Unaudited Group Results for the period ended 30 September 2008

**Abridged Income Statement**

<table>
<thead>
<tr>
<th></th>
<th>Unaudited</th>
<th>Unaudited</th>
<th>Audited</th>
<th>% change</th>
<th>P’000</th>
<th>P’000</th>
<th>P’000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6 Months</td>
<td>6 Months</td>
<td>to 30.09.08</td>
<td>to 30.09.07</td>
<td>change</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turnover</td>
<td>720,931</td>
<td>415,934</td>
<td>305,997</td>
<td>73%</td>
<td>921,409</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Profit</td>
<td>67,106</td>
<td>67,026</td>
<td>66,291</td>
<td>13%</td>
<td>188,976</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Profit</td>
<td>57,209</td>
<td>50,287</td>
<td>66,126</td>
<td>14%</td>
<td>128,714</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td></td>
<td></td>
<td>114,335</td>
<td>57,209</td>
<td>14%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit after taxation</td>
<td>35,450</td>
<td>36,922</td>
<td>52,245</td>
<td>14%</td>
<td>102,580</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Abridged Cashflow Statement**

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td></td>
<td>6 Months</td>
<td>6 Months</td>
<td>to 30.09.08</td>
<td>to 30.09.07</td>
<td>change</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash flows from operating activities</td>
<td>71,366</td>
<td>71,277</td>
<td>71,366</td>
<td>100%</td>
<td>128,714</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents at the end of the period</td>
<td>140,564</td>
<td>114,500</td>
<td>125,482</td>
<td>109,982</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Executive Comments**

Engen Botswana made a profit for the period ended 30 September 2008, despite turbulent international crude oil and financial markets. This position is attributable to steady growth in volumes over prior year and continued growth in the country’s vehicle population.

The biggest impact of the financial crisis was felt in the exchange gains and losses account, which worsened from a loss of P 3.4 million last year to P 10.9 million this year. A process to limit the foreign currency exposure has recently been developed and is expected to be fully operational during November 2008. The objective of this process is to limit the foreign currency exposure by matching liabilities at the time they are raised.

**Financial Performance**

Turnover grew by 73% to P722.9 million (2007: P415.9 million) this is primarily due to the rapid increase in the cost of product during the first six months of the year. Gross profit increased by 13% to P67.1 million (2007: P59.6 million). Operating profit increased by 14% to P71.3 million (2007: P61.0 million). The profit before tax however remained static at P46.8 million (2007: P46.7 million) due to the impact of the exchange losses.

Recoupable losses continue to be vigorously monitored. The increase in total receivables is primarily attributable to the increase in the value of the rand to the Rands. The company is constantly reviewing the customer’s credit profile to align new limits with the ability to pay.

Earnings per share is now at 22.2 thebe per share (2008: 24.4 thebe per share), this translates into 9% decrease.

**Operating Review**

The first half of the year has been quite difficult from a price point of view, as was experienced in other markets. Pump price which was at P 6.33 per litre for petrol rose to a peak of P 8.94 per litre before the current decline. Because petrol is a primary household transport fuel, the average fill rate for the motorists declined quite noticeably.

The commercial sector of the business did not experience such a major impact in terms of volume performance. This is mainly because the bulk of the projects are being undertaken by government, which remained committed to the projects despite the fuel price increase.

Product supply through South Africa remained stable, though there were some short term product outages due to operational problems either at the refinery or pipeline. The company has just commissioned the new depot in Francistown, and this depot is being used to build strategic stock when there are anticipated product outages.

The company has embarked on an HSE (Health, Safety, and Environment) awareness program for staff and contractors. The program entails detailed risk analysis and documenting remedial actions and plans. Because of the training associated with the initiative, administrative expenses have gone up significantly compared to prior year.

The profit after tax for the first half at year P 39.5 million is marginally lower than P 38.9 million recorded same time last year. This is attributable to the administrative expenses which have been concentrated in the first half of the year, and also the exchange losses. In the case of the latter, the recent decline in the value of the rand is beginning to offset the position, but fundamentally, a tight management of the exposure will reduce the impact quite significantly in the future.

**Conclusion**

The Directors of the company would like to thank our valued customers, suppliers, shareholders and all stakeholders for their ongoing support towards the success of Engen Botswana Limited. The directors would also like to extend their appreciation to the management and staff for the tremendous effort that continues to translate into strong financial performance.

By order of the Board

D W Hartmann (Chairman)
D Z Marsahili (Managing Director)

29 October 2008

**Declaration of Dividend no.34**

Notice is hereby given that an interim dividend of 11 thebe per share has been declared payable to ordinary shareholders registered in the books of the company at the close of business on 21st November 2008. In Compliance with the requirement of the company tax act, witholding tax at the rate of 15% will be deducted by the company from all Dividends.

Dividends Cheques will be dispatched by the transfer secretaries on or about the 28th November 2008. A Shareholder who requires the company to make any changes in regard to the payment of their Dividend must lodge a written request with the Transfer secretaries on or before 21st November 2008.

**Unaudited Group Results for the period ended 30 September 2007**

**Abridged Balance Sheet**

<table>
<thead>
<tr>
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<td>to 30.09.07</td>
<td>change</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net current assets</td>
<td>35,450</td>
<td>36,922</td>
<td>52,245</td>
<td>14%</td>
<td>102,580</td>
<td></td>
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</tr>
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**Notes:**

1. The financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) which comprise standards and interpretations approved by the IASB and applicable requirements of the companies Act (No.32 of 2004).

2. The largest impact of the financial crisis was felt in the exchange gains and losses account, which worsened from a loss of P 3.4 million last year to P 10.9 million this year. A process to limit the foreign currency exposure has recently been developed and is expected to be fully operational during November 2008. The objective of this process is to limit the foreign currency exposure by matching liabilities at the time they are raised.

3. The commercial sector of the business did not experience such a major impact in terms of volume performance. This is mainly because the bulk of the projects are being undertaken by government, which remained committed to the projects despite the fuel price increase.

4. Product supply through South Africa remained stable, though there were some short term product outages due to operational problems either at the refinery or pipeline. The company has just commissioned the new depot in Francistown, and this depot is being used to build strategic stock when there are anticipated product outages.

5. The company has embarked on an HSE (Health, Safety, and Environment) awareness program for staff and contractors. The program entails detailed risk analysis and documenting remedial actions and plans. Because of the training associated with the initiative, administrative expenses have gone up significantly compared to prior year.

6. The profit after tax for the first half at year P 39.5 million is marginally lower than P 38.9 million recorded same time last year. This is attributable to the administrative expenses which have been concentrated in the first half of the year, and also the exchange losses. In the case of the latter, the recent decline in the value of the rand is beginning to offset the position, but fundamentally, a tight management of the exposure will reduce the impact quite significantly in the future.

7. The Directors of the company would like to thank our valued customers, suppliers, shareholders and all stakeholders for their ongoing support towards the success of Engen Botswana Limited. The directors would also like to extend their appreciation to the management and staff for the tremendous effort that continues to translate into strong financial performance.

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D W Hartmann (Chairman)
D Z Marsahili (Managing Director)

29 October 2008

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