شركة السمرا لتوليد الكهرباء
Samra Electric Power Co. [SEPCO]
المساهمة الخاصة المحدودة

Annual Report
2011

His Majesty King Abdullah II Bin AL Hussein

His Royal Highness Prince Hussein Bin Abdullah II

Table of Contents

Chairman's Message	9
Managing Director's Message	11
About SEPCO	13
Activities and Accomplishments	15
Contribution in Meeting Electric Energy Demand in 2011	15
Electricity Sales in 2011	16
Significant Statistics in 2011	16
Performance Indicators in 2011	17
Jordan and the Interconnected Electrical System Load (2010, 2011)	18
Minimum (Morning and Evening) Peak Loads for the Interconnected Electrical System (2010, 2011)	19
Generated and Imported Electric Energy in the Kingdom in 2011	21
Electricity Tariff in the Hashemite Kingdom of Jordan	22
Manpower	23
Training	23
Insurance	24
Community Service	24
Future Plans	24
Financial Statements and Auditor's Report for 2011	25

Abbreviations

M.W.	Megawatt = One Thousand Kilowatt
K.W.H	Kilowatt / Hour
M.W.H	Megawatt / Hour = One Thousand Kilowatt / Hour
G.W.H.	Gigawatt / Hour = One Million Kilowatt / Hour
MMBTU	Million British Thermal Unit
HHV	High Heat Value
CC	(GT1, GT2, ST1) Combined cycle / Phase I
SC	(GT3.GT4) SIMPLE CYCLE / Phase II
ISO	International Organization for Standardization
OHSAS	Occupational Health & Safety Assessment Series

Board of Directors

H.E. Dr. Mahir Madadhah
Board Chairman

H.E. Eng. Mohammed Arsalan
Vice-Chairman

Directors

H.E. Dr. Ismael Zaglol

H.E. Mrs. Dina Al Dabbas

Eng. Marwan Bqa'een

Managing Director

H.E. Eng. Amjad Al-Rawashdeh

Chairman's Message

Driven by our deep belief in the importance of the energy sector in general, its contribution to socio economic development, enhancing economic growth rates and the importance of electricity production and generation, Samra Electric Power Company (SEPCO) was keen to boost its performance, continue to maintain high efficiency in all its facilities and technical activities to ensure a sustainable and highly efficient electricity system for Jordan.

The management sought to achieve a high level of productivity and efficiency through introducing modern management techniques, institutional restructuring, upgrading the technical level and improving operation and maintenance systems, keeping abreast of excellence requirements according to the international best practices in similar sectors, devising the most up to date technologies in its operational units with compliance to eco and human safety and continuing to train and qualify its employees and boosting their performance to ensure their readiness.

SEPCO has also made it a priority to expand and build additional units with the aim of boosting the generational capacities of the company and supplement the electrical system with additional power to cope with the increasing demand on electricity.

The board would like to take this opportunity to thank all employees in their respective positions for their efforts and efficiency in maintaining the excellent performance which have led SEPCO to be on top of the list of companies working in this sector. We hope to continue to serve this economic monument for the benefit of our beloved country under the leadership of His Majesty King Abdullah II Bin Hussein.

Chairman of the Board of Directors
HE Dr. Maher Madadhah

Managing Director's Message

Since its establishment, SEPCO has played a leading role by feeding the electrical system with the required energy according to the highest international standards and measures. In addition, the Company executed plants construction projects to meet the increased electric loads and demand for electric power and to serve the national economy according to the policies of the prudent government in this respect.

The Simple Cycle Project, Phase III, was completed with a capacity of around 285 MW, thereby increasing the overall generating power to 900 MW, accounting for 35per cent of Jordan overall load. In addition, the Company announced the bid of the Combined Cycle Project, Phase III, for adding a steam generating turbine with an approximate capacity of 140 MW. The Project aims to promote efficiency by making use of the hot gases stemming from the Gas turbine exhausts which also reduces greenhouse gases in line with the international standards and preserve the surrounding environment. By completing this project, which is set to be commercially operational in summer 2013 to meet the electrical system requirements, the overall generating capacity produced by the Company will be increased to 1040 MW.

On the other hand, the Company, based on a clear vision, aims to dedicate adequate attention to developing and training our company employees and applying modern management criteria to ensure enhancing production and excellence in the electrical sector which experiences intensive development and expansion.

The Company continues to support and communicate with the local community institutions and participate in the activities that promote communication and reflect positively on the community.

Finally, on the occasion of releasing the annual report of the Company for 2011, I have the pleasure to extend my gratitude to H.E. the Chairman, and the members of the Board of Directors for their substantial role in the accomplishments achieved by the Company. Moreover, I would like to express my appreciation to the employees of the Company for their dedicated efforts.

In the meanwhile, I ask God to guide us to serve our country under the leadership of His Majesty King Abdullah II Bin Hussein.

