Basic Industries Corporation (SABIC), State of Kuwait through its Petrochemical Industries Company (PIC) and the government of the Kingdom of Bahrain joined hands to form this organisation. With a mere BD60 million as paid up capital, the company started production of Ammonia and Methanol on 1985. In 1989 both Ammonia and Methanol process plants were debottlenecked to increase their capacity from 1000 to 1200 tonnes per day each. The excellent operational success of both plants encouraged the company to invest further. A 1700 tonnes per day Urea plant was thus built and commissioned in 1998 increasing the annual production to 1.4 million tonnes per year. By the end of last year GPIC inaugurated a US\$52 million Carbon Dioxide Recovery Unit; an

initiative that has both environmental and financial importance. Being the first of its kind in the Middle East, the Unit will remove 450 tonnes of Carbon Dioxide per day from the atmosphere which will be reused to increase the production of Methanol by 120 tonnes a day and a further 80 tonnes of Urea daily.

Thanks to the outstanding success in operation, profitability and care for the society and environment, GPIC has proved to be the jewel in the crown of cooperation between Gulf States. Furthermore, the unrivalled achievements made in operational excellence, health, safety, environmental and social care, especially in the past few years, positioned the company as an important player in the petrochemicals and fertilizers industry throughout the world.

The ramifications of the economic downturn which engulfed the whole world in late 2008 continued well into 2009, adversely impacting our revenue. Despite this onslaught, GPIC managed to register a good profit of approximately US\$105 million. The company's resilience stems from our ability to produce safely and reliably above the plants' design capacity throughout the year. This year's production of more than 1.5 million tonnes of petrochemicals is no exception.

As in previous years, the company was recognised both locally and internationally receiving various awards and trophies; chief amongst them Her Royal Highness Princess Sabeeka bint Ibrahim Al Khalifa Award for Empowerment of Bahraini Women.



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

The award reflects the alignment of our business objectives to those set by the wise leadership of the kingdom and the increasing role of Bahraini women in the welfare of society. On the health and safety front, GPIC won three prestigious awards: the International Safety Award from the British Safety Council for the second time, the Highly Commended Chemical Sector Award from the Royal Society for the Prevention of Accidents (UK) and the Excellence Award in Occupational Safety from the Ministry of Labour, Kingdom of Bahrain. These accolades reflect our unequivocal commitment to the health and safety of our personnel and society as a whole.

Unique environmental projects such as the Fish Farm, Bird Sanctuary and the Herbal Garden have been synonymous with GPIC. This year, we were honoured to receive Her Royal Highness Princess Sabeeka bint Ibrahim Al Khalifa, the wife of His Majesty the King of Bahrain to inaugurate the Aromatic Garden which carries her name; a treasure of aromatic plants rarely found in one spot anywhere in the world. This garden together with the Carbon Dioxide Recovery Unit and a glorious history of environmental initiatives inspired the United Nations Environmental Program (UNEP) to select GPIC as a role model for the whole of the Middle East. UNEP selected GPIC to promote environmental awareness as its official partner in the 15th International Conference on Climate Change held in Copenhagen, Denmark.

Despite the challenges faced in 2009, GPIC registered many achievements and several

successes. It is indeed the guidance of our wise leadership and their continuous support that made these successes a reality. On behalf of myself and all GPIC employees, I express my sincere thanks and appreciation to His Majesty King Hamad bin Isa Al Khalifa; the King of the Kingdom of Bahrain, His Royal Highness Prince Khalifa bin Salman Al Khalifa; the Prime Minister and His Royal Highness Prince Salman bin Hamad Al Khalifa, the Crown Prince and Deputy Supreme Commander, for their superb support and visionary leadership.

I also thank all government organisations in the Kingdom of Bahrain and the shareholders, namely the Bahrain National Oil and Gas Authority (NOGA), Saudi Basic Industries Corporation (SABIC) and Petrochemical Industries Company (PIC) for their continuous support. I also appreciate and commend the marvellous efforts of my colleagues on the Board of Directors; their unique team spirit and professionalism have been instrumental in the success of this company.

Finally, I express my gratitude to the executive management and all the employees of GPIC for their loyalty, dedication, team work and diligence which have made all these achievements possible. I am confident that with such a high spirit GPIC will prosper further in the next 30 years to come.



