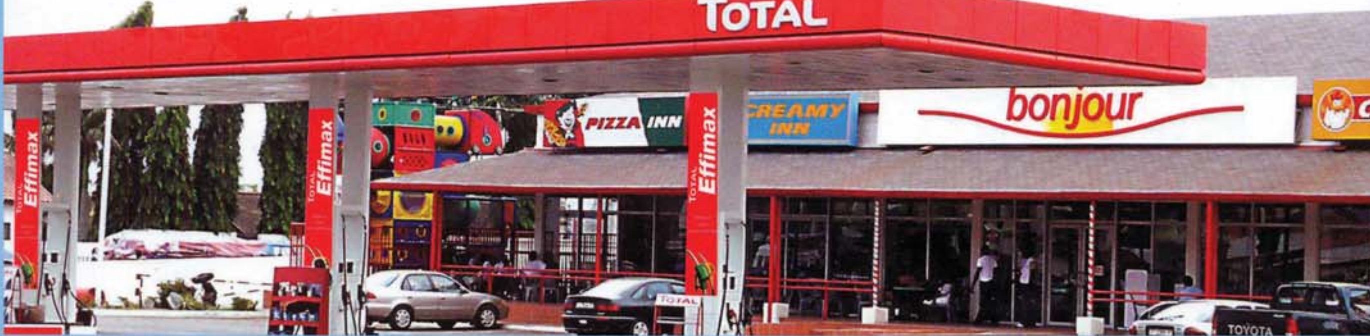
TOTAL PETROLEUM GHANA LIMITED



Annual Report **2008**

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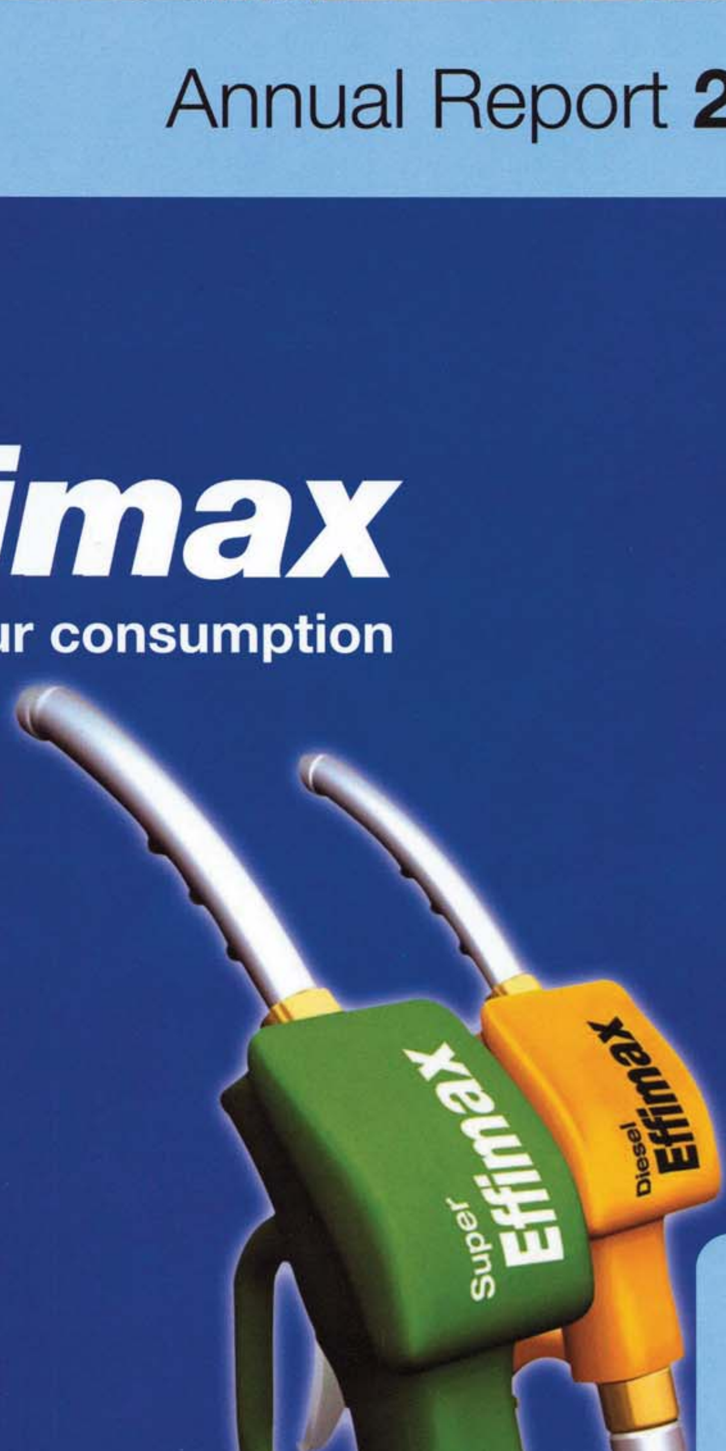

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Total Petroleum Ghana Limited

ANNUAL REPORT AND ACCOUNTS 2008

Contents

Corporate Information

BOARD OF DIRECTORS	Stanislas Mittelman	– Chairman
	Jonathan Molapo	– Managing Director (Appointed 01/09/2008)
	Felix Majekodunmi	– Managing Director (Resigned 19/08/2008)
	Alain Champeaux	
	Rexford Adomako-Bonsu	
	Edward P. Larbi Gyampoh	
	John Sackah Addo	
	Christian Joret des Closieres	
	Kofi Ampim	
	Daniel Charles Gyimah	
	Jonas Ayiquaye Ayi	
	Olivier Berthaud	
SECRETARY	Mrs. Mercy Samson P. O. Box CT 3504 Cantonments, Accra	
REGISTERED OFFICE	Total House 25 Liberia Road P. O. Box 553 Accra	
Solicitors	Gyampoh & Co. Cedar House P. O. Box 5897 Accra	
	Peasah Boadu & Co. 3rd Floor, Gulf House P. O. Box CT3523 Cantonments, Accra	
Registrars	Merchant Bank (Ghana) Limited 57 Examination Loop, North Ridge P. O. Box 401 Accra	
AUDITORS	KPMG Chartered Accountants 13 Yiyiwa Drive, Abelenkpe P.O. Box GP 242 Accra	
BANKERS	Agricultural Development Bank Limited Barclays Bank of Ghana Limited Ecobank Ghana Limited Ghana Commercial Bank Limited Merchant Bank Limited Standard Chartered Bank Ghana Limited National Investment Bank Limited SG-SSB Limited The Trust Bank Limited	

Financial Highlights

Five year Financial Highlights	2008	Restated 2007	2006	2005	2004
Turnover (GH¢000)	566,514	404,390	177,833	122,282	85,397
Profit before interest and exchange loss (GH¢000)	10,382	13,799	6,026	2,214	1,137
Interest expense (GH¢000)	(4,065)	(2,656)	(1,005)	(823)	(582)
Gain/(Loss) on exchange (GH¢000)	1,777	130	100	(3)	(20)
Profit before taxation and NRL (GH¢000)	8,094	11,273	5,121	1,387	(753)
Taxation and NRL (GH¢000)	(1,874)	(2,476)	(1,288)	(20)	278
Profit after taxation and NRL (GH¢000)	6,220	8,797	3,833	1,367	(476)
Earning per share (GH¢)	0.4448	0.6291	0.6114	0.0289	-
Dividend per share (GH¢)	0.3781	0.4964	0.2741	0.2604	0.2117
Shareholders equity (GH¢000)	55,581	52,740	54,946	5,262	5,126
Authorised number of shares (000)	50,000	50,000	50,000	50,000	50,000
Number of Issued and Fully paid shares	13,984,259	13,984,259	13,984,259	4,725,000	4,725,000
Fixed assets net book value (GH¢000)	41,588	41,377	43,190	9,309	8,827
Net assets per share (GH¢)	3.9745	3.7714	3.9291	1.1137	1.0848

Chairman's Statement

Mr. Stanislas MITTELMAN

Distinguished Shareholders

I am delighted to welcome you all to our Thirty-third (33rd) Annual General Meeting and to present to you the 2008 Annual Report and Financial Statements. This year has been a challenging one for your company and the country. Despite these challenges, your Board is pleased to report to you that your company remains strong.

ECONOMIC AND BUSINESS ENVIRONMENT

2008 has been a record year for international crude oil prices. Crude oil prices rose to an all time record high of $147 per barrel in July 2008. The National Petroleum Authority (NPA) suspended its twice monthly price revision in May 2008 until December 2008 to mitigate the impact of the escalation in the crude oil price.

The international financial crises also negatively impacted the domestic economy. Foreign exchange inflows from overseas investors and remittances from Ghanaians living abroad reduced relative to the prior years. This led to scarcity of foreign currencies, especially the euro at various times during the year. These factors contributed in no small way to impact the rapid depreciation of the cedi.

The Ghana cedi depreciated against the dollar by more than 27% by the end of the year. The depreciation against the euro was 22% as at December 2008.

Inflation which was 12.8% in January 2008 rapidly climbed to end the year at 18.13%.

Inflationary pressure on the economy resulted in Bank of Ghana progressively increasing the prime rate, the indicative rate used by all commercial banks, from 13.5% at the beginning of the year to end the year at 17%. As a result, the daily inter-bank interest rate increased from 12.04% in January 2008 to 19.39% at the end of the year.

The government's fiscal target on the economic growth of 7% was not met and the provisional estimate has been provided as 6.2%.

COMPANY PERFORMANCE

In an increasingly competitive environment, your company continues to launch new products to meet the increasing needs of the Ghanaian motoring public. During the fourth quarter of 2008 your company introduced high octane, low sulphur and high performance range of fuels with brand name Total Effimax ®. The products are Super Effimax ® and Diesel Effimax ® and these have been well received by all our valued customers.

The high quality range of Total Effimax has been the result of extensive technological research by the Total Group. The Board is delighted to announce to you that Ghana is the first country to launch this product in Africa.

Our electronic card, TOMCARD, continues to be the dominant smartcard for fleet management in Ghana. It continues to enjoy widespread demand from all major companies in Ghana. Arguably our TOMCARD is the only card for fleet management in the country.

FINANCIAL & OPERATIONAL PERFORMANCE

Your company prepared its financial statements for the year ended 31st December 2008 under the International Financial Reporting Standards (IFRS) rules and this for the first time. This meant that prior year results have been re-stated in line with this new reporting standard. The effect of re-stating prior year results is that Profit after tax recorded for 2007 has been restated from the previous amount of GH¢8.2 million to GH¢8.8 million.

Overall sales volumes dropped by 6% from the 502 thousand metric tonnes recorded in 2007 to 470 thousand metric tonnes in 2008. The reduction in volumes was as a result of the frequent product shortages, increased competition and an overall market decline of 1%.

Turnover recorded for 2008 was GH¢566 million compared to GH¢404 million in 2007 which represents an increase of 40%. This increase reflects mainly cost price increases.