Managing Director
Eng. Amjad Al-Rawashdeh

Main offices

About Us

Establishment of the Company

Samra Electric Power Company (SEPCO) was established by the government of the Hashemite Kingdom of Jordan pursuant to the provisions of the Companies Act No. 22 of 1997 and in implementation of the Cabinet Resolution taken in its session held on 26/8/2003, authenticated by the letter of HE Prime Minister number 58/11/02/13075 dated 27/8/2003, instructing the establishment of a company to be in charge of generating electric power in conjunction with the Central Electricity Generating Company, and any other companies incorporated subsequently. SEPCO is wholly owned by the government with a capital of Fifty Million Jordanian Dinars.

The Company was registered with the General Companies Controller on 21/4/2009 under number 40. SEPCO is in charge of generating electric energy of high quality and availability at the lowest costs possible.

Our Vision

Pioneer company in electric power generation in Jordan.

Our Mission

To produce electric power according to the highest standards, at the lowest cost, and with high affordability and reliability using state-of-the-art and environment friendly techniques, and through employing qualified experienced manpower.

Intrinsic Value

- Safety first
- Teamwork spirit
- Encouragement of innovation, creativity and initiative
- Knowledge communication and learning sustainability
- Belief in constant change and improvement
- Integrity, justice, transparency, and equality of opportunities

Quality, Environmental, Health and Safety (QEHS) Policy

The company is committed to:

1. Generating electrical power efficiently and effectively in terms of time, cost and technology
2. Maintaining sustainable development through preserving natural resources and adopting eco-friendly technologies based on prevention, reduction and mitigation of effects
3. Providing a safe, healthy and risk-free work environment
4. Ensuring the satisfaction of partners (and relevant sides) regarding the company's activities
5. Maintaining improvement in systems and practices in conformity with the effective laws and regulations.

Electricity Tariff for Samra Electric Power Company

The capacity principle was adopted in calculating the electricity tariff of the generating plants of SEPCO which comprises the following:

1. Partial Amortization of the Project.
2. Fixed Operation and Maintenance Expenses.
3. Administrative Expenses and Salaries.
4. Variable Operation and Maintenance Expenses.

Electric Power Generating Units in SEPCO

Turbine	Nominal Capacity	Commercial Operation Date
First Gas Turbine	100 MW	01 / 11 / 2005
Second Gas Turbine	100 MW	11 / 02 / 2006
First Steam Turbine	100 MW	08 / 10 / 2006
Third Gas Turbine	100 MW	13 / 12 / 2007
Fourth Gas Turbine	100 MW	05 / 07 / 2008
Second Steam Turbine	100 MW	02 / 08 / 2011
Fifth Gas Turbine	142.5 MW	25 / 01 / 2011
Sixth Gas Turbine	142.5 MW	04 / 05 / 2011
Total	885 MW	

Samra Station

Activities and Accomplishments

Simple Cycle Project, Phase III

The project was accomplished successfully through operating the Fifth Gas Turbine commercially on 25/01/2011 and the Sixth Gas Turbine on 04 / 05 / 2011 with a nominal capacity of 142.5 MW each, and a nominal capacity of operating units 885 MW.

As to periodical maintenance, the following procedures have been executed to gas turbines according to the instructions of the manufacturing companies of the operational units at the station:

Maintenance	Turbine	Maintenance Date	
Hot gas path inspection maintenance & Generator maintenance	First Gas Turbine	01/01/2011	04/02/2011
Maintenance work on generator	Second Gas Turbine	01/01/2011	21/02/2011
Maintenance works on unit 1 main transformer and unit 2 generator	First Steam Turbine	01/01/2011	04/02/2011
Hot gas path inspection maintenance	Third Gas Turbine	10/04/2011	21/04/2011
Major overhaul by the contractor	Second Steam Turbine	10/04/2011	07/06/2011
Hot gas path inspection maintenance	Fourth Gas Turbine	29/08/2011	18/11/2011

Quality and Excellence

The Company continued to prepare its systems according to the requirements of Quality Management, Environment Management and Occupational Health and Safety Advisory Services, certificates of which are expected to be obtained in 2012.