Isa bin Ali Al Khalifa,
Chairman

Board of Directors



H.E. Shaikh Isa bin Ali Al Khalifa
Chairman



Mr. Anwar Saeed bin Salamah
Deputy Chairman



Mr. Yousef A. Rahman Al Zamel
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

For the year ending 31st December, 2009

The clocking of 13,960,000 hours of work by employees and contractors, without a single lost time accident is an important milestone in the history of the company and has made excellence in occupational health and safety, a proprietary hallmark of GPIC

The Board of Directors is pleased to present its annual report ending three decades of exemplary performance in all aspects of our business.

Excellence in occupational health and safety has firmly become a proprietary hallmark of our company. Completion of the Carbon Dioxide Recovery Project and the clocking of 13,960,000 hours of work by employees and contractors, without a single lost time accident is an important milestone in the history of the company. This marvelous record yielded yet another three trophies to the already full quiver of achievements. The British Safety Council awarded our company its prestigious International Safety Award for the second time. The Royal Society for the Prevention of Accidents, UK, also endowed us with its Highly Commended Chemical Sector Award. And finally, the Bahrain Ministry of Labour, added its Excellence in Occupational Safety Award. The rigorous implementation of the Behavioural Based Safety system and entrenched employee awareness, have all played a crucial role in this extraordinary performance.

Operational excellence was also realised through continuous safe and efficient running of the process plants. The annual utilisation factor for all plants was more than 104% and the on-stream factor close to 100%; a total of 1,534,350 tonnes of Ammonia, Urea and Methanol were thus produced. Urea production also scored the highest ever (654,016 Tonnes) since commissioning the plant in 1998. In spite of the unfavourable worldwide economic situation, 1,224,599 tonnes

were exported aboard 68 ships; the highest ever export since production started in 1985. Thanks and appreciation goes to our marketers and shareholders in Saudi Basic Industries Corporation (SABIC) and Petrochemical Industries Company (PIC) for their splendid efforts to market the company products. This outstanding record of production coupled with prudent cost optimisation measures, an effective maintenance regime, selective in-house manufacturing of spare parts and rationing of manpower have all contributed to a net profit of US\$ 105 million.

With a view to enhancing human resources utilization, the company embarked on an ambitious restructuring that yielded a leaner more effective organisation. Whilst capping the total manpower, several key positions were introduced that will further boost effectiveness, enhance job enrichment and meet the aspirations of loyal employees. A new Performance Management System (PMS) integrated into the SAP Enterprise Resource Planning platform was also successfully introduced. The objective-based PMS provides a fairer assessment of employees based on mutual agreement between the employee and his direct supervisor. Meanwhile, training and development of employees continued at full pace with special emphasis on the modern e-learning approach. The rigour by which the approach has been implemented entitled the company to clinch the 'Middle East Best Learner Statistics Adoption Award' from SkillSoft. As a further testimony to the high calibre of our most valuable assets, the Human Resources Manager

Board of Directors' Report to the Shareholders

For the year ending 31st December, 2009

received the 'Distinguished Manager Award' from the Bahrain Ministry of Labour, whilst the Electrical Superintendent received the 'Hariri Distinguished Maintenance Engineer Award'. The company's effort to train and develop its staff were not however restricted to male employees; women also enjoyed a substantial attention enabling the company to win Her Royal Highness Princess Sabeeka Award for Empowerment of Women. All these efforts led to a Bahrainisation level of 87%.

Our commitment towards the protection of the environment was cemented further by the completion and successful operation of the Carbon Dioxide Recovery Unit. This unique project will not only result in a cleaner environment, but is expected to pay for itself within few years. In addition, the inauguration of Her Royal Highness

Princess Sabeeka Aromatic Garden is a further indicator to the environmentally friendly nature of our operations.

Over the past thirty years, GPIC has steadily marched from one success to another and beaten many of its competitors. This world-class performance could not have been achieved without the guidance and support of the wise leadership of the Kingdom of Bahrain. We take this opportunity to express our sincere thanks and appreciation to His Majesty King Hamad bin Isa Al Khalifa, the King of the Kingdom of Bahrain, His Royal Highness Prince Khalifa bin Salman Al Khalifa, the Prime Minister and His Royal Highness Prince Salman bin Hamad Al Khalifa, the Crown Prince and Deputy Supreme Commander.

The Board of Directors also extends its gratitude and appreciation to the shareholders namely; the Kingdom of Bahrain represented by the National Oil and Gas Authority (NOGA), Saudi Basic Industries Corporation (SABIC) of Saudi Arabia and Petrochemical Industries Company (PIC) of the State of Kuwait for their unequivocal commitment towards the success of the company.

The Directors note in particular the outstanding efforts made by the executive management and employees who worked as one team to sustain the company's status as a world-class producer of petrochemicals.