Chairman's Statement countinued

Margins on fuels remained stagnant for the first three (3) quarters of the year until the fourth quarter when NPA increased margins for oil marketing companies by 10%, the first margin increase since May 2006.

Management, through innovation and cost efficiencies continues to improve margins and this resulted in the higher gross margins recorded in 2008.

The profit for the current year showed a decline of 29% at GH¢6.22 million. The profit after tax for 2008 was negatively impacted by the decline in sales volumes, the high cost of borrowing and the high inflationary pressure.

The company invested GH¢4.3 million in capital projects and these were mainly in the key sectors of our business, retail network and general trade.

DIVIDEND

In November 2008 your Board approved the payment of an interim dividend of Gp14.09 per share. Your Board is recommending a total dividend of Gp37.80 per share before tax in respect of the year ended 31st December 2008, consequently, a final dividend of Gp23.71 will be paid to shareholders in respect of the same year.

On behalf of the Board, I trust that shareholders will approve the dividend as recommended by your Board when the resolution is proposed before you today.

CORPORATE GOVERNANCE

Your Board continues to ensure the maintenance of good internal control procedures and adherence to rules, regulations and compliance with legal and corporate laws in accordance with good corporate governance.

The Audit Committee has reviewed the financial statements and discussed control issues with the company's external auditors, Messrs KPMG and report that controls within the company remain effective.

The Code of Conduct remains a guiding principle for all employees and the Board of the company.

AMENDMENT OF REGULATIONS

In line with current development on the Ghana Stock Exchange (GSE) and dematerialization of share certificates, the GSE has recommended that all listed companies amend their Regulations in line with the new developments.

As you are aware, operations of the GSE Securities Depository Company Limited began on November 14, 2008 with the voluntary deposit by investors of share certificates for immobilization. This is in accordance with section 12 (2) of the Central Securities Depository Act, 2007, Act 733), and is only the first of various steps to be taken in the Ghana Stock Exchange's quest to make the transition from the use of paper share certificates to electronic book entry securities. Section 12(1) (a) and (b) of the Act also provides as follows:

12(1) An issuer of securities to the public may

(a) issue a security in un-certificated or dematerialized form where it is authorized in its regulations and authorized by a resolution of its board of directors,

(b) convert a certificated security into an un-certificated security where it is authorized in its regulations and by a resolution of its board of directors."

In pursuance of this, the Council of the Exchange has decided that, as the next step, all listed companies are to amend their company regulations at their next Annual General Meeting in 2009 to allow for the issue of and / or conversion to dematerialized securities. The Exchange's Council also decided that with effect from January 2009, all new or additional securities being listed should be electronic securities that have been admitted into the GSE Securities Depository.

The amendment of the Regulations of listed companies in compliance of the Exchange's request will enhance the rate at which securities are placed in the depository, make for more efficient and less cumbersome keeping of shareholding records, and ultimately improve liquidity in the capital market. The Board is therefore recommending that Members support the proposed amendment. We encourage all shareholders to contact a stockbroker with their share certificates and have their certificates placed in the GSE Securities Depository.

We will be proposing five (5) resolutions at this Annual General Meeting to amend your Company's Regulations in compliance with the directives from the Ghana Stock Exchange.

Chairman's Statement countinued

BOARD MATTERS

Your previous Managing Director, Mr. Felix Majekodunmi resigned from the company on 19th August, 2008 to take up a new appointment within the Total Group.

On behalf of the Board and all shareholders, I wish to congratulate Mr. Majekodunmi on all his achievements throughout his tenure, notable among which are his tireless efforts in executing the merger of your company with Total Ghana Limited and his positive contributions to this company. We wish him every success in his new position.

The Board of Directors of Total Petroleum Ghana Limited recommends to you Mr. Jonathan Molapo for election to the Board as Director. He was appointed by your Board in replacement of Mr. Majekodunmi as Managing Director.

The Board also recommends for re-election Messrs. Alain Champeaux, Stanislas Mittelman, Christian des Closieres, and Olivier Berthaud who are due to retire by rotation at this meeting and who have expressed their willingness to continue in office.

MANAGEMENT AND STAFF

Undoubtedly, one of the true strengths of your company is the quality and enthusiasm of its personnel.

As at the end of 2008, our staff strength stood at 137 regular employees. As in prior years, your company continues to invest heavily in core training and management development.

On behalf of the Board, I wish to express my gratitude to each and every one of our employees for the efforts they continue to make to ensure we continue to be the number one oil marketing company in Ghana.

OUTLOOK

There are challenging times ahead for the world economy in general and Ghana in particular. It is therefore important that your company positions itself well to maintain its position as the premier oil marketing company in the country.

The market is bracing itself for increased inflationary pressure, rise in interest rates and uncertainty on the exchange rate of the Ghana cedi to the US dollar and the euro.

In these turbulent times, risk management will be an even more important focus area for the management of your company.

Total Petroleum Ghana Limited will continue to aggressively manage its working capital requirements balancing it with the objective of market growth and overall profitability.

Your board is committed to meeting the changes in the market place and will be committing significant investment towards improving our retail network in the coming years. We believe this is important not only to improve the brand and image of your company but also to maintain the very high health, safety and environmental quality that we stand for.

APPRECIATION

On behalf of the Board of Directors, I would like to express our appreciation to the Management and staff of Total Petroleum Ghana Limited for their contributions to the results of 2008.

Our greatest thanks go to our dealers, customers and to you our Shareholders for your immense support and loyalty to the Total brand, Africa's No.1 brand in retail service network.

It is clear to us that the initiatives taken in the past years supported by strategies and plans established by the Board and management for the years ahead should give our shareholders confidence in a bright future for the Company.

Thank you all for your presence here today.

Stanislas MITTELMAN
Chairman
16th March, 2009

Notice Of Meeting

NOTICE is hereby given that the 33rd Annual General Meeting of the Shareholders of Total Petroleum Ghana Limited will be held at the National Theatre, Liberia Road, Accra on Wednesday the 3rd day of June, 2009 at 11 O'clock in the forenoon.

AGENDA

ORDINARY BUSINESS

Ordinary Resolutions

1. To receive and consider the Reports of the Directors, Auditors and the Financial Statements of the Company for the year ended 31st December 2008.
2. To declare Final Dividend in respect of the year ended December 31, 2008.
3. To approve the appointment of a Director.
4. To re-elect Directors.
5. To fix the remuneration of the Directors.
6. To authorise the Directors to fix the remuneration of the Auditors.

SPECIAL BUSINESS

Special Resolution

A. To approve the amendment of the Company's Regulations 13(a),13(c),13(d),31(4) & 32(1) to allow for the issuance of and or conversion of shares in electronic book entry form in compliance with the requirements of the Ghana Stock Exchange.

Dated this 20th day of April, 2009

By Order Of The Board
MERCY SAMSON (MRS.)
SECRETARY

Note:

A member of the company entitled to attend and vote may appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the company. Completed proxy forms should be deposited at the Registered Office, P.O. Box 553, Accra not less than 48 hours before the appointed time of the meeting. Failure to submit the forms before the 48 hour deadline will result in the Proxy not being admitted to, or participating in, the meeting. A Form of Proxy is provided in the Annual Report.

Report Of The Directors

The directors present their report and audited financial statements of the company for the year ended 31 December 2008.

DIRECTORS RESPONSIBILITY STATEMENT

The company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the balance sheet at 31 December 2008, income statement and cash flow statement for the year then ended, and the note to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Code, 1963 (Act 179).

The directors' responsibilities include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

FINANCIAL STATEMENTS AND DIVIDEND

The results are summarised as follows:

	GH¢'000
Profit for the year ended 31 December 2008 after taxation is	6,220
to which is added balance on retained earnings account brought forward of	3,018
giving a total of	9,238
out of which a dividend of GH¢0.2312 per share for 2007 was paid amounting to	(3,234)
and withholding tax on interim dividend of GH¢0.1409 per share was declared amounting to	(145)
leaving the Income Surplus Account balance of	5,859

The directors recommend the payment of a final dividend of GH¢0.2372 per share amounting to GH¢3,317,066 (2007: GH¢6,941,950) for the year under review.

The directors consider the state of affairs of the company to be satisfactory.

NATURE OF BUSINESS

The company is registered to carry on the business of the marketing of petroleum and allied products.

There was no change in the nature of business of the company during the year under review.

Report Of The Directors cont'd

CHANGES IN FINANCIAL REPORTING FRAMEWORK

In line with changes in the financial reporting framework announced by the Institute of Chartered Accountants of Ghana in consultation with other regulatory bodies, the company adopted International Financial Reporting Standards (IFRS), as the reporting framework with effect from 1 January 2008.

As a result, the attached financial statements have been prepared in accordance with IFRS. Comparative financial information, which was prepared in accordance with Ghana Accounting Standards, has been restated accordingly.

The impact of the changes in comparative results and position has been disclosed in note 29 of the attached financial statements.

HOLDING COMPANY

The company is a subsidiary of Total Outre Mer S.A., a company incorporated in France, a wholly owned subsidiary of Total S.A.

APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the company as indicated above were approved by the board of directors on 25th March, 2009 and are signed on their behalf by:

DIRECTOR

DIRECTOR

Independent Auditor's Report to the members of Total Petroleum Ghana Ltd

We have audited the accompanying financial statements of Total Petroleum Ghana Limited, which comprise the balance sheet at 31 December 2008, the income statement, the statement of recognised income and expense and cash flow statements for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 11 to 45.

Directors' Responsibility For The Financial Statement

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Code, 1963 (Act 179). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Total Petroleum Ghana Limited at 31 December 2008, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Code, 1963 (Act 179).

Report On Other Legal And Regulatory Requirements

Compliance with the requirements of Section 133 of the Companies Code, 1963 (Act 179).

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept, and the balance sheet, income statement and retained earnings accounts are in agreement with the books of account.

KPMG

Chartered Accountants
13 YIYIWA DRIVE
P.O. Box GP 242
Accra

25th March, 2009

Income Statement for the year ended 31 December 2008

	Note	2008 GH¢'000	Restated 2007 GH¢'000
Revenue	6	566,514	404,390
Cost of Sales		(534,101)	(374,236)
Gross profit		32,413	30,154
Other Income	7	7,182	6,126
General and Administrative expenses		(27,436)	(22,351)
Operating profit before financing cost		12,159	13,929
Net Finance expense	10	(4,065)	(2,656)
Profit before taxation	8	8,094	11,273
Income tax expense	11	(1,874)	2,476)
Profit for the year		6,220	8,797
Basic earnings per share (Ghana cedi per share)	22	GH¢0.4448	GH¢0.6291
Diluted earnings per share (Ghana cedi per share)	22	GH¢0.4448	GH¢0.6291

The notes on page 15 to 45 are an integral part of these financial statements.