Environment and Occupational Health and Safety

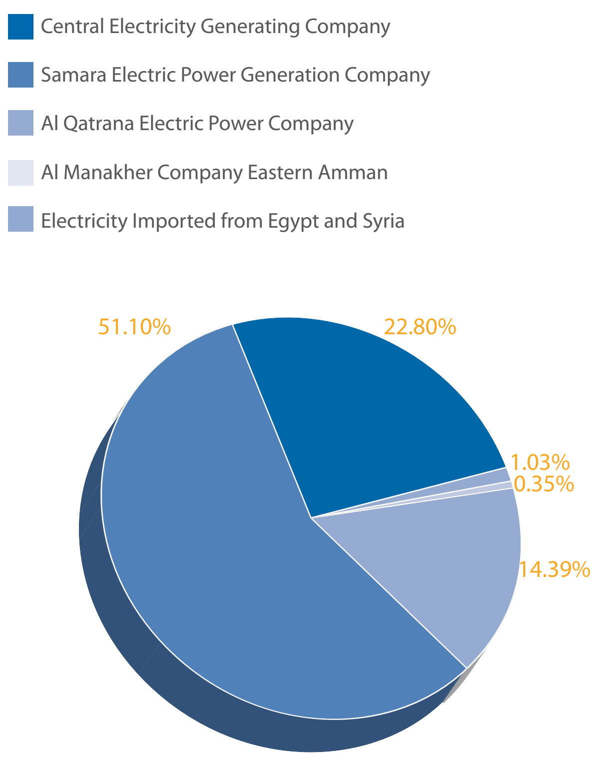
SEPCO received the registration of its project on Phase I under number (4958) as a UN-accredited project within the Kyoto Protocol to the United Nations Framework Convention on Climate Change which came as a successful crowning for all the efforts of the relevant parties.

SEPCO's Contribution in Meeting Electric Energy Demand in 2011

The peak load of the interconnected electrical system for 2011 reached 2660 MW, compared to 2650 MW in 2011, with a growth rate of 15.21% against 3.14% in 2011. The peak load for the electrical system in the Kingdom in 2011 reached 2680 MW, against 2670 MW in 2011, with a growth rate of 15.08% against 2.65% in 2011.

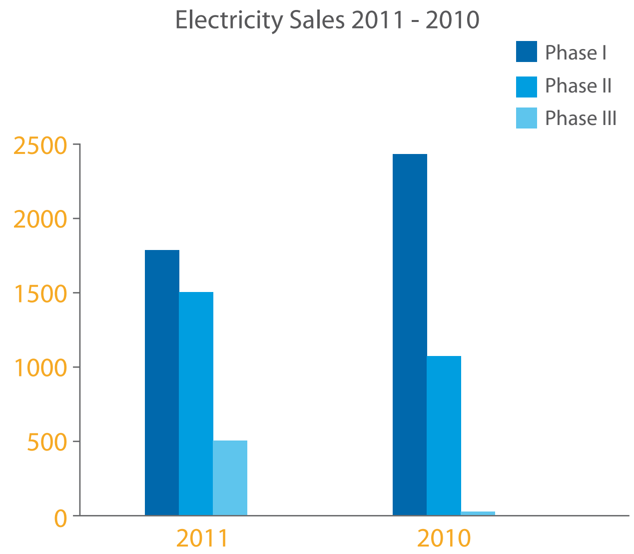
The volume of generated energy in 2011 in the interconnected electrical system totaled 15,751.1 GWh compared to 15,258.1 GWh in 2011. The Company contributed by 22.8% of the total electric energy generated, compared to 22.7% in 2011, while the Central Electricity Generating Company contributed by 51.17%, compared to 50.17% in 2011. Al Manakher Company contributed by 14.39%, compared to 21.54%. Al Qatrana Company contribution amounted to 0.35%. The quantity of energy imported from the Egyptian and Syrian networks amounted to 1738.1 GWh in 2011, compared to 670.1 GWh in 2011.

Volume of Generated Electricity in the Interconnected Electrical System 2011



Electricity Sales in 2011

SEPCO's electricity sales amounted to 3,513.582 GWh in 2011, against 3,501.256 GWh in 2011, with an increase of 0.35%. The Company sales of Phase I amounted to 1,691.730 GWh, 1,458.122 GWh for Phase II and 363.730 GWh for Phase III.



Significant Statistics in 2011

	2011	2011
Peak Load of the Electrical System (MW)	2660	2650
Total Generated Energy (GWh)	3594.78	3456.63
Internally consumed energy in the generation plant (MWh)	83.88	72.669
Percentage of the internally consumed energy in the generation plant (%)	2.33	2.14
Sent out energy to the National Electric Power Company (400 KV) (GWh)	3510.41	3383
Consumed energy for substation of the National Electric Power Company (6.6 KV) (MWh)	484.29	277.11
Diesel Consumption (Cubic Meter)	579771.094	40566
Total value of diesel (Thousand Dinars)	292,299.927	18,833
Natural gas consumption (MBTU)	7841376.3	27703512
Overall Generated Efficiency (%) CC / Phase I *	44.18	44.06
Overall Generated Efficiency (%) Phase II *	41.97	31.79
Overall Generated Efficiency (%) Phase III *	30.38	--
Overall Sent out Efficiency (%) CC / Phase I *	42.99	43.03
Overall Sent out Efficiency (%) Phase II *	41.04	31.49
Overall Sent out Efficiency (%) Phase III *	29.95	--
Energy Average Heat Rate (BTU / KWh) *	7722.83 PHASE I 8133.318 PHASE II	7710 PHASE I 10997 PHASE II
Sent out Average Heat Rate (BTU / KWh) *	7936.315 PHASE I 8316.66 PHASE II	7895 PHASE I 11132 PHASE II