1. Mr. Abdulrahman A. Hussain Jawahery
General Manager

2. Mr. Yusuf Abdulla Al Yaqoub
Deputy General Manager

3. Mr. Ahmed Abdulla Nuruddin
Plants Operation Manager

4. Mr. Fadhel Malalla Al Ansari
Technical Services Manager

5. Mr. Ahmed Ghuloom Ismael
Maintenance Manager

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

7. Mr. Yusuf Ebrahim Fakhroo
Human Resources Manager

8. Mr. Adel Ahmed A. Malik
Finance Manager

9. Mr. Jehad 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

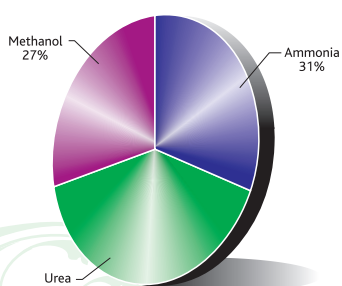




The year 2009 was another milestone year for GPIC Plants Operation Department. All plants were operated in a reliable, safe and efficient manner whilst maintaining the standard specifications in terms of quality for all products.

Following are the annual production of Ammonia, Methanol, Urea and saleable products:

Actual product distribution
in 2009



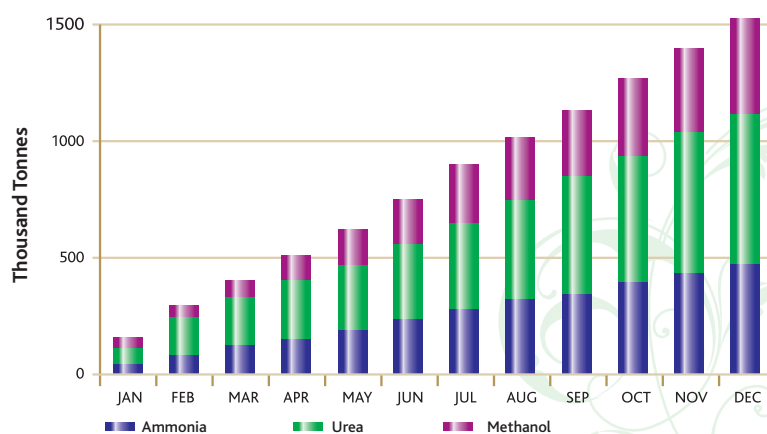
Product	Budget tonnes	Actual tonnes	Variance
Ammonia	446,250	470,131	5.35 % Higher
Methanol	404,540	410,203	1.4 % Higher
Urea	628,350	654,016	4.08 % Higher
Total cumulative production	1,479,140	1,534,350	3.73 % Higher
Ammonia consumed for Urea production	358,160	368,859	2.98 % Higher
Total saleable production	1,120,981	1,165,491	3.97 % Higher



Production and performance factors

Product	Average daily production, tonnes	Utilisation factor, %	On-stream factor, %
Ammonia	1,302	108.5	98.9
Urea	1,807	106.3	99.2
Methanol	1,125	104.2	99.9

Plants Operation Department Cumulative Production 2009



Ammonia Plant



- It is worthwhile to note that: The Ammonia plant cumulative production since 1985 totalled 10 million tonnes by end December 2009.
- Average daily Ammonia production was 1,302 tonnes/day for the operating days.
- The Advanced Process Controller (APC) was installed and commissioned for the Ammonia plant. This will help in further optimising the plant performance.



Urea Plant



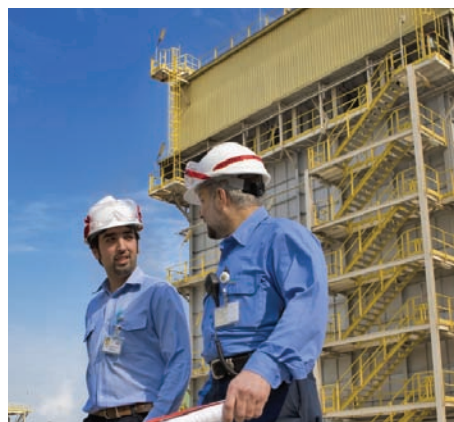
- The Urea plant cumulative production since 1998 totalled 6.89 million tonnes by end December 2009.
- Average daily Urea production was 1,807 tonnes/day for the operating days.
- The Urea plant completed 763 days of continuous production run by end December 2009.



Methanol Plant



- The Methanol plant cumulative production since 1985 totalled 9.85 million tonnes by end December 2009.
- Average daily Methanol production was 1,125 tonnes/day for the operating days.



