

AVJET FUEL SUPPLY CHAIN

The Guyana Oil Company Limited Annual Report - 2011

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NOTICE OF MEETING

NOTICE is hereby given that the thirty-sixth (36th) Annual General Meeting of The Guyana Oil Company Limited will be held on Friday June 29, 2012 at 5:00 p.m. in the Company's Conference Room, Kitty Service Station, Queen Street, Kitty, Georgetown, for the following purposes: -

AGENDA

- 1 To receive and consider the Financial Statements for the year ended December 31, 2011 and the Reports of the Directors and Auditors thereon;
- 2 To authorise the Directors to fix the remuneration of the Auditors;
- 3 To Declare a Dividend as recommended by the Directors;
- 4 Any Other Business.

By Order of the Board

*Registered Office:
166 Waterloo Street
Georgetown.*

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Abdool S. Kadir
Company Secretary

May 28, 2012

CHAIRMAN'S REPORT

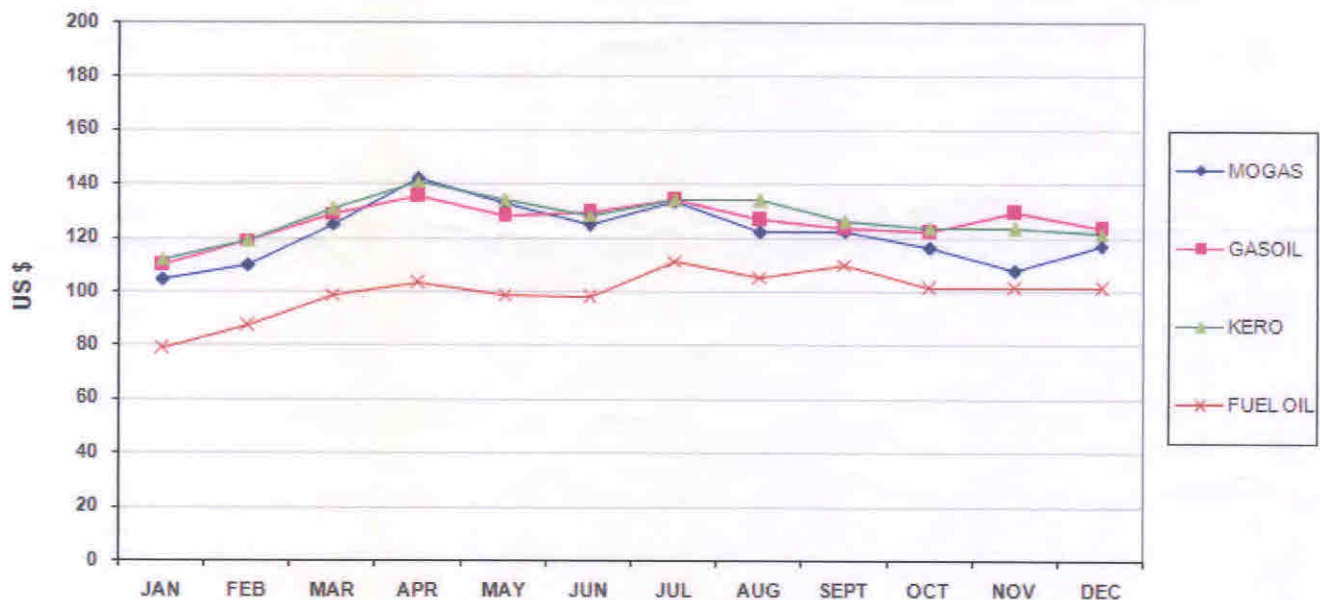
INTRODUCTION

I am pleased to present the Chairman's Report and Audited Financial Statements for the year ended 31st December, 2011.

The Company's business involves the importation, storage, distribution and marketing of motor gasoline, gasoil, kerosene, fuel oil, Castrol lubricants and bituminous products. The products are distributed through the largest distribution network in the petroleum business in Guyana, comprising thirty-six (36) Dealer-owned and seven Company-owned Service Stations, all serviced by its three Terminals located in Regions II, IV, VI.