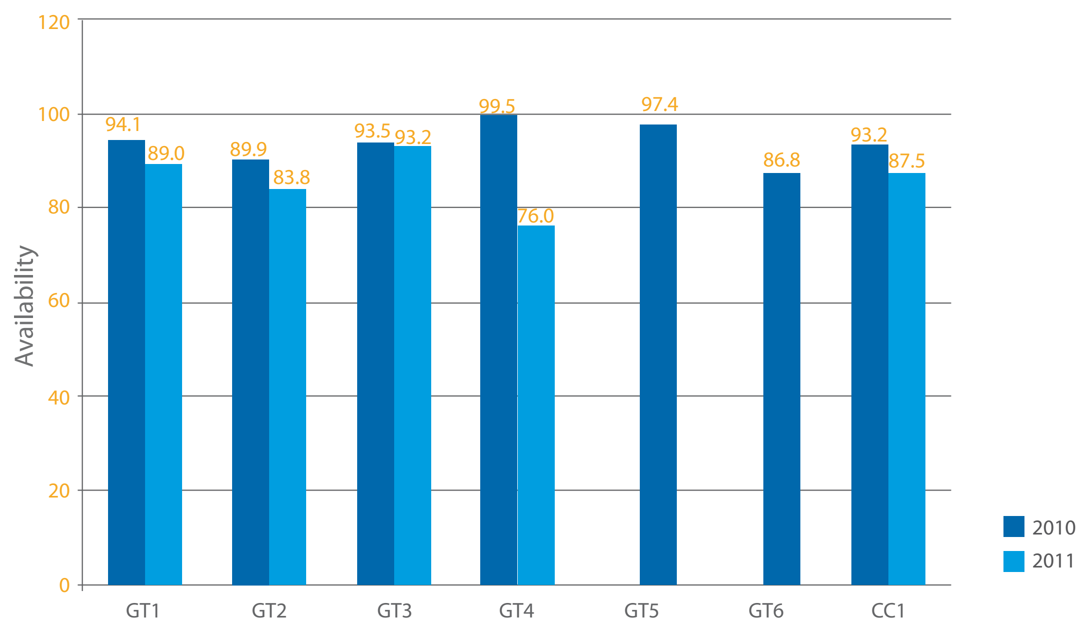
* (HHV) : High Heat Value
Phase I: (GT1, GT2, ST1)
Phase II: (GT3, GT4, ST2)
Phase III: (GT5, GT6)
The fifth gas unit was commercially operational on 25 / 01 / 2011 and the sixth steam unit on 25 / 05 / 2011, both of which were operated at intermittent periods, which does not reflect the actual efficiency of the turbine.

SEPCO's Performance Indicators in 2011

Technical Performance	2011	2011
Generated Efficiency "Combined Cycle / Phase I" * %	42.90	44.6
Sent out Efficiency "Combined Cycle/Phase I" * %	43.06	43.03
Generated Efficiency "Phase II" * %	41.91	31.79
Sent out Efficiency "Phase II" * %	41.05	31.49
Generated Efficiency "Phase III" * %	30.38	-
Sent out Efficiency "Phase III" * %	29.95	-
Availability of Gas Turbine Number One (GT1) %	89.0	94.1
Availability of Gas Turbine Number Two (GT2) %	83.7	89.9
Availability of Steam Turbine Number One (ST1) %	89.7	95.4
Availability of Gas Turbine Number Three (GT3) %	93.1	93.5
Availability of Gas Turbine Number Four (GT4) %	75.9	99.5
Availability of Gas Turbine Number Five (GT5) %	97.3	0
Availability of Gas Turbine Number Six (GT6) %	84.5	0
Percentage of Internally Consumed Energy %	2.3	2.14
Annual Productivity (GWh / Employee)	12.07	12.661