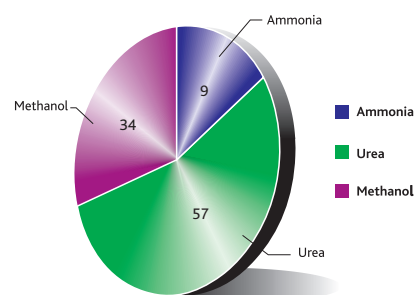
Products Handling & Exports

The Products Handling & Exports section gave uninterrupted support by loading within the allocated time throughout the year.

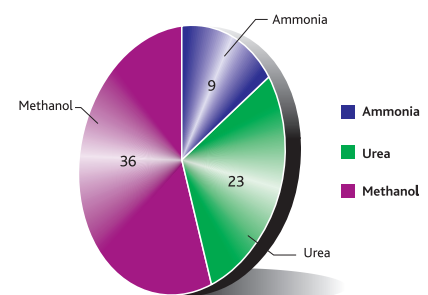
- All throughout the year Ammonia, Methanol and Urea of the topmost quality were produced for the premium market and every care was taken to maintain the product quality on sustained basis.
- A total of 68 ships which included 9 Ammonia ships, 36 Methanol ships and 23 Urea ships were loaded in 2009.
- The 694,357 tonnes of Urea exported was the highest ever Urea export made so far.
- The 1,206,081 tonnes of total export was the highest ever total export made so far.



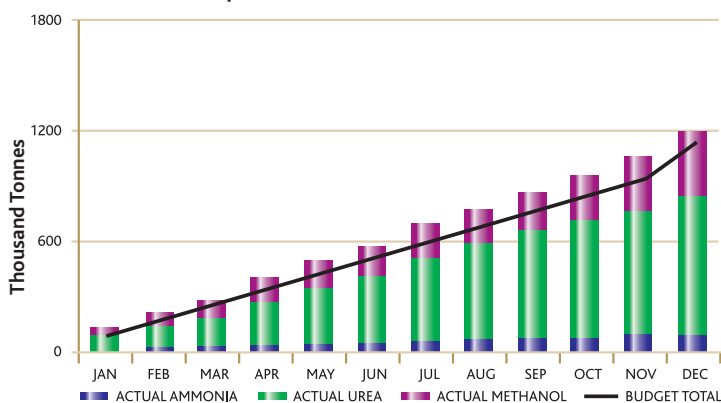
Exports in 2009



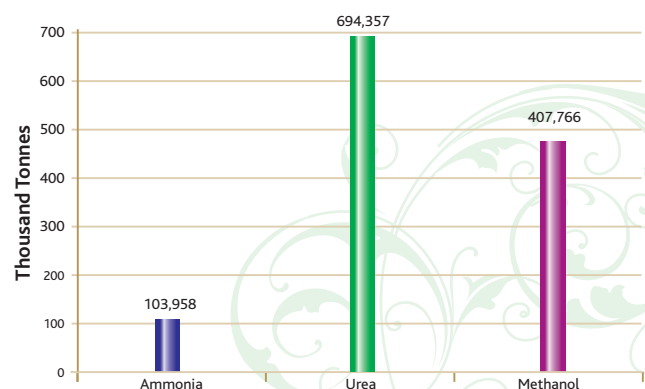
Ships loaded in 2009



Cumulative Export 2009



Exports in the year 2009





The Princess Sabeeka bint Ibrahim Al Khalifa Aromatic Garden was opened under the patronage of H.R.H. Princess Sabeeka bint Ibrahim Al Khalifa on 5th March 2009 at the GPIC Complex

In 2009 GPIC continued to enhance and strengthen its Safety, Health and Environmental (SHE) management systems. These efforts culminated in winning the Highly Commended 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 second 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. H.R.H. Princess Sabeeka bint Ibrahim Al Khalifa, wife of H.M. the King and Chairwoman of the Supreme Council for Women inaugurated her Garden on 5th March, 2009.

As a result of these environmental projects and the care given by GPIC in regard of the global warming issue through the successful implementation of a Carbon Dioxide Recovery Unit, the United Nations Environmental Program (UNEP) has chosen GPIC as the role model for clean industry. GPIC actively participated in the UNEP global 'Seal the Deal' campaign to combat global warming in preparation for the Climate Change Summit which was held in Copenhagen.



*Chemical Sector Award
from the Royal Society (RoSPA)*



In March 2009 GPIC organised and hosted the very successful First International Fertilizer Association (IFA) Global Safety Summit. The event was a pioneering endeavour to further enhance SHE performance throughout the fertilizer industry worldwide.

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.