Statement of Recognised Income & Expense for the year ended 31 Dec. 2008

	2008 GH¢'000	Restated 2007 GH¢'000
Profit for the year	6,220	8,797
Total recognised net income for the year	6,220	8,797

The notes on page 15 to 45 are an integral part of these financial statements.

Balance Sheet as at 31 December 2008

	Note	2008 GH¢'000	Restated 2007 GH¢'000
Assets			
Property, plant and equipment	13	41,588	41,377
Intangible assets	14	15,981	15,210
Long term investments	15	14	14
Total non-current assets		57,583	56,601
Inventories	16	18,246	11,223
Income tax asset	11	734	753
Trade and other receivables	17	58,615	57,467
Amount due from related companies	25	46	53
Cash and cash equivalents	18	12,927	11,630
Total current assets		90,568	81,126
Total assets		148,151	137,727
Equity			
Share capital	21	49,722	49,722
Retained earnings	21	5,859	3,018
Total equity		55,581	52,740
Liabilities			
Bank overdraft	19	31,519	20,950
Trade and other payables	23	48,516	50,054
Amount due to related companies	25	7,035	7,224
Total current liabilities		87,070	78,228
Deferred tax liabilities	12	5,500	6,759
Total liabilities		92,570	84,987
Total liabilities and equity		148,151	137,727

DIRECTOR

DIRECTOR

The notes on page 15 to 45 are an integral part of these financial statements.

Statement of Cash Flow for the year ended 31 December 2008

	2008 GH¢'000	Restated 2007 GH¢'000
Cash flows from operating activities		
Profit before taxation	8,094	11,273
Adjustments for:		
Depreciation charges	4,191	3,996
Amortization of intangible assets	111	111
Interest received	(131)	(226)
Interest expense	4,196	2,882
Share of Associated companies profit	-	(12)
Profit on disposal of property, plant and equipment	(975)	(1,559)
	15,486	16,465
Change in inventories	(7,023)	(2,339)
Change in trade and other receivables	(1,148)	(5,826)
Change in trade and other payables	(1,538)	13,959
Changes in associated company balances	(182)	1,237
Cash generated from operations	5,595	23,496
Interest received	131	226
Interest paid	(4,196)	(2,882)
Income taxes paid	(3,114)	(3,854)
Net cash flow from operating activities	(1,584)	16,986
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,402)	(3,486)
Proceeds from sale of property, plant and equipment	975	1,895
Purchase of intangible asset – software	(882)	(144)
Net cash flow used in investing activities	(4,309)	(1,735)
Cash flows used in financing activities		
Dividend paid	(3,379)	(7,541)
Net cash flow from financing activities	(3,379)	(7,541)
Net (decrease)/increase in cash and cash equivalents	(9,272)	7,710
Analysis of changes in cash and cash equivalents during the year		
Balance at 1 January	(9,320)	(17,030)
Net cash flow	(9,272)	7,710
Balance at 31 December	(18,592)	(9,320)
Analysis of balances of cash and cash equivalents as shown in the balance sheet Cash and Bank balances	12,927	11,630
Bank overdraft	(31,519)	(20,950)
	(18,592)	(9,320)

The notes on page 15 to 45 are an integral part of these financial statements.

Notes to the Financial Statements for the year ended 31 December 2008

1. REPORTING ENTITY

Total Petroleum Ghana Limited is a company registered and domiciled in Ghana. The address of the company's registered office can be found on page 2 of the annual report. The company is authorised to carry on the business of the marketing of petroleum and allied products.

2. BASIS OF PREPARATION

a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and its interpretations adopted by the International Accounting Standards Board (IASB). These are the company's first set of financial statements prepared in accordance with IFRS and IFRS 1 has been applied. In accordance with the transitional requirements of these standards, the company has provided full comparative information. An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the company is provided in note 29.

b. Basis of measurement

They are prepared on the historical cost basis except for financial instruments and other assets that are stated at fair values.

c. Functional and presentational currency

The financial statements are presented in Ghana cedis (GH¢) which is the company's functional currency.

d. Use of estimates and judgement

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in notes 15 and 45.

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the company and in preparing an opening balance sheet at 1 January 2007 for the purpose of transition to IFRS.

a. Financial Instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investment in shares and treasury bills, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instrument not at fair value through profit and loss, any directly attributable transaction cost. Subsequent to initial recognition non-derivative financial instruments are measured at amortised cost using the effective interest rate method, less any impairment losses, if any.

Non-derivative financial instruments are categorised as follows:

- **Loans and receivables –** these are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are measured at amortised cost using the effective interest rate method, less any impairment losses.
- **Financial liabilities measured at amortised cost –** this relates to all other liabilities that are not designated at fair value through profit or loss.
- **Available-for-sale financial assets –** The company's investments in shares are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

(ii) Off setting

Financial assets and liabilities are set off and the net amount presented in the balance sheet when, and only when, the company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

(iii) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

(iv) Stated capital (share capital)

ORDINARY SHARES

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Repurchase of stated capital (treasury shares)

When stated capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is net of any tax effects, and is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on transaction is transferred to/ from retained earnings.

(b) Leases

(i) Classification

Leases that the company assumes substantially all the risks and rewards of ownership of the underlying asset are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and present value of the minimum lease payments. Subsequent to initial recognition, the leased asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are classified as operating leases.

(ii) Lease Payments

Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Minimum lease payments made under finance leases are apportioned between the finance expense and as reduction of the outstanding lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(c) Property, plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

(ii) Subsequent costs

The cost of replacing part of an item of property, plant or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in income statement as incurred.

(iii) Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Leasehold Properties	-	20-50 years
Distribution and Service Station Plants	-	10-20 years
Furniture, Equipment and Motor Vehicles	-	5-20 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date. Gains and losses on disposal of property, plant and equipment are included in the income statement.

(d) Intangible Assets

(i) Software

Software acquired by the company is stated at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is ten years.

(ii) Goodwill

Goodwill arising on acquisition represents the excess of acquisition costs over the company's interest in the fair value of net identifiable assets acquired. Goodwill is stated at cost less any accumulated impairment loss.

Goodwill is not amortised, rather it is reviewed for impairment annually. Any impairment loss is charged in the income statement.

Negative goodwill is not recognised. Any excess of fair value of net assets acquired over and above the total cost of acquisition is recognised in the income statement in the period of acquisition.

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

(f) Trade and Other Receivables

Trade receivables are stated at amortised costs, less impairment losses. Specific allowances for doubtful debts are made for receivables of which recovery is doubtful.

Other receivables are stated at their cost less impairment losses.

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and bank balances and these are carried at amortised cost in the balance sheet.

(h) Employee Benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay future amounts. Obligations for contributions to defined contribution schemes are recognised as an expense in the income statement when they are due.

(i) Revenue

(i) Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, taxes and volume rebates. Revenue is recognised when the significant risks and rewards of the ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement in the goods, and the amount of revenue can be measured reliably.

(ii) Sale of services

Revenue from services rendered is recognised in the income statement when the service is performed.

(j) Finance Income and Expense

Finance income comprises interest income on funds invested (including available-for-sale financial assets) and dividend income. Interest income is recognised in the income statement using the effective interest method. Dividend income is recognised in profit or loss on the date that the company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in the income statement using the effective interest method.

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

(k) Impairment

(i) Financial assets

A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

(ii) Non-financial assets

The carrying amounts of the company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

(l) Income Tax

Income tax expense comprises current and deferred tax. The company provides for income taxes at the current tax rates on the taxable profits of the company.

Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(m) Dividend

Dividend payable is recognised as a liability in the period in which they are declared.

(n) Post Balance Sheet Events

Events subsequent to the balance sheet date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

(o) Segment Reporting

A segment is a distinguishable component of the company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

(p) Earnings per Share

The company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(q) Comparatives

Where necessary the comparative information has been changed to agree to the current year presentation.

(r) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2008, and have not been applied in preparing these financial statements.

- IFRS 8 Operating Segments introduces the "management approach" to segment reporting. IFRS 8, which becomes mandatory for the company's 2009 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the company's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Currently the company presents segment information in respect of its business segments (see note 5). Under the management approach, the company will present segment information in respect of marketing and haulage.

- Revised IAS 23 Borrowing Costs removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised IAS 23 will become mandatory for the company's 2009 financial statements and will constitute a change in accounting policy for the company.

In accordance with the transitional provisions the company will apply the revised IAS 23 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date.

- IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements: Puttable Financial Instruments and Obligations Arising on Liquidation will become mandatory for the 31 December 2009 financial statements. This amendment requires certain puttable instruments that meet the definition of a financial liability to be classified as equity if and only if they meet the required conditions. It is not expected to have any impact on the financial statements.

- IFRS 2 amendment Share based payment: vesting conditions and cancellations will become mandatory for the 31 December 2009 financial statements and applies retrospectively. The amendments apply to equity-settled share-based payment transactions and clarify what are vesting and "non-vesting conditions". Vesting conditions are now limited to service conditions (as defined in the current IFRS 2) and performance conditions. Non-vesting conditions are conditions that do not determine whether the entity receives the services that entitle the counterparty to a share-based payment are non-vesting conditions. Non-vesting conditions are taken into account in measuring the grant date fair value and thereafter there is no "true-up" for differences between expected and actual outcomes. These changes will have no impact on the company's financial statements.

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

- IFRS 3 Business Combinations will become mandatory for the 31 December 2010 financial statements. This standard requires all future transaction costs relating to business combinations to be expensed and contingent purchase consideration recognised at fair value at acquisition date. For successive share purchases, any gain or loss for the difference between the fair value and the carrying amount of the previously held equity interest in the acquiree must be recognised in profit and loss. It is not expected to have any impact on the company's financial statements.

- IFRIC 12 Service Concession Arrangements provides guidance on certain recognition and measurement issues that arise in accounting for public-to-private service concession arrangements. IFRIC 12, which becomes mandatory for the company's 2008 financial statements, is not expected to have any effect on the financial statements.

- IFRIC 13 Customer Loyalty Programmes addresses the accounting by entities that operate, or otherwise participate in, customer loyalty programmes for their customers. It relates to customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. IFRIC 13, becomes mandatory for the company's 2009 financial statements.

- IFRIC 14 and IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on the impact of minimum funding requirements (MFR) on such assets. It also addresses when a MFR might give rise to a liability. IFRIC 14 will become mandatory for the company's 2008 financial statements, with retrospective application required. It is not expected to have any impact on the financial statements.

4. DETERMINATION OF FAIR VALUES

A number of the company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the current market rate of instruments with similar credit risk profile and maturity at the reporting date. Receivables due within 6-month period are not discounted as the carrying values of approximate their fair values.

(ii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. Instruments with maturity period of 6 months are not discounted as their carrying values approximate their fair values.

(iii) Investments in equity

The fair value of available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date.

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

5. SEGMENT REPORTING

(i) Segmental information is presented in respect of the company's business segments. The primary format and business segments, is based on the company's management and internal reporting structure.