* HHV High Heat Value

Availability of Samra Power Plant Units in 2011 compared to 2011

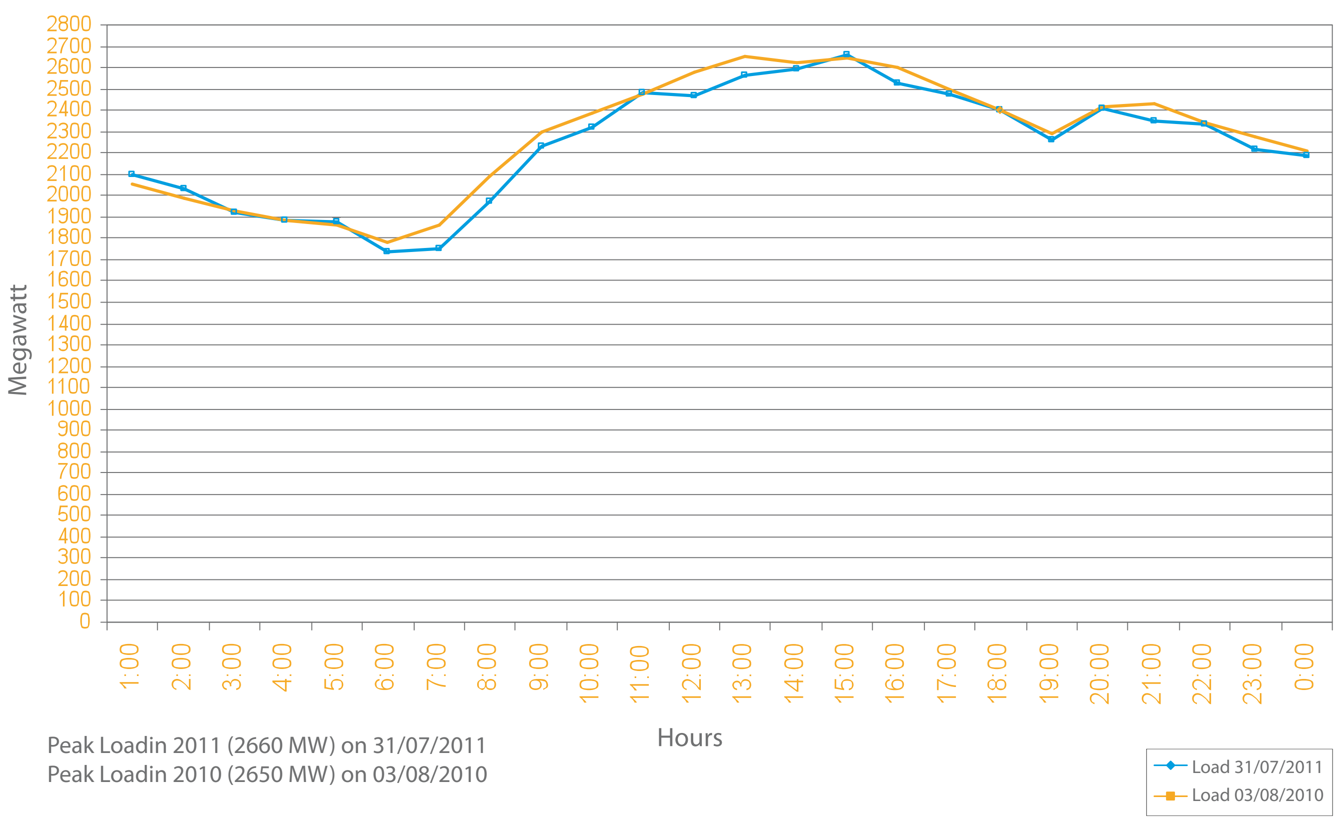


GT5 & GT6 START WORKING IN 2011

Jordan & Interconnected Electrical System (MW)

Development of the peak load (MW)	2011	2010
Central Electricity Generating Company	1324	1507
Samara Electric Power Generating Company	780	552
Al Qatrana Electric Power Company	138	0.0
Al Manakher Company / Eastern Amman	364	371
Other companies in the electrical system	5	15
Electricity imported from Egypt and Syria	49	205
Interconnected Electrical System	**2660**	**2650**
Growth rate %	0.37	15.21
Other companies outside the electrical system	20	20
Kingdom Loads	**2680**	**2670**
Growth rate %	0.37	15.08

Peak Load of the Interconnected Electrical System Curve (2011-2011)