The fuel business in Guyana continued to be characterized by high acquisition prices, aggressive competition and low margins. Acquisition prices for refined petroleum products during the year fluctuated between US\$104.22/bbl and US\$138.77/bbl, with an average of US\$124.40 per bbl. Aggressive Competition in the market, imposed great challenges on the company during the year.

AVERAGE FOB PRICES FOR 2011



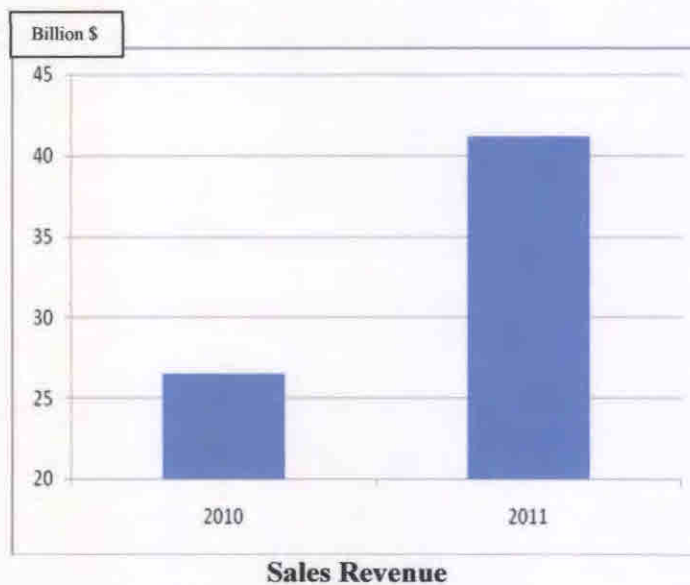
The company continued to acquire fuel under the PetroCaribe Agreement from Venezuela, from their refinery in Curacao, which is our main supplier, while we still continue to lift some of our supplies out of Trinidad.

Despite the challenges, Guyoil continued to be the leader in stabilizing the prices of fuel products, to the benefit of the consuming public and industry.

PERFORMANCE HIGHLIGHTS

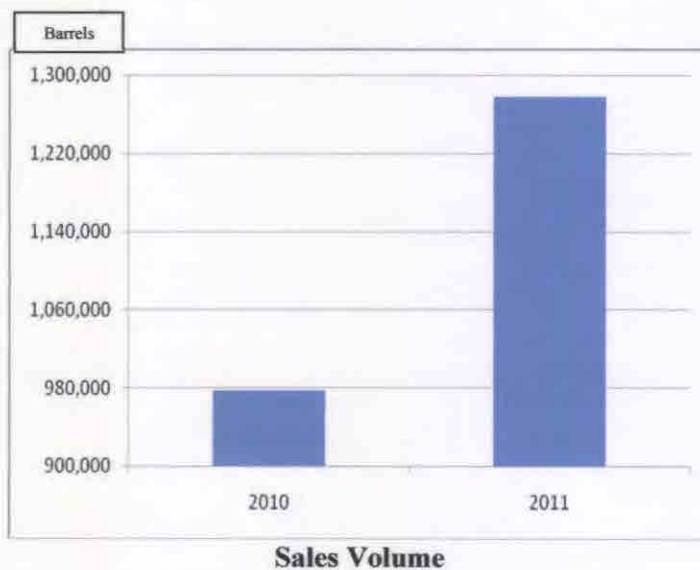
Sales Revenue

In 2011 sales were \$41.213B compared to \$26.496B in 2010, an increase of \$14.717B or 55.55%. Cost of sales was \$38.319B compared to \$23.108B in 2010, an increase of \$15.211B or 65.83%.