The company's results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses which are managed centrally.

The three main business segments reported are:

- Network
- Commercial sale; and
- others

The company does not have a geographical segment.

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

5. SEGMENT REPORTING cont'd

		2008 GH¢'000	2007 GH'000
Network			
	Net Turnover	319,359	232,383
	Cost of Sales	(301,307)	(214,334)
	Gross Margin	**18,052**	**18,049**
Commercial			
	Net Turnover	130,714	86,649
	Cost of Sales	(122,536)	(79,997)
	Gross Margin	**8,178**	**6,652**
Others			
	Net Turnover	116,441	85,357
	Cost of Sales	(110,258)	(79,904)
	Gross Margin	**6,183**	**5,453**
Other Income		7,182	6,126
Total Gross Income		39,595	36,280
Unallocated Expenses		(27,436)	(22,351)
Results from Operating Activities		12,159	13,929
Net Finance Costs		(4,065)	(2,656)
Income Tax		(1,874)	(2,476)
Profit for the year		6,220	8,797
Total Assets		148,151	137,727
Total Liabilities		92,212	84,987
Other Segment Items			
Depreciation and Amortisation		4,302	4,107

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

6. REVENUE

	2008	2007
	GH¢'000	GH'000
Gross Sales Value	668,662	514,052
Less: Customs Duty and Levies	(102,148)	(109,662)
Net Sales Value	566,514	404,390

7. OTHER INCOME

	2008	2007
	GH¢'000	GH'000
Rent income	1,892	1,530
Profit on disposal of property plant and equipment	974	1,559
Gain on exchange	1,777	130
Fee for management of mining fuel depot	172	210
Others	2,367	2,669
Staff Loan Discount Recycle	-	16
Share of Associated Company's Profit	-	12
	7,182	6,126

8. PROFIT BEFORE TAX IS STATED AFTER CHARGING

	2008	2007
	GH¢'000	GH'000
Personnel cost (note 9)	4,153	3,454
Auditors remuneration	56	48
Depreciation	4,191	3,996
Amortisation of software	111	111
Directors emoluments	128	105
Net finance cost (note 10)	4,065	2,656
Donation	51	48

9. PERSONNEL COSTS

	2008	2007
	GH¢'000	GH'000
Wages and salaries	2,974	2,364
Social security contributions	280	221
Other staff expenses	899	869
	4,153	3,454

The average number of persons employed by the company during the year was 136 (2007: 127).

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

10. NET FINANCE EXPENSE

	2008 GH¢'000	2007 GH'000
Interest income	131	226
Interest expense	(4,196)	(2,882)
	(4,065)	(2,656)

11. TAXATION

(i) Income tax expense

	2008 GH¢'000	2007 GH'000
Current tax expense 11(ii)	3,133	3,367
Deferred tax expense (12)	(1,259)	(891)
	1,874	2,476

Deferred tax expense relates to the origination and reversals of temporary differences.

(ii) Taxation payable

	Balance at 1/1/08 GH¢'000	Payments during the year GH¢'000	Charged to P/L account GH¢'000	Balance at 31/12/08 GH¢'000
Income Tax				
Up to 2003	(82)	-	-	(82)
2004	(170)	-	-	(170)
2005	(281)	-	-	(281)
2006	309	-	-	309
2007	89	(132)	-	(43)
2008	-	(2,915)	2,666	(249)
Withholding Tax	(589)	(23)	423	(189)
Capital Gains Tax	-	(44)	44	-
National Reconstruction Levy				
Up to 2006	(29)	-	-	(29)
	(753)	(3,114)	3,133	(734)

Tax liabilities up to and including the 2005 year of assessment have been agreed with the tax authorities. The remaining liabilities are however subject to agreement with the tax authorities.

National Reconstruction Levy: This relates to a levy imposed on companies by the Government on profits before tax between 2001 and 2005. This levy has been abolished.

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

(iii) Reconciliation of effective tax rate

	2008 GH¢'000	Restated 2007 GH'000
Profit before taxation	8,094	11,273
Income tax using the domestic tax rate (25%)	2,274	2,753
Non-deductible expenses	1,398	5,978
Tax incentives not recognised in the income statement	(539)	(7,146)
Deferred tax	(1,259)	891
Current tax charge	1,874	2,476
Effective tax rate	23.15%	21.96%

12. Deferred Taxation

	2008 GH¢'000	Restated 2007 GH'000
Balance at 1 January	6,759	58
Adjustments on revaluation	-	7,592
Charged for the year	(1,259)	(891)
Balance at 31 December	5,500	6,759

(i) Recognised deferred tax assets and liabilities.

Deferred tax liabilities are attributable to the following:

	Assets GH¢'000	Liabilities GH¢'000	2008 Net GH¢'000	Assets GH¢'000	Liabilities GH¢'000	2007 Net GH¢'000
Property, plant and equipment	-	6,097	6,097	-	6,360	6,360
Others	(597)	-	(597)	-	399	399
Net tax (assets)/liabilities	(597)	6,097	5,500	-	6,759	6,759

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Properties GH¢'000	Distribution Service Station Plants GH¢'000	Furniture Equipment & Motor Vehicle GH¢'000	Capital Work-in Progress GH¢'000	Total GH¢'000
Cost					
At 1/1/2008	11,941	22,081	5,751	9,576	49,349
Additions	4	4	70	4,324	4,402
Transfers	410	9,021	472	(9,903)	-
Disposal	-	(6)	(4)	-	(10)
At 31/12/2008	12,355	31,100	6,289	3,997	53,741
Accumulated Depreciation					
At 1/1/2008	1,132	4,145	2,695	-	7,972
Charge for the year	624	3,082	485	-	4,191
Release on Disposals	-	(6)	(4)	-	(10)
At 31/12/2008	1,756	7,221	3,176	-	12,153
Carrying Amount					
At 31/12/2008	10,599	23,879	3,113	3,997	41,588

	Leasehold Properties GH¢'000	Distribution Service Station Plants GH¢'000	Furniture Equipment & Motor Vehicle GH¢'000	Capital Work-in Progress GH¢'000	Total GH¢'000
Cost					
At 1/1/2007 (Restated)	12,343	22,081	5,842	6,090	46,356
Additions	-	-	-	3,486	3,486
Disposal	(402)	-	(91)	-	(493)
At 31/12/2007	11,941	22,081	5,751	9,576	49,349
Accumulated Depreciation					
At 1/1/2007	550	1,288	2,295	-	4,133
Charge for the year	648	2,857	491	-	3,996
Release on Disposals	(66)	-	(91)	-	(157)
At 31/12/2007	1,132	4,145	2,695	-	7,972
Carrying Amount					
At 1/1/2007	11,793	20,793	3,547	6,090	42,223
At 31/12/2007	10,809	17,936	3,056	9,576	41,377
At 31/12/2008	10,599	23,879	3,113	3,997	41,588

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

Profit on disposal of property, plant and equipment

	2008 GH¢'000	2007 GH'000
Cost	10	493
Accumulated Depreciation	(10)	(157)
Net Book Value	-	336
Sale proceeds	(975)	(1,895)
Profit on disposal	(975)	(1,559)

14. INTANGIBLE ASSETS

	2008 GH¢'000	Restated 2007 GH'000
Software Cost (Note 14(a))	889	1,000
Goodwill (Note 14(b))	15,092	14,210
	15,981	15,210

(A). Software Cost

	2008 GH¢'000	Restated 2007 GH'000
Balance at 1 January	1,111	967
Acquisition	-	144
Balance at 31 December	1,111	1,111
Amortisation		
Balance at 1 January	111	-
Amortisation for the year	111	111
Balance at 31 December	222	111
Carrying amount		
At 31 December	889	1,000

This relates to the cost of purchased software.

(B) Goodwill

	2008 GH¢'000	Restated 2007 GH'000
Balance at 1 January (as restated)	14,210	14,210
Addition	882	-
Balance at 31 December	15,092	14,210

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

	2008 GH¢'000	Restated 2007 GH'000
Impairment		
Balance at 1 January	-	-
Balance at 31 December	-	-
Carrying Amount		
At 31 December	15,092	14,210

This relates to the acquisition of Total Ghana Limited in 2006.

15. LONG TERM INVESTMENTS

(a) Total Investments in Securities

	2008 GH¢'000	Restated 2007 GH'000
Investment in Associated Companies	12	12
Trade Investments	2	2
Balance at 31 December	14	14

(b) Associated Companies

Ghana Bunkering Services Limited	12	12
Road Safety Limited (RSL)	-	-
Balance at 31 December	12	12

(c) Trade Investments

Tema Lube Oil Company Limited	2	2
Road Safety Limited (RSL)	-	-
	14	14

This represents investments in:

Ghana Bunkering Services Limited

The investment in Ghana Bunkering Limited represents shares, held by the company conferring the right to exercise 48.5% of the votes exercisable at general meetings. Ghana Bunkering Services Limited is a company incorporated under the laws of Ghana to provide bunkering services to petroleum marketers in the country.

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

Road Safety Limited (RSL)

The company has a 50% interest in RSL (formerly, Petroleum Road Transport Safety Limited), a company incorporated in September 1999 under the laws of Ghana. Its principal business is to provide driver education and maintenance services for the haulage of petroleum products.

16. INVENTORIES

	2008 GH¢'000	2007 GH'000
Trading		
Lubricants	9,076	4,520
Bitumen	1,729	1,643
Fuel	775	2,618
Additives	4,683	1,065
TOM Cards	40	-
LPG Accessories and Cylinders	-	11
Non-Trading		
Materials and Supplies	1,943	1,366
	18,246	11,223

17. TRADE AND OTHER RECEIVABLES

	2008 GH¢'000	2007 GH'000
Trade receivables due from customers	54,996	54,130
Other receivables	591	1,214
Staff Debtors	588	216
Prepayments	2,440	1,907
	58,615	57,467

18. CASH AND CASH EQUIVALENTS

	2008 GH¢'000	Restated 2007 GH'000
Bank balances	12,927	11,629
Cash balances	-	1
	12,927	11,630

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

19. BANK OVERDRAFT

	2008 GH¢'000	2007 GH'000
Barclays Bank Ghana Limited	84	459
Agricultural Development Bank Ghana Limited	201	-
Ecobank Ghana Limited	17,656	12,703
Standard Chartered Bank Ghana Limited	6,540	956
Merchant Bank Ghana Limited	-	3,003
Ghana Commercial Bank Limited	26	425
SG-SSB Ghana Limited	6,894	3,117
The Trust Bank Ghana Limited	9	186
National Investment Bank Limited	109	97
Bessfa Rural Bank	-	4
	31,519	20,950

a) Barclays Bank Ghana Limited

The company has an unsecured overdraft facility not exceeding GH¢5 million with Barclays Bank Ghana Limited to finance working capital. Bank facilities not used and not renewed.

b) Ecobank Ghana Limited

The company has an unsecured overdraft facility not exceeding GH¢18.5 million with Ecobank to finance the company's receivables, additions to inventories and other operational bills. The facility expires on 30 December 2009.

c) Standard Chartered Bank Ghana Limited

The company has an unsecured overdraft facility not exceeding GH¢12.3 million with Standard Chartered Bank Ghana Limited to finance working capital. The facility expires on 30 December 2009.

d) Merchant Bank Ghana Limited

The company has an unsecured overdraft facility not exceeding GH¢3 million with Merchant Bank Ghana Limited to augment working capital. The renewal of the facility for 2009 is on going.

e) SG-SSB Ghana Limited

The company has an unsecured overdraft facility not exceeding GH¢6.6 million with SG-SSB Ghana Limited to augment working capital. The facility is a revolving one, renewable every year.