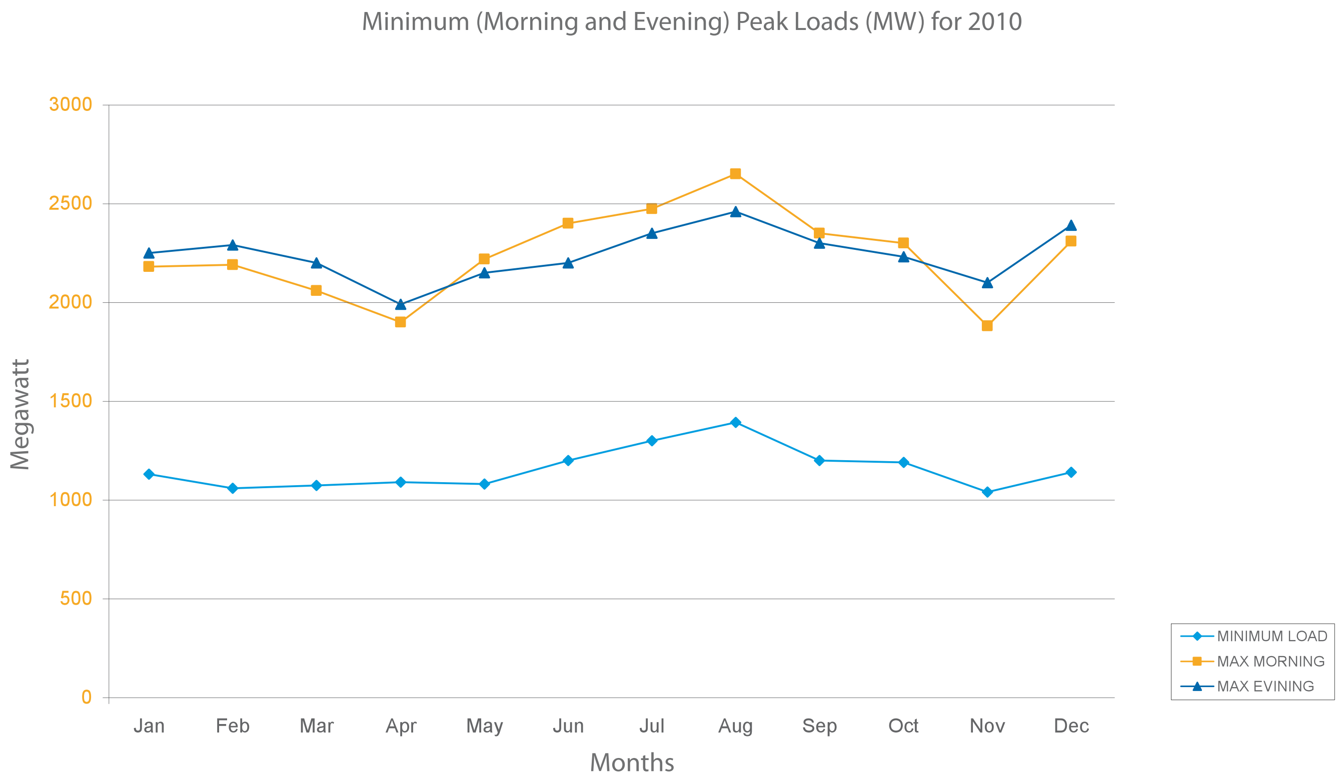
Peak Loadin 2011 (2660 MW) on 31/07/2011
Peak Loadin 2010 (2650 MW) on 03/08/2010

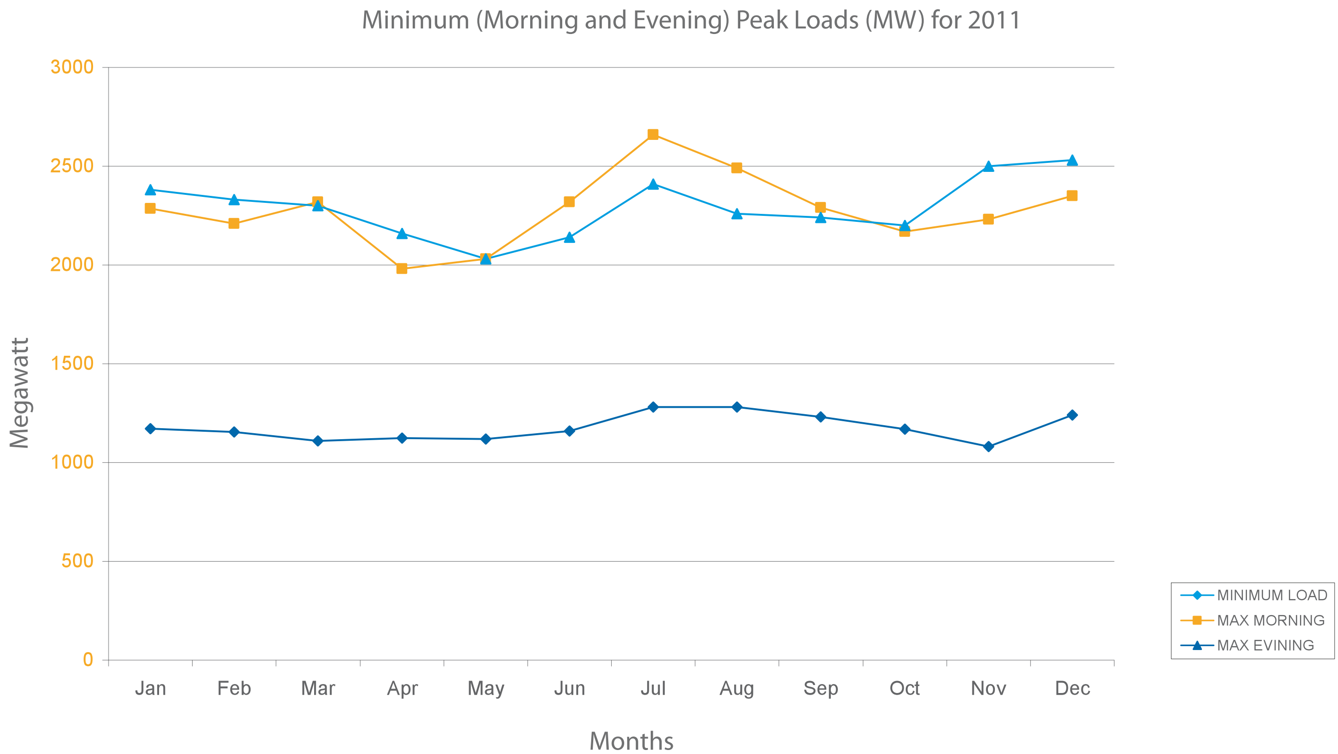
Minimum (Morning and Evening) Peak Loads (MW) for 2010