The following is a list of the significant SHE achievements during 2009:

1- GPIC achieved 9,009,575 person-hours of work or 2,811 continuous work days without a lost time accident. Similarly, contractors working for GPIC achieved 284,240 person-hours of work or 147 continuous work days without

a lost time accident. The total combined safe working hours attained was 9,293,815. 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 31 integrated SHE audits throughout the year ensured that all work areas were controlled in such a way that they remained safe.



UNEP recognition for the "Seal the Deal" Campaign



General view of GPIC showing the Birds Sanctuary

2- Safety training is being provided for both Operations and Non-Operations personnel. During 2009 there were 16 Modulised Emergency Response Training (MERT) sessions, attended by 80% of the Plant's Operators. Furthermore, 18 Safety Training sessions were held for personnel including administration and technical personnel, attended by almost 90% of the staff.

3- A Quality Safety Audit (QSA) was carried out by RoSPA in which GPIC achieved a Safety Performance rating of 71 in the first audit. GPIC is only the second company worldwide to achieve such distinction 'A' mark on the first audit. This gives GPIC a QSA Award level 2.

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 60,000 sea bream fish.

Publicising 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 16,200 since launching the programme in 2001.

For the sixth 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.



*International Safety Award
from British Safety Council
for the second time*



H. E. Shaikh Isa bin Ali Al Khalifa inaugurating the CDR project on 24th December 2009

- **GPIC** is one of the first Petrochemical Companies in the Middle East to install a Carbon Dioxide Recovery (CDR) Unit.
- This Unit will cut down green house gas (GHG) emissions and improve overall efficiency of natural resources by enhancing the production of Methanol and Urea.
- GPIC Board of Directors gave full support and guidance to the CDR Project through all its stages.
- GPIC selected a proven technology taking into account the efficiency of Carbon Dioxide absorption as well as reliable operation and maintenance.



The CRD project team

Carbon Dioxide Recovery Unit



The launching of CDR Unit

- All the required tie-ins with the existing plants were identified and were carried out during Turnaround 2007.
- The Project Management was carried out solely by GPIC Project Team to ensure success of all activities related to project execution. The pre-commissioning and commissioning work was carried out during the year 2009 and GPIC project team was fully involved during these stages.
- Young Bahraini Engineers were involved right from the initial stages of the Project to give them good exposure and to develop them for future assignments.

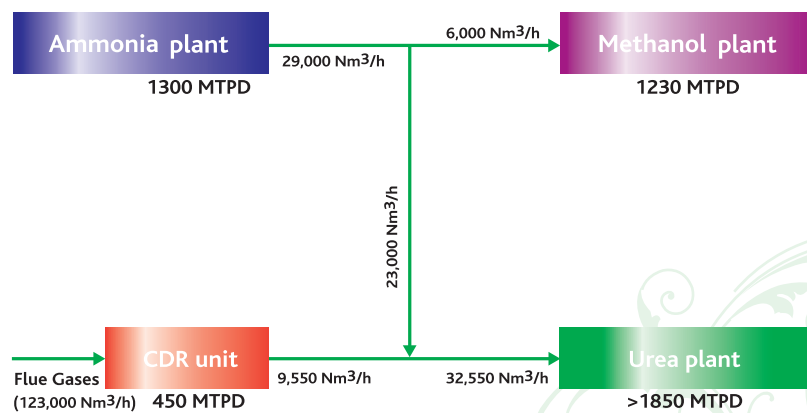


CDR Plant



GPIC Board Members at the CDR inauguration site

- Safety was given prime importance throughout the project. Right from the Construction stage it was ensured that the work was carried out safely and in compliance with GPIC Permit to Work system. This resulted in the project site completing more than 900,000 man hours without LTA.
- On site training was arranged for GPIC Operations and Maintenance personnel in the presence of all the relevant vendors.
- The project was completed within the allocated budget without any variation in cost and ahead of schedule by one month.



The configuration of Production Capacities and CO₂ gas balance after CDR Unit start-up.



During 2009, GPIC received materials with an approximate value of BD 12.9 million, which was 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.

As part of the e-procurement initiative, an agreement was signed with the system's implementer and the technical testing is in its final stages, targeting Mid 2010 for system utilisation.

In order to enhance the issuing, receiving and storing of materials in the warehouse, GPIC has embarked on a Bar Coding Project. The project is now under final implementation and is expected to be completed by mid year 2010.