(f) Interest rate for A to E falls within 17% (BoG) and 30% maximum.

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

20. CAPITAL AND RESERVES

(i) Reconciliation of movement in capital and reserves.

	Share Capital GH¢'000	Retained Earnings GH¢'000	Total Equity GH'000
Balance at 1 January 2008(Restated)	49,722	3,018	52,740
Total recognized income and expense	-	6,220	6,220
Dividend	-	(3,379)	(3,379)
Balance at 31 December 2008 (Restated)	49,722	5,859	55,181

	Share Capital GH¢'000	Retained Earnings GH¢'000	Total Equity GH'000
Balance at 1 January 2007 (Restated)	49,722	9,354	59,076
Total recognized income and expense	-	8,797	8,797
Dividend paid	-	(7,541)	(7,541)
Deferred taxation	-	(7,592)	(7,592)
	-	-	-
Balance at 31 December 2007	49,722	3,018	52,740

(ii) Stated capital

(a) Ordinary shares

	2008 No of Shares	2008 GH¢'000 Proceeds	2007 No of Shares	2007 GH¢'000 Proceeds
Authorised:				
Ordinary Shares of no par value	50,000,000		50,000,000	
Issued and fully paid For cash	610,000	22	610,000	22
For consideration other than cash	10,069,259	49,694	10,069,259	49,694
Capitalisation issue	3,305,000	6	3,305,000	6
	13,984,259	49,722	13,984,259	49,722

The holders of the ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the company.

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

21. EARNINGS PER SHARE

(i) Basic

Basic earning per share is calculated by dividing the net profit attributable to equity holders of the company by the weighted average number of shares in issue during the year.

	2008 GH¢'000	2007 GH'000
Profit attributable to equity holders of the Company (expressed in GH¢'000)	6,220	8,797
Weighted average number of ordinary shares in issue	13,984,259	13,984,259
Basic earnings per share (expressed in GH¢ per share)	0.4448	0.6291

(ii) Diluted

Diluted earning per share is calculated by adjusting the weighted average number of ordinary shares, to assume of all dilutive potential ordinary shares. At 31 December 2008 and 2007, the company had no dilutive potential ordinary shares.

22. TRADE AND OTHER PAYABLES

	2008 GH¢'000	2007 GH'000
Trade payables due to related parties	25,957	23,296
Non-trade payables and accrued expenses	1,504	9,432
Accrued Charges	21,055	17,326
	48,516	50,054

23. FINANCIAL RISK MANAGEMENT

(i) Overview

The company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risks

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

Risk management framework

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The board's audit committee is responsible for monitoring compliance with the company's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the company.

The audit committee gain assurance in relation to the effectiveness of internal control and risk management from: summary information in relation to the management of identified risks; detailed review of the effectiveness of management of selected key risks; results of management's self assessment process over internal control; and the independent work of the Global Audit and Risk function, which ensures that the audit committee and management understand the company's key risks and risk management capability; sets standards on governance and compliance; and provides assurance over the quality of the company's internal control and management of key risks.

The company also has in place an internal audit department, which monitors compliance with internal procedures and processes and also assess the effectives of internal controls.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered.

The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

(ii) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivable from customers.

Trade and other receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit control committee has established a credit policy under which a new customer is analysed individually for credit worthiness before the company's standard payment terms and conditions are offered. The company generally trades with pre-defined and selected customers. Credit exposure on trade receivable is covered by customers issuing post-dated cheques to cover amount owed, as well the use of dealer's security deposits.

Allowances for impairment

The company establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss allowance established for homogeneous assets in respect of losses that have been incurred but have not yet been identified. The collective loss allowance is determined based on historical data of payment for similar financial assets.

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

Exposure to credit risks

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2008 GH¢'000	2007 GH'000
Trade and other receivables	58,615	57,467
Amount due from related companies	46	53
Cash and cash equivalents	12,927	11,630
	71,588	69,150

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	2008 GH¢'000	2007 GH'000
Individuals and companies	54,996	54,130
Public Institutions	-	-

Impairment losses

The aging of trade receivables at the reporting date was:

	2008 Gross GH¢'000	2008 Impairment GH¢'000	2007 Gross GH¢'000	2007 Impairment GH¢'000
Current (less than 30 days)	32,324	-	34,596	-
Due but not impaired (30-180 days)	18,544	-	11,183	-
Impaired (more than 180 days)	10,183	6,055	13,311	4,960
	60,151	6,055	59,090	4,960

The movement in the allowance in respect of trade receivables during the year was as follows:

	2008 GH¢'000	2007 GH'000
Balance at 1 January	4,960	4,079
Impairment loss recognised	1,095	1,077
Write off	-	(196)
Balance at 31 December	6,055	4,960

Based on historical default rates, the company believes that no impairment is necessary in respect of trade receivables past due up to 180 days. However, impairment loss has been recognised for specific customers whose debts are considered impaired.

No impairment loss was recognised for financial assets other than trade receivables.

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

(iii) Liquidity risk

Liquidity risk is the risk that the company either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access them only at excessive cost. The company's approach to managing liquidity is to ensure that it will maintain adequate liquidity to meet its liabilities when due.

The following are contractual maturities of financial liabilities:

31 December 2008

	Amount GH¢'000	0 - 6 mths GH¢'000	6-12 mths GH¢'000	1-3 years GH¢'000
Non-derivative financial liability				
Trade and other payables	48,516	48,516	-	-
Bank overdraft	31,519	31,519	-	-
Balance at 31 December 2008	80,035	80,035	-	-

31 December 2007

	Amount GH¢'000	0 - 6 mths GH¢'000	6-12 mths GH¢'000	1-3 years GH¢'000
Non-derivative financial liability				
Trade and other payables	50,054	50,054	-	-
Bank overdraft	20,950	20,950	-	-
Balance at 31 December 2007	71,004	71,004	-	-

(iv) Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of

market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The company is exposed to currency risk on purchases and borrowings that are denominated in currencies other than the functional currency. The currencies in which these transactions primarily are denominated are Euro, Great British Pounds and US Dollars.

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

Currency Risk

The company's exposure to foreign currency risk was as follows based on notional amounts.

	31 December 2008			31 December 2007		
	EURO	USD	GBP	EURO	USD	GBP
Bank overdraft	(1,267)	(111,177)	-	(11,105)	(557,663)	-
Intercompany balances	(2,876,940)	(1,679,901)	-	(1,834,345)	(4,862,338)	-
Bank balances	-	8,942,134	-	-	9,943,108	-
Trade payables	-	(5,998,193)	-	-	(9,987,934)	-
Gross exposure	(2,878,207)	1,152,863	-	(1,845,450)	(5,420,001)	-

The following significant exchange rates applied during the year:

	Average Rate		Reporting Rate	
	2008	2007	2008	2007
Ghana Cedi:				
Euro 1	1.5627	1.2878	1.7399	1.4294
USD 1	1.0667	0.9390	1.2345	0.9701

Sensitivity analysis on currency risks

The following table shows the effect of a strengthening or weakening of GH¢ against all other currencies on the company's income statement. This sensitivity analysis indicates the potential impact on the income statement based upon the foreign currency exposures recorded at December 31. (See "currency risk" above) and it does not represent actual or future gains or losses. The sensitivity analysis is based on the percentage difference between the highest daily exchange rate and the average exchange rate per currency recorded in the course of the respective financial year.

A strengthening/ weakening of the GH¢, by the rates shown in the table, against the following currencies at 31 December have increased/decreased equity and income statement by the amounts shown below.

This analysis assumes that all other variables, in particular interest rates, remain constant.

As of 31 December	2008			2007		
In GH¢	% Change	Income statement impact: Strengthening	Income statement impact: Weakening	% Change	Income statement impact: Strengthening	Income statement impact: Weakening
		GH¢'000	GH¢'000		GH¢'000	GH¢'000
Euro	±7%	342	(342)	±7%	130	(130)
US$	±5%	(70)	70	±5%	268	(268)

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

Interest rate risk Profile

At the reporting date the interest rate profile of the company's interest-bearing financial instruments was:

	Carrying amounts	
	2008	2007
	GH¢'000	GH'000
Variable rate instrument		
Financial liabilities	31,519	20,950

Fair value sensitivity analysis for fixed rate instrument

The company did not have fixed rate instrument at 31 December 2008 and also at 31 December 2007.

Cash flow sensitivity analysis for variable rate instrument

A change of 200 basis points in interest rate at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2007.

	Carrying amounts	
	200bp Increase	200bp Decrease
	GH¢'000	GH'000
Effect in cedis		
31 December 2008		
Variable rate instrument	325	-
31 December 2008		
Variable rate instrument	315	-

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	31 December 2008		31 December 2007	
(i) Loans and receivables	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Trade and other receivables	58,615	58,615	57,468	57,468
Cash and cash equivalents	12,927	12,927	11,630	11,630
	71,542	71,542	69,098	69,098

	31 December 2008		31 December 2007	
(ii) Other financial liabilities	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Trade and other payables	48,516	48,516	50,054	50,054
Bank overdraft	31,519	31,519	20,950	20,950
	80,035	80,035	71,004	71,004

24 RELATED PARTY TRANSACTIONS

i. The company is a subsidiary of Total Outre-Mer S. A., a company registered in Paris, France.

ii. Chemical additives and consumables costing GH¢35,540,967 (2007: GH¢21,638,970) were procured from Total Outre-Mer S. A.

iii. Included in general and administrative expenses is an amount of GH¢4,968,986 (2007: GH¢3,950,967) in respect of technical assistance fee payable to Total Outre-Mer S. A.

iv. Lubricants amounting to GH¢Nil (2007: GH¢65,517) were sold to Total Togo during the year.

Outstanding balances in respect of transactions with related parties at the year end were as follows:

(a) Amount due from group companies

	2008	2007
	GH¢'000	**GH'000**
Total - Burkina	7	7
Total - Mali	2	2
Total - Togo	42	42
Total - Nigeria	(5)	2
	46	53

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

(b) Amount due to group companies

	2008 GH¢'000	2007 GH'000
Total Outre-Mer S.A.	6,845	5,680
Air Total International	190	1,544
	7,035	7,224

25. DIVIDENDS

After the balance sheet date the following dividends were proposed by the directors. The dividends have not been provided for and there are no income taxes consequences on the company's position.