Month	MINIMUM LOAD	Date	Time	MAX MORNING	Date	Time	MAX EVINING	Date	Time
Jan	1130	18/01/2010	3:30	2180	2010/01/26	12:00	2250	27/01/2010	17:40
Feb	1060	19/02/2010	7:00	2190	2010/02/04	14:00	2290	08/02/2010	17:50
Mar	1075	26/03/2010	7:00	2060	2010/03/01	12:00	2200	01/03/2010	18:10
Apr	1090	02/04/2010	7:00	1900	2010/04/27	14:00	1990	02/04/2010	19:50
May	1080	01/05/2010	6:00	2220	2010/05/17	14:25	2150	17/05/2010	19:50
Jun	1200	11/06/2010	7:00	2400	2010/06/22	13:00	2200	21/06/2010	20:40
Jul	1300	02/07/2010	7:00	2475	2010/07/11	14:00	2350	31/07/2010	20:20
Aug	1392	27/08/2010	6:30	2650	2010/08/03	13:00	2460	03/08/2010	20:20
Sep	1200	11/09/2010	7:00	2350	2010/09/26	13:30	2300	25/09/2010	19:20
Oct	1190	08/10/2010	7:00	2300	2010/10/04	14:30	2230	03/10/2010	19:00
Nov	1040	17/11/2010	6:30	1880	2010/11/11	13:00	2100	30/11/2011	17:20
Dec	1140	03/12/2010	7:00	2310	2010/12/13	12:00	2390	13/12/2010	17:00

Minimum (Morning and Evening) Peak Loads (MW) for 2011

Month	MINIMUM LOAD	Date	Time	MAX MORNING	Date	Time	MAX EVINING	Date	Time
Jan	1171	01/01/2011	4:00	2285	18/01/2011	12:00	2381	10/01/2011	17:30
Feb	1155	26/02/2011	4:00	2210	07/02/2011	13:00	2330	08/02/2011	18:00
Mar	1110	18/03/2011	6:30	2320	10/03/2011	12:30	2300	12/03/2011	18:30
Apr	1125	01/04/2011	7:00	1980	05/04/2011	13:30	2160	05/04/2011	19:30
May	1120	13/05/2011	6:30	2030	31/05/2011	12:30	2030	31/05/2011	20:10
Jun	1160	03/06/2011	6:30	2320	22/06/2011	13:45	2140	21/06/2011	20:30
Jul	1280	01/07/2011	6:30	2660	31/07/2011	14:30	2410	31/07/2011	20:00
Aug	1280	31/08/2011	6:30	2490	01/08/2011	14:15	2260	24/08/2011	21:30
Sep	1230	30/09/2011	6:30	2290	07/09/2011	14:30	2240	05/09/2011	19:30
Oct	1170	21/10/2011	6:40	2170	11/10/2011	14:30	2200	11/10/2011	18:50
Nov	1080	05/11/2011	6:30	2230	19/11/2011	14:30	2500	27/11/2011	17:20
Dec	1240	07/12/2012	3:30	2350	25/12/2011	13:30	2530	26/12/2011	17:20


Minimum (Morning and Evening) Peak Loads (MW) for 2010
Megawatt
3000
2500
2000
1500
1000
500
0
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Months
MINIMUM LOAD
MAX MORNING
MAX EVINING


Minimum (Morning and Evening) Peak Loads (MW) for 2011
Megawatt
3000
2500
2000
1500
1000
500
0
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Months
MINIMUM LOAD
MAX MORNING
MAX EVINING

Generated and Imported Electric Energy in the Kingdom (GWh)

	2011	2010
Interconnected electrical system		
Central Electricity Generating Company	8050.7	7655
Samra Electric Power Company	3597	3467
Al Manakher Company AES/ Eastern Amman	2267.5	3287
Al Qatarneh	421	54
King Talal Dam	13.1	15
Arab Potash Company	11.2	35
Jordan Cement Factories Company	0	0
Indo-Jordan Chemical Company	65.8	66
Jordan Biogas Company	8	9
Imported energy (Egyptian and Syrian networks)	1738.1	670.1
Generated and imported electric energy in the interconnected electrical system	15751.1	15258.1
Annual Growth Percentage (%)	3.23	5.59
Other major industrial companies	180	190
Total generated energy in the Kingdom	15931.4	15448.1
Annual Growth Percentage (%)	3.13	5.41