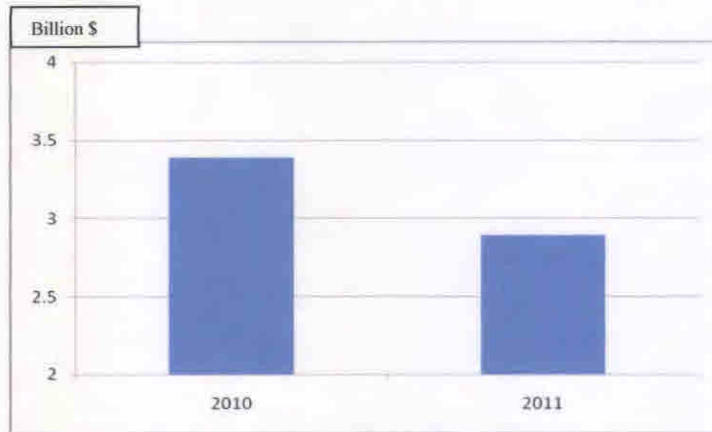
Sales Volume

Volume sales achieved were 1,277,380 bbls compared to 977,547 bbls in 2010, an increase of 299,833 bbls or 30.67 %.



Gross Profit

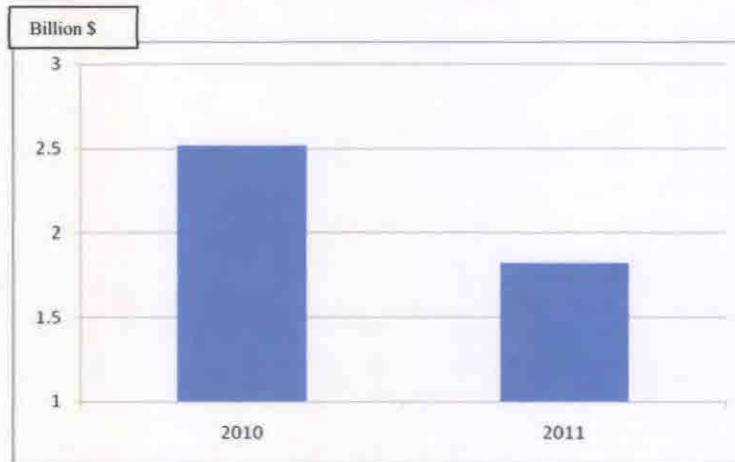
Gross profit achieved in 2011 was \$2.893B compared to \$3.388B in 2010, a decrease of \$0.495B or -14.61%.



Gross Profit

Net Profit before Tax

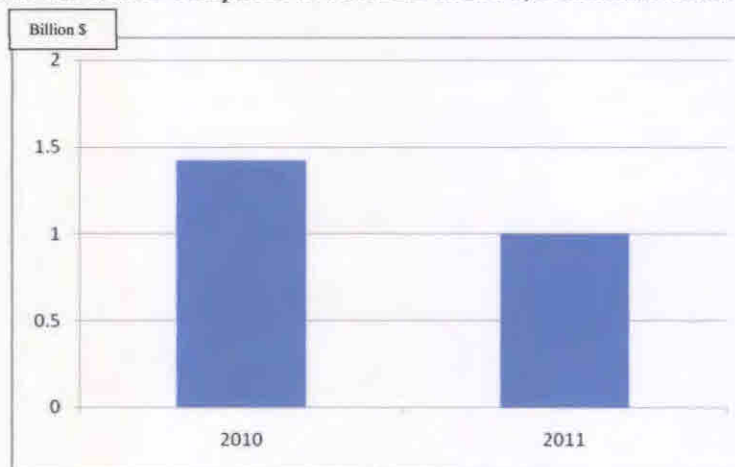
Net profit before taxation for 2011 was \$1.822B compared to \$2.516B in 2010, a decrease of \$0.694B or -27.11%.



Net Profit before Tax

Net Profit after Tax

Net profit after taxation was \$1.0B compared to \$1.422B in 2010, a decrease of \$0.422B or -29.7%.



Net Profit after Tax