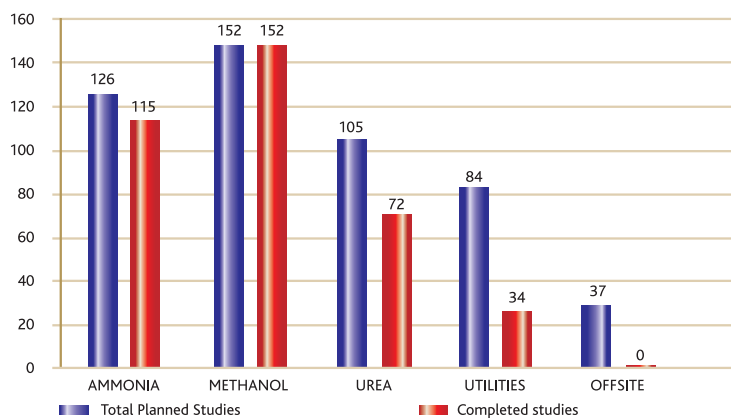
As part of the proactive approach toward reliability and asset integrity assurance, GPIC has engaged reputable international inspection agencies to follow-up the manufacturing progress, quality assurance and quality control of more than 10 major critical items manufactured worldwide to be replaced during the 2010 Turnaround.

The year also saw the progress of the Risk Based Inspection (RBI) programme to enhance the existing inspection systems and procedures, and as at end 2009 114% progress has been made

as compared to planned studies, which represent 75% of the planned programme due to be completed in 2012.

Further to the Root Cause Failure analysis programme initiated in 2008, 12 Engineers have been additionally trained in the analysis technique bringing the total to 24 trained Engineers.

Risk Based Inspection Progress

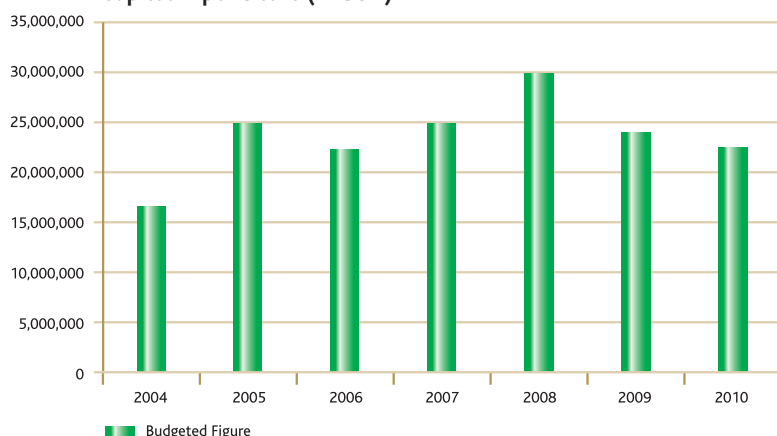




During the year, GPIC has been very successful in maintaining its bright safety records as well as excelling in the reliable performance of its plants and facilities.

On its way to achieving this remarkable performance, GPIC has completed processing of 58 Capital Expenditure (Capex) projects; worth about US\$ 24 million.

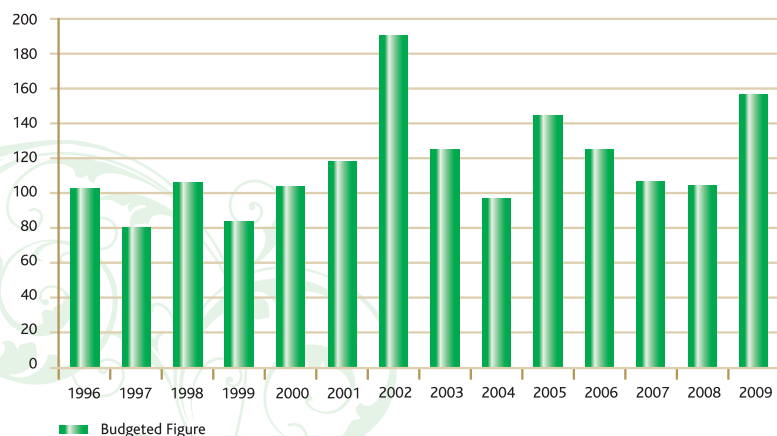
Capital Expenditure (in USD)



Some of the capital projects that were processed during 2009 are: The replacement of the plant's main electrical switchgears, replacement of the Regenerator Column in the Gas Sulphur Removing Unit, replacement of heat exchangers in the Waste Heat Recovery sections in Ammonia and Methanol plants, upgrading of field instruments and upgrading the stainless steel liner of the Urea Reactor.

All the Capex Projects and modifications have undergone Process Hazards Assessment. In addition, 15 detailed Hazop studies were carried out during 2009 in order to ensure the safety, integrity and reliability of the plants. As a step further and as per the Process Safety Management (PSM) System, the company has done a revalidation of the Process Hazards Assessment studies of all the plants within the complex, a process that will be repeated every five years.