	2008 GH¢'000	Restated 2007 GH'000
GH¢0.1409 per qualifying ordinary shares (2007:GH¢0.4964)	1,970	6,942

26. CAPITAL COMMITMENTS

There were no commitments for capital expenditure not provided for at the balance sheet date and also at 31 December 2007.

27. EMPLOYEE BENEFITS

Defined Contribution Plans

(i) Social Security

Under a national defined benefit pension scheme, the company contributes 12.5% of employees' basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions. The company's obligation is limited to the relevant contributions, which were settled on due dates. The pension liabilities and obligations, however, rest with SSNIT.

(ii) Provident Fund

The company has a provident fund scheme for staff under which the company contributes 10% of staff basic salary. The obligation under the plan is limited to the relevant contribution and these are settled on due dates to the fund manager.

28. EXPLANATION OF TRANSITION TO IFRS RECONCILIATION IN EQUITY

As stated in note 2(a), these are the company's first financial statements prepared in accordance with IFRS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 December 2008, the comparative information presented in these financial statements for the year ended 31 December 2007 and in the preparation of an opening IFRS balance sheet at 1 December 2008 (the company's date of transition).

In preparing its opening IFRS balance sheet, the company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (Ghana Accounting Standards). An explanation of how the transition from the previous GAAP to IFRS has affected the company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

	Note	GAS	Effect of transition to IFRSs	IFRSs	GAS	Effect of transition to IFRSs	IFRSs
			1 January 2007			31 December 2007	
Assets							
Property, plant and equipment	a	43,190	(967)	42,223	42,488	(1,111)	41,377
Intangible assets	a,d	14,082	967	15,049	13,225	1,985	15,210
Long term investment	c	57	(55)	2	57	(43)	14
Deferred tax asset	d	-		-	833	(833)	-
Inventories		8,884		8,884	11,223	-	11,223
Income tax asset		266		266	753	-	753
Trade and other receivables	b	51,747	(36)	51,711	57,701	(234)	57,467
Amount due from related companies		146	-	146	53	-	53
Cash and cash equivalents		7,750	-	7,750	11,630	-	11,630
Total Assets		126,122	(91)	126,031	137,963	(236)	137,727

	Note	GAS	Effect of transition to IFRSs	IFRSs	GAS	Effect of transition to IFRSs	IFRSs
			1 January 2007			31 December 2007	
Liabilities							
Equity							
Share Capital	e	50,052	(330)	49,722	50,052	(330)	49,722
Capital surplus	g	7	(7)	-	7	(7)	-
Retained Earnings	f, g	5,217	4,137	9,354	6,442	(3,424)	3,018
Total equity		55,276	3,800	59,076	56,501	(3,761)	52,740
Bank overdraft		24,780		24,780	20,950	-	20,950
Trade and other payables		36,095		36,095	50,054	-	50,054
Amount due to related companies		6,080		6,080	7,224	-	7,224
Dividend payable	e	3,833	(3,833)	-	3,234	(3,234)	-
Deferred tax liabilities		58	(58)	-	-	6,759	6,759
Total liabilities and equity		126,122	91	126,031	137,963	(236)	137,727

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

The adjustments listed above have been described in the notes set out below:

Effect of transition to IFRS 31 December 2007

(a) Under the previous Ghana Accounting Standards software acquired by the company in 2006 and 2007 were capitalized by debiting them to capital work in progress. As the cost was not transferred to PPE proper it was not amortized. IFRS requires software to be stated at cost less accumulated amortization and accumulated impairment losses and recognised as intangible assets. In line with IFRS the software costs of GH¢967,484 and GH¢144,116 respectively for 2006 and 2007 have been reclassified to intangible assets, amortized and tested for impairment and and amortised cost of GH¢111,160 charged to income statement of 2007. The software costs of GH¢967,484 and GH¢144,116 respectively for 2006 and 2007 have been reclassified in the closing balance of 2006 and 2007 financial statement.

(b) The merger between the Total Petroleum Ghana Limited (formerly Mobil Oil Ghana Limited) and Total Ghana Limited resulted in the creation of goodwill which at 31 December 2007 amount to GH¢14,209,899. IFRS requires that goodwill be carried at fair value and tested for impairment annually. The company had a policy to amortise goodwill over a period of ten years. The previous Ghana Accounting Standards permit the company's treatment of goodwill. In line with IFRS, goodwill cost amortised amounting to GH128,416 and GH¢856,679 for 2006 and 2007 respectively were reversed.

(c) Under the previous Ghana Accounting Standards investment in associated companies was recognised at cost, under IFRS investment in associated companies are to be recognised using the equity method. The equity method of accounting resulted in recognition of the share of associated company loss of GH¢55,416 and share of profit of GH¢11,989 for financial year 2006 and 2007 respectively.

During the merger between Mobil Oil Ghana Limited and Total Ghana Limited the assets of Total Ghana Limited were taken over at fair value. No deferred taxes were however computed on the revised figures. IFRS requires deferred taxes to be compiled on all differences between the tax and accounting issue of asset. The resultant deferred tax charge of GH¢7,592,000 has been included in income surplus and deferred tax.

(e) During the merger between Mobil Oil Ghana Limited and Total Ghana Limited, additional Mobil Oil Ghana Limited shares were issued to shareholders of Total Ghana Limited in the transaction. Through a dispensation granted by the Ghana Stock Exchange, share listing expenses are allowable expenses for tax purposes. Listed companies are therefore allowed to pass share listing expenses to profit and loss. Share listing expenses relate to those expenses incurred on transaction advisors/brokers and listing fees by companies in listing on the Ghana Stock Exchange.

The share listing expenses amounted to GH¢329,800. This was charged in the 2006 financials. However, IFRS requires the amounts to be deducted from equity. In line with IFRS this has been adjusted to equity in the closing balance of 2006 financial statements.

(f) Under the previous Ghana Accounting Standards dividend to be proposed by the directors accrued for in the financial statements pending the declaration and approval of the shareholders at annual general meeting of members of the company. IFRS requires that dividend payable is recognised as a liability in the period in which they are declared by the shareholders at an annual general meeting. Dividend proposed by the directors amounting to GH¢3,832,500 and GH¢6,941,950 for 2006 and 2007 respectively and accrued for in the 2006 and 2007 financial statements are therefore not legitimate liabilities and have therefore been reversed

(g) The fixed assets register of the company measures property plant and equipment based on both cost and revalue figures that was last carried in 1983. As part of the first time adoption rules, the company had to adopt the cost or revaluation model. They have adopted the cost model as the basis for accounting for property plant and equipment. With the adoption of the cost model IFRS requires that the revalued amount will be deemed as the cost of the assets valued and the resulting revaluation surplus transferred to retained earnings. In line with IFRS the revaluation surplus of GH¢6,644 has been adjusted to retained earnings in the closing balance of 2006 financial statement.

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

(h) The effect on the income statement for the year ended 31 December 2007 was to increase the previously reported profit of GH¢ 8,167,000 for the year by GH¢ 630,000.

Reconciliation of profit for 2007

	Note	GAS	Effect of transition to IFRSs	IFRSs
			1 January 2007	
		GH¢'000	GH¢'000	GH¢'000
Revenue		404,390	-	404,390
Cost of sales		(374,236)	-	(374,236)
Gross profit		30,154	-	30,154
Other income	c,h	6,324	(198)	6,126
General and admin expenses	i	(22,953)	602	(22,351)
Operating profit before financing cost		13,525	404	13,921
Net finance cost	h	(2,882)	226	(2,656)
Profit before tax		10,643	630	11,273
Income expense		(2,476)	-	(2,476)
Profit after tax		8,167	630	8,797

The effects of adjustments on the income statement are described below

(i) Interest income of GH¢226,000 reclassified from other income to net financial charges.

(j) The discount on staff loans of GH¢260,000 is added to staff cost and hence increases administrative expenses.

(k) Share of associated companies profit before tax of GH¢12,000 recognised

29. SHAREHOLDING INFORMATION

(i) Directors' Shareholding

The Director named below held the following number of shares in the company as at 31 December 2008:

	2008	2007
	GH¢'000	GH'000
Ordinary Shares		
Edward Patrick Larbi Gyampoh	2,625	2,625
	2,625	2,625

Notes to the Financial Statements for the year ended 31 Dec. 2008 cont'd

(ii) Number of Shares in Issue

Earnings and dividend per share are based on 13,984,259 (2007: 13,984,259) ordinary shares in issue during the year.

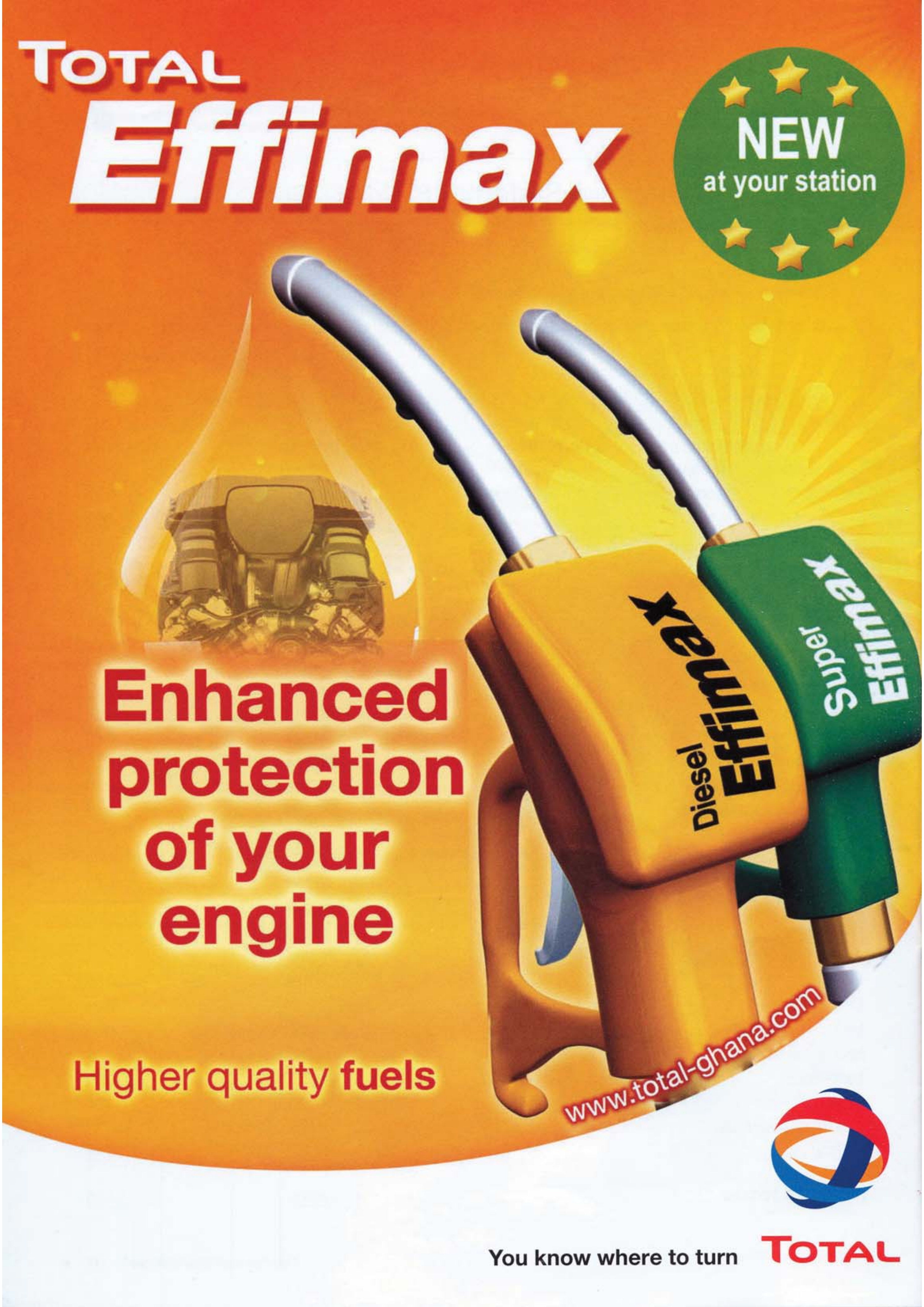
(iii) Number of Shareholders

The company had 13,984,259 ordinary shareholders at 31 December 2008 distributed as follows:

Holdings	No. of Holders	Total Holding	% Holding
1 - 1,000	3,768	761,499	5.45
1,001 - 5,000	109	179,057	1.28
5,001 - 10,000	4	29,052	0.21
10,001 and over	12	13,014,651	93.06
	3,893	13,984,259	100.00

(iv) List of twenty largest shareholders as at 31 December 2008

Names of Shareholders	Number of Shares Held	% Holding
Total Outre Mer S.A.	6,100,320	43.62
Total Africa Limited	4,630,949	33.12
National Investment Bank	1,244,879	8.90
Social Security & National Insurance Trust	365,443	2.61
Total Staff Provident Fund	348,566	2.49
Ghana Oil Company Limited	130,066	0.93
SSNIT SOS Fund	52,669	0.38
Mobil Oil Ghana Limited Employees	47,250	0.34
Mr. A. N. Kwabi	31,750	0.23
Dr. J. A. Blankson	25,249	0.18
NTHC Limited	17,227	0.12
Afrigha Tech & Mech Const.	14,783	0.11
Mr. B. K. Glymin Jnr.	8,369	0.06
Dr. E. E. Sackey	7,438	0.05
Mad. K. A. Otoo	7,438	0.05
Mr. F. K. Poku	6,738	0.05
Equity Focus	6,010	0.04
HFC Equity Fund	5,343	0.04
SAS ITF Boateng Mary	4,000	0.03
Mr. G. A. Clottey	3,518	0.03
REPORTED TOTALS	13,058,005	93.38


TOTAL
Effimax
NEW
at your station
Diesel
Effimax
Super
Effimax
Enhanced protection of your engine
Higher quality fuels
www.total-ghana.com
You know where to turn
TOTAL

Network And Commercial Development

Total Effimax Launch

Through constant innovation, Total has once again introduced a new brand of fuel, **TOTAL EFFIMAX**, onto the Ghanaian market.

Our customers should not only expect considerable savings when they use the **TOTAL EFFIMAX** range of fuels due to reduced fuel consumption and an improvement in engine durability, but also experience protection of fuel system against corrosion and reduced pollutant emissions.

TOTAL EFFIMAX has certainly become a household name in Ghana, the first country worldwide to launch the product.

TOTAL
Effimax

Multiple Award Winners

Total Petroleum Ghana Ltd. chalked several successes in year 2008 with several awards being conferred on the company locally and internationally for our marketing efforts.

The Energy Marketing Awards 2008 in Paris selected us for a truly outstanding contribution to the development of petroleum products.

"Club Elite" Special Award

We were again put in the limelight when we annexed the "Club Elite" Special Award at the 2008 TOP OSCAR Awards ceremony held in Seville, Spain. The heavily-contested event had various award categories with Total Petroleum Ghana Limited scoring high on the implementation of good basic management practices at the Mamfe Service Station.

Under the auspices of H.E. Otumfuo Osei Tutu, the award of best Oil Marketing Company, Gold Category, was conferred on us during the Ashanti Excellence Awards ceremony.

New Developments

Atwima Mim Service Station

With the vibrant and dynamic industry we find ourselves in, we take every opportunity to grow our business.

In the course of the year, we have partnered with private investors to put up service stations in the regions.

This initiative has contributed greatly to sustaining our business in an otherwise tough environment.

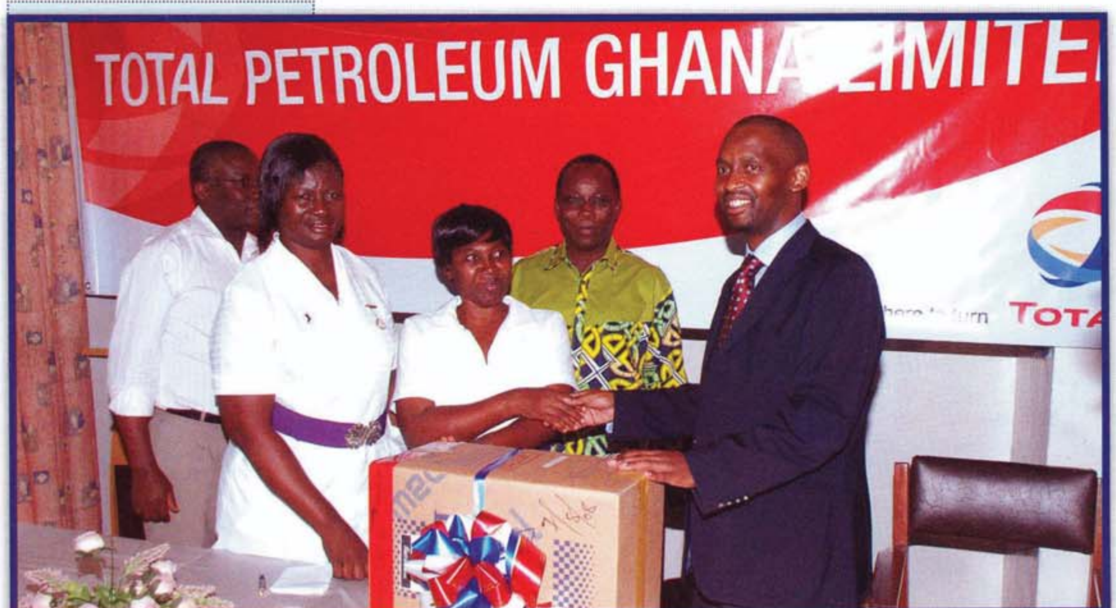
Corporate Social Responsibility

We have always taken pride in building good relationships within our neighbourhood. Apart from promoting good integration of our activities in our socio-cultural environment, we are always happy to make an impact on local individuals with our Corporate Social Responsibility programmes.

Presentation To The Plastic Surgery & Burns Unit

Total Petroleum Ghana Limited places a great deal of importance on the health of its stakeholders. In line with this, medical equipment worth USD$10,000 was presented to the Plastic Surgery and Burns Unit of the Korle-bu Teaching Hospital.

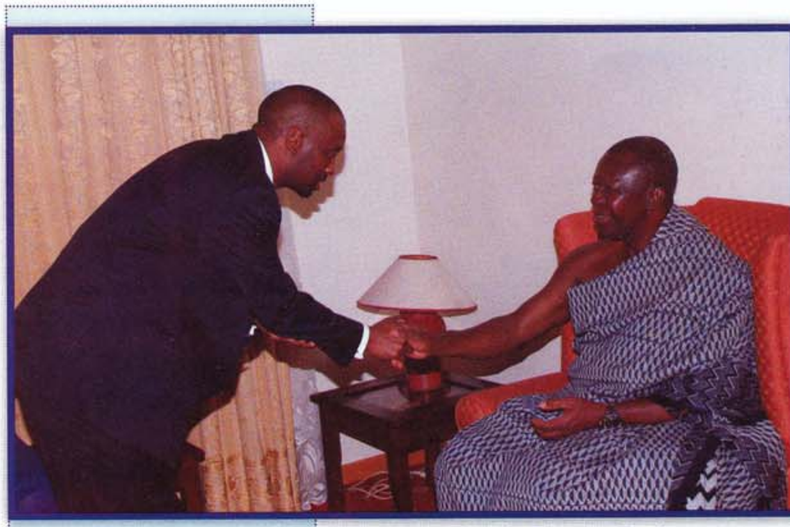
The equipment, made up of a Multi-parameter Colour Monitor and its accessories, is used to monitor patients at the unit.



Presentation to Korle-bu

Donation To Otumfuo Education Fund

Training and individual skills development continues to take centre stage in our local community initiatives. An amount of $10,000 USD was donated to the Otumfuo Education Fund, which would assist in educating more needy but brilliant students across the country.



Donation to Otumfuo Education Fund

Corporate Social Responsibility cont'd

World Malaria Day

In support of WHO's declaration of 2008 as the Year of Campaign against Malaria, Total Petroleum Ghana Ltd., carried out a series of activities to create public awareness about Malaria prevention.

With one child dying every 30 seconds in Africa, according to WHO estimates, Total Petroleum Ghana Limited embarked on a nationwide sensitization campaign through the service station network.

Presentation of Insecticide Spray

Management and staff distributed flyers to and interacted with motorists at the service stations to create awareness about the various preventive methods.

World AIDS Day

With employees...

We joined the rest of the world to celebrate world AIDS Day on December 1, 2008 with a sensitisation workshop for all employees.

With the support of the West Africa AIDS Foundation, employees took time off to discuss issues concerning HIV

With Employees at a service station

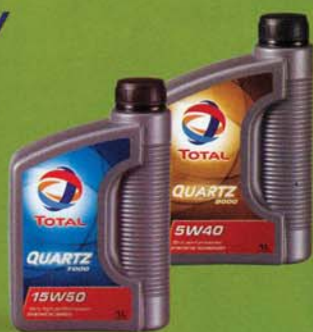
...and with customers

The awareness campaign was carried to the retail network where employees interacted with and educated customers. Free condoms and HIV/AIDS educational material were also distributed to employees and customers at the various locations.

Choosing the right engine oil...

QUARTZ

Your vehicle is **technologically advanced**.
You drive intensively and sportive.