Completed Modifications



In terms of new constructions, a Carbon Dioxide Recovery Plant has been successfully commissioned in order to reduce the Carbon Dioxide emissions and to increase Urea and Methanol production. This will significantly reduce the emission of Green House Gases from GPIC and improve the energy efficiency per tonne produced of Methanol and Urea.



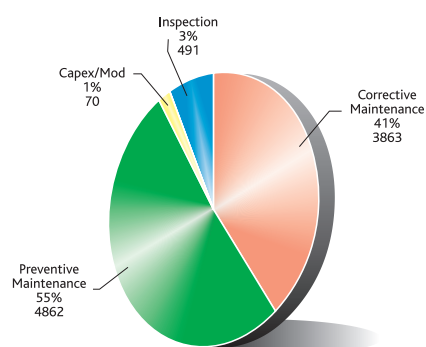
The Maintenance department continued its relentless efforts to enhance safety and reliability throughout the complex, placing special emphasis on the safety and reliability of process plants. Accordingly, objectives and key performance indicators for the department were set early in the year and monitored closely every quarter, resulting in the achievement of nearly all objectives.

In order to ensure applicability and enhance quality, all sections within the department

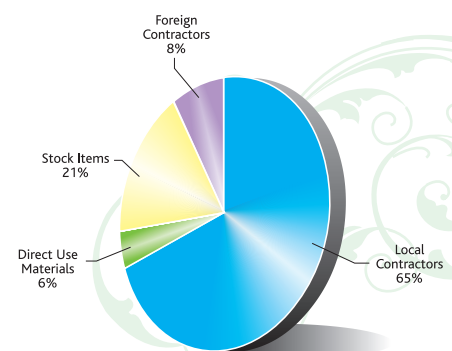
continued reviewing quality documents such as Standard Operating Procedures, Standing Instructions, Checklists and Guide lines.

The department also reviewed the Rolling 10 Year Turnaround Plan taking into consideration the outcome of the 2007 turnaround findings, recommendations and the company's overall strategic plan. A new revision of the plan was thus issued.

Maintenance Work Orders



Maintenance Budget Utilization



As part of its drive towards enhancing reliability, the department also completed a large number of tasks as follows:

- a. 70 Modifications compared to 30 last year.
- b. 4862 Preventive Maintenance Work Orders compared to 5686 in 2008.
- c. 3863 Corrective Maintenance Work Orders compared to 2373 the previous year.
- d. 491 Inspection Work Orders.

Some of the major jobs executed were:

- 1) T-6614: Relocation of waste water Treatment Plant.
- 2) MK-1403: Complete overhauling of Electric Motor for CO₂ Compressor.
- 3) Alfa Laval Exchangers: Chemical Cleaning of six (6) exchangers at Utilities & Urea plant.
- 4) P-8201A: Complete overhaul of Ammonia pump at Urea plant.
- 5) Conveyor Galleries: Painting of Export Conveyor Gallery and replacement of defective light fittings.
- 6) Fin fan coolers: Preventive maintenance overhauling of 19 Fin fans.
- 7) Export Systems: Overhauling of Loading

Arms and refurbishment of export piping inclusive of support system.

- 8) Desalination Units: Refurbishment of various stages during two unit shutdowns.
- 9) Replacing of light fittings diffusers in the Ammonia, Methanol and Utilities plant.

Work continued closely with the Information Technology and Knowledge Department on fine tuning the Maintenance Management Module of SAP Enterprise Resource planning software. Entry of historical data has become mandatory before closing any work order.

Training and development of personnel continued to be at the top of the Maintenance Department's agenda. In addition to familiarising all maintenance staff with the company's Corporate Objectives and the department's own objectives, 91% of all Maintenance staff attended training. The training rate achieved was 39 hours per employee.





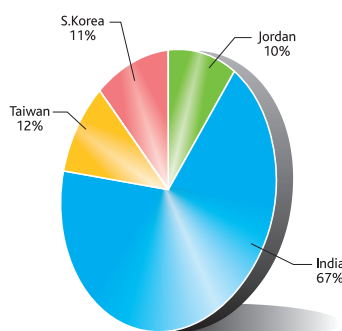
The combined total sales of Ammonia, Methanol and Urea were 1,225,947 tonnes for 2009. This total was made up of 97,361 tonnes of Ammonia 407,766 tonnes of Methanol and 720,820 tonnes of Granular Urea, while 1,348 tonnes of Urea were sold in the local market. These quantities were safely handled and exported on time without incurring a single customer complaint.

In 2009, despite the negative impact of the financial crisis on the global markets and the

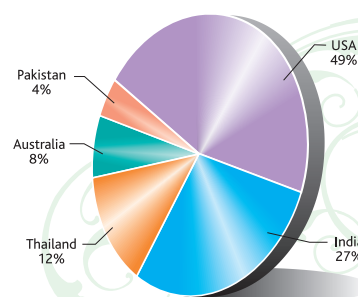
banks' reluctance to offer financial credits, GPIC was able to achieve remarkable results represented in achieving record Urea exports of 719,472 since inception in 1998 with the largest share of 354,990 tonnes exported to the USA representing 49% of total exports.

Also the year 2009 was a remarkable year for Methanol exports as GPIC was able to export 208,945 tonnes to China representing 51% of total exports. With these results, GPIC was able to meet its export targets as planned with

Ammonia Exports-2009
Total = 97.4 KMT



Urea Exports-2009
Total = 719.5 KMT



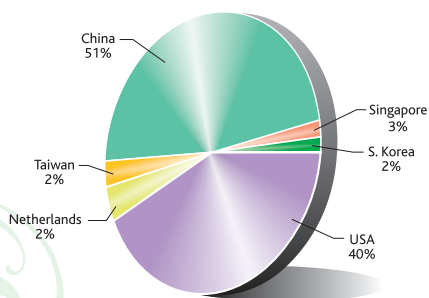


the highest returns on sales of its product through optimising product allocation in the international markets.

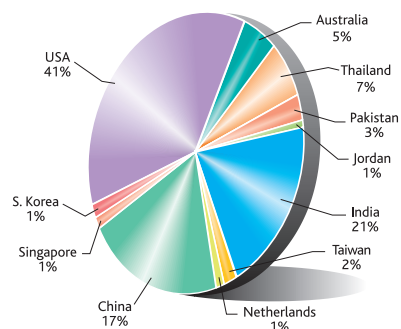
The cumulative export tonnage since export operations started totalled 22.8 million, comprising 6.1 million tonnes of Ammonia, 9.8 million tonnes of Methanol and 6.9 million tonnes of Urea.

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

Methanol Exports-2009
Total = 407.8 KMT



GPIC Exports - 2009
Total = 1,224.7 KMT





The training and development of the company's Bahraini nationals represent a major priority for GPIC's management. The company's training policy aims to achieve a progressive integration of Bahraini nationals into its workforce through the implementation of a well-structured and systematic training and career development scheme.

This scheme comprises an effective on-the-job training programme, as well as providing development courses in GPIC's Training Centre, locally or abroad. The manpower during 2009 was 473 plus 49 trainees. The cumulative number of trainees who have completed their training since inception stands at 406, out of these 83 are Engineers. The trainees are appointed in various positions such as Operators, Technicians, Chemists, Engineers and Supervisors after successful completion of the comprehensive training programme.

By the end of 2009 the overall Bahrainisation level achieved in the company was 87%. The Training and Development Centre is developing 11 candidates for future supervisory positions. In addition to the training programmes for the newly recruited graduates, the Training Centre carried out a number of training and development programmes to meet the needs of the company. These included 111 training courses attended by 1150 staff. There were also 156 training courses and conferences held in Bahrain with the participation of 322 employees and trainees.

51 training courses were held outside of Bahrain attended by 115 staff. There were also a number of awareness programmes conducted for Health,

Safety, Environment and Quality. The company also introduced a sponsorship programme to encourage employees to enroll for higher studies. This programme also includes awarding sponsorships to outstanding students currently studying at universities as well as scholarships for the children of employees.

An E-Learning Centre was established to promote self-development study by employees. The Centre provides 27 "Soft Skills" training programmes in communication skills, financial resources management, self-development skills, security, health, environment, computer applications, leadership skills and project management skills. During the year 2009, the E-Learning Centre accomplished several developments and remarkable achievements. 29 technical programmes were added in the middle of the year with the aim of enhancing the technical knowledge of staff in departments such as maintenance, plants operations and other technical departments. By the end of 2009, participants had completed 4,440 training hours, which is cited as being an outstanding achievement in this area.

In May 2009, GPIC received an award by the Ministry of Labour for its outstanding contribution to vocational training in Bahrain in 2008.

For the second successive year, GPIC won an award for the best e-learning centre in the Middle East presented by SkillSoft. This was based on the number of e-learning programmes completed, the number of learning hours achieved and the efficient use of e-learning technology.