QUARTZ 9000 5W-40

100% synthetic oil — *API SL/CF, ACEA A3/B4*

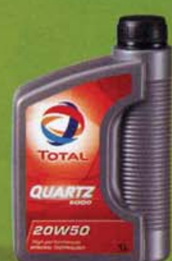
Engine Protection	Adapted to severe driving conditions	Engine performance
★★★★★	★★★★★	★★★★★

QUARTZ 7000 15W-50

Synthetic technology — *API SL/CF, ACEA A3/B3*

Engine Protection	Adapted to severe driving conditions	Engine performance
★★★★	★★★★	★★★

You have a **recently manufactured** vehicle.
You drive an **all road conditions**: city, road, highway, mountain, track.

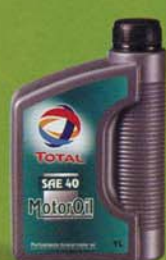


QUARTZ 5000 20W-50

Mineral based oil — *API SL/CF, ACEA A2/B2*

Engine Protection	Adapted to severe driving conditions	Engine performance
★★★	★★	★★

You have a vehicle manufactured **before 1998** with a high mileage.



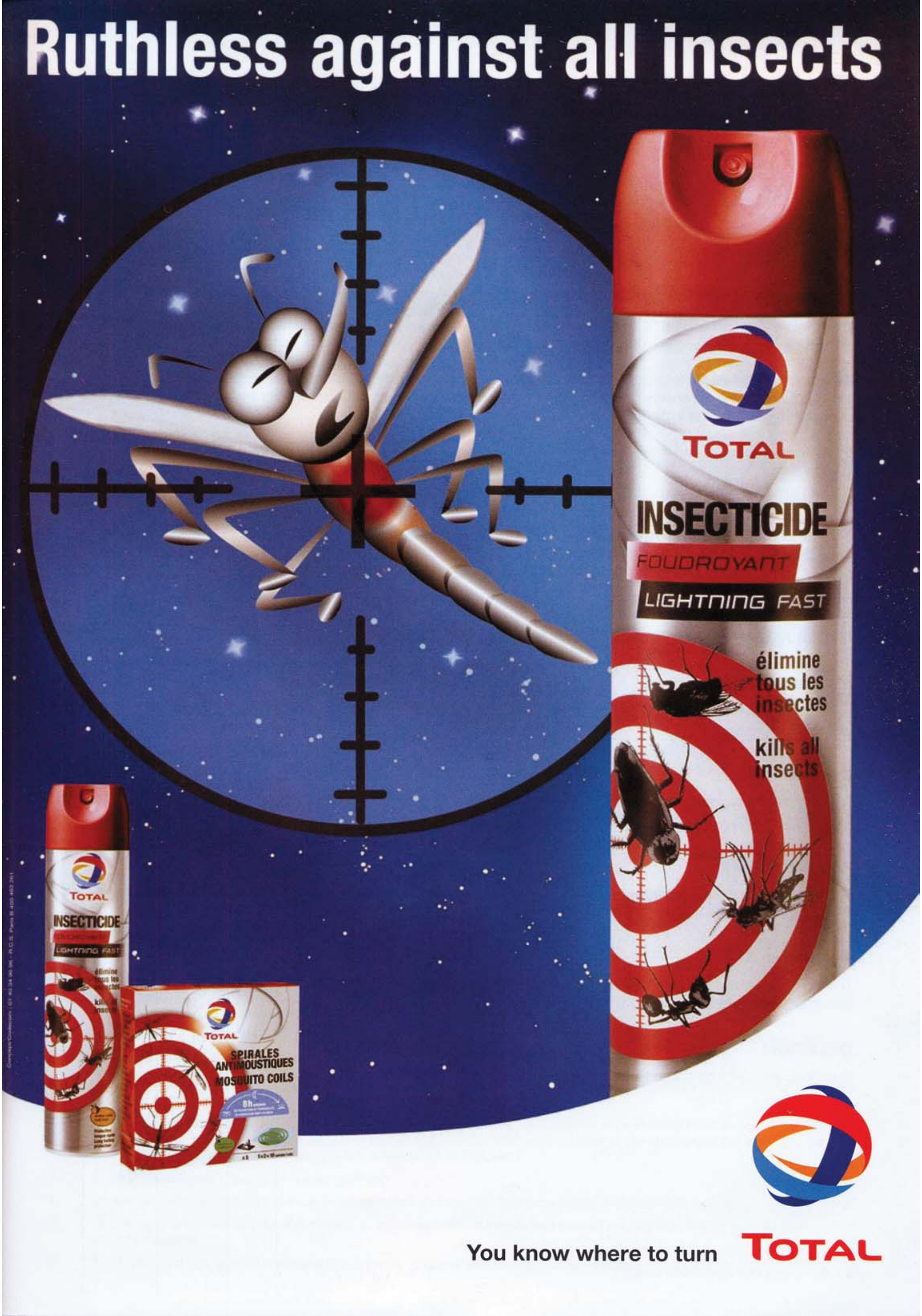
Motor Oil SAE 40

Mineral based oil — *API SF/CD*

Engine Protection	Adapted to severe driving conditions	Engine performance
★★	★	★

Before choosing any lubricant, refer to the vehicle manufacturer's manual. All manufacturers precise the technical requirements of the recommended engine oil for the vehicle maintenance.

You know where to turn TOTAL


Ruthless against all insects
TOTAL
INSECTICIDE
FOUDROYANT
LIGHTNING FAST
élimine tous les insectes
kills all insects
TOTAL
INSECTICIDE
LIGHTNING FAST
TOTAL
SPIRALES ANTIMOUSTIQUES
MOSQUITO COILS
You know where to turn
TOTAL

The Ghana Stock Exchange proposed amendments to the company's regulations

PROPOSED AMENDMENTS TO THE COMPANY'S REGULATIONS:

The Ghana Stock Exchange (GSE) has directed all listed Companies to make amendments to their Regulations following GSE`s quest to make the transition from the use of paper share certificates to electronic book entry securities.

The amendment of the Regulations of listed companies in compliance with GSE`s request will enhance the rate at which securities are placed in the depository. It will make for more efficient and less cumbersome keeping of shareholding records, and ultimately improve liquidity in the capital market.

The proposed amendments are as follows:

SPECIAL RESOLUTION:

TO AMEND THE COMPANY'S REGULATIONS 13(a),13(c),13(d),31(4) & 32(1) TO ALLOW FOR THE ISSUANCE OF AND OR CONVERSION OF SHARES IN ELECTRONIC BOOK ENTRY FORM IN COMPLIANCE WITH THE REQUIREMENTS OF THE GHANA STOCK EXCHANGE

The Board of Directors proposes for approval the following amendments:-

That Regulations 13(a), 13(c), 13(d), 31(4) be deleted in their entirety and replaced with the following;-

Regulation 13(a)

The Company may issue securities in uncertificated or dematerialized form and the Board of Directors shall pass a resolution to that effect.

Regulation 13(c)

The Company may convert a certificated security into an uncertificated security and the Board of Directors shall pass a resolution to that effect.

Regulation 13(d)

The manner in which the records of share holding in the Company shall be kept shall be as determined by the Ghana Stock Exchange and shall be in line with the Central Securities Depository Act, 2007 (Act 733).

Regulation 31(4)

The Company shall accept for registration, transfers in the form approved by the Ghana Stock Exchange or under the Central Securities Depository Act 2007 (733)

DELETION

That Regulation 32(1) be deleted in its entirety.

Proxy Form

PROXY FORM FOR USE AT THE ANNUAL GENERAL MEETING TO BE HELD AT THE NATIONAL THEATRE, LIBERIA ROAD, ACCRA ON THE 3RD DAY OF JUNE 2009 AT 11.00 O'CLOCK IN THE FORENOON

I/We ____ being member(s) of **TOTAL PETROLEUM GHANA LIMITED** hereby appoint ______________________ or failing him/her the Chairman as my/our Proxy to vote for me/us, and on my/our behalf at the Annual General Meeting of the company to be held on the **3rd day of June, 2009** and at any and every adjournment thereof.

This form to be used:-

1.	*in favour of against	the Resolution to adopt the Reports of the Directors, Auditors and the Financial Statements of the Company for the year ended 31st December 2008.
2.	*in favour of against	the Resolution to declare final dividend for the year ended 31st December 2008 as recommended by the Directors.
3.	*in favour of against	the Resolution to appoint Mr. Jonathan Molapo as a Director of the company.
4.	*in favour of against	the Resolution to re-elect Mr. Stanislas Mittelman as a Director of the company.
5.	*in favour of against	the Resolution to re-elect Mr. Christian des Closieres as a Director of the company.
6.	*in favour of against	the Resolution to re-elect Mr. Alain Champeaux as a Director of the company.
7.	*in favour of against	the Resolution to re-elect Mr. Olivier Berthaud as a Director of the company.
8.	*in favour of against	the Resolution to fix the remuneration of the Directors.
9.	*in favour of against	the Resolution to authorise the Directors to fix the remuneration of the Auditors.
Special Business		
A.	*in favour of against	the Special Resolution to amend the company's regulations 13(a), 13(c), 13(d) 31 (4) & 32(1) to allow for the issuance of and or conversion of shares in electronic book entry form in compliance with the requirements of the Ghana Stock Exchange.

On any other business transacted at the meeting and unless otherwise instructed in paragraphs 1 to 9 AND A above, the resolutions to which reference is made in those paragraphs, the proxy will vote as he/she thinks fit.

*** Strike out whichever is not desired**

Signed this _____ day of ______________________ 2009.

____
Signature of Shareholder

THIS PROXY FORM SHOULD NOT BE COMPLETED AND SENT TO THE REGISTERED OFFICE IF THE MEMBER WILL BE ATTENDING THE MEETING.

1. A member (Shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by proxy. The Proxy Form has been prepared to enable you exercise your vote if you cannot personally attend.
2. Provision has been made on the Form for MR. STANISLAS MITTELMAN, the Chairman of the meeting to act as your Proxy but if you so wish, you may insert in the blank space the name of any person whether a member of the company or not who will attend the meeting and vote on your behalf instead of MR. STANISLAS MITTELMAN.
3. In case of joint holders, each joint holder must sign.
4. If executed by a Corporation, the Proxy Form must bear its Common Seal or be signed on its behalf by a Director.
5. Please sign the above Proxy Form and post it so as to reach the address shown overleaf not later than 4.00 p.m. on Monday, the 1st day of June 2009.
6. The Proxy must produce the Admission Card with the Notice of the Meeting to obtain entrance to the meeting.

SECOUND FOLD HERE

Please
affix
stamp

FIRST FOLD HERE

The Secretary
TOTAL PETROLEUM GHANA LIMITED
No. 25 Liberia Road
Total House
P. O. Box 553, Accra, Ghana

THIRD FOLD HERE

TOTAL PETROLEUM GHANA LIMITED
Total House
No. 25 Liberia Road
P. O. Box 553, Accra, Ghana
E-mail: totalgh.inquiry@totalmkt-gh.com

www.total-ghana.com