Football Team

Electricity Tariff Applicable in the Hashemite Kingdom of Jordan

First: Bulk Supply	From 14 / 03 / 2008 Until 31 / 12 / 2008	From 01 / 01 / 2009 Until 15 / 01 / 2011	From 16 / 01 / 2011
a. JEPCO			
Peak load (JD / KW / Month)	2.98	2.98	2.98
Load (Fils / KWh) Day	45.81	45.81	46.67
Load (Fils / KWh) Night	35.76	35.76	36.62
Electricity Distribution Company EDCO			
Peak load (JD / KW / Month)	2.98	2.98	2.98
Load (Fils / KWh) Day	37.35	36.15	35.86
Load (Fils / KWh) Night	27.30	26.10	25.81
Irbid Governorate Electricity Company IDECO			
Peak load (JD / KW / Month)	2.98	2.98	2.98
Morning load (Fils / KWh)	38.16	38.16	39.09
Evening load (Fils / KWh)	28.11	28.11	29.04
Large Industries			
Peak load (JD / KW / Month)	2.98	2.98	2.40
Load (Fils / KWh) Day	65.00	65.00	66.00
Load (Fils / KWh) Night	49.00	49.00	50.00
Second: Retail Tariff			
Ordinary Subscribers Tariff Domestic (Fils / KWh)			
1. First Block: From 1-160 KWh monthly (Fils / KWh)	32.00	32.00	33.00
2. Second block: From 161-300 KWh monthly (Fils/KWh)	71.00	71.00	72.00
3. Third Block: From 301-500 KWh monthly (Fils / KWh)	85.00	85.00	86.00
4. Fourth Block: Over 500 KWh monthly (Fils / KWh)	113.00	113.00	114.00
Broadcasting stations and TV Flat Rate Tariff (Fils / KWh)	86.00	86.00	87.00
Commercial (Fils / KWh)	86.00	86.00	87.00
Small Industrial Tariff (Fils / KWh)	49.00	49.00	50.00
Medium Industries			
Peak load (JD / KW / Month)	3.79	3.79	3.79
Load (Fils / KWh) Day	46.00	46.00	47.00
Load (Fils / KWh) Night	36.00	36.00	37.00
Agriculture (Fils / KWh) Flat Rate Tariff or	47.00	47.00	48.00
Peak load (JD / KW / Month)	3.79	3.79	3.79
Load (Fils / KWh) Day	46.00	46.00	48.00
Load (Fils / KWh) Night	36.00	36.00	37.00
Water Pumping (Fils / KWh)	41.00	41.00	42.00
Hotels (Fils / KWh) **	86.00	86.00	87.00
Peak load (JD / KW / Month)	3.79	3.79	3.79
Load (Fils / KWh) Day	81.00	81.00	82.00
Load (Fils / KWh) Night	70.00	70.00	71.00
Street lighting *	51.00	51.00	52.00
Jordan Armed Forces (Fils / KWh)	81.00	81.00	82.00
Ports Corporation (Fils / KWh)	58.00	58.00	59.00
Notes:			
Monthly Minimum Charge			
Domestic Consumers	One JD	One JD	One JD
Other Consumers	JD 1.25	JD 1.25	JD 1.25
** Five or four star hotels may choose between the three rate tariff or continue using the flat rate tariff			

Manpower

a) The number of the employees of the Company amounted to 291 on 31 / 12 / 2011 distributed according to the following table:

Position	No. of Employees	Percentage
High Level Management	7	2.4 %
Technical Management	27	9.3 %
Financial and Administrative Management	53	18.2 %
Plant Management	204	70.1 %
Total	**291**	**100 %**

b) Employees are distributed according to their academic qualifications:

Qualification	No.	Percentage
PH Degree	1	0.30 %
MA Degree	8	2.8 %
BA Degree	98	33.7 %
Diploma	92	31.6 %
High School Certificate or below	92	31.6 %
Total	**291**	**100 %**

- Number of resignations in 2011 amounted to 18 employees.
- Number of appointments in 2011 amounted to 34 employees.

Training

SEPCO has been keen during 2011 to develop and improve the performance of employees through implementing the training plan according to the training needs of the employees. Twenty-one training internal and external programs have been conducted with the participation of 234 employees in addition to six seminars and workshops attended by 13 employees. SEPCO has offered field training to 94 diploma holders from community colleges and BA holders of university students majoring in engineering and computer. Employees have also been trained on ISO Awareness, ISO 9001, ISO 14001, ISO 18001, ISO Auditing.

a) Courses / Workshops

No.	Course/ Lecture	No. of Courses	No. of Participants	No. of Training Hours
1	Technical courses	6	48	208
2	Management and financial courses	10	131	270
3	Quality courses	5	55	80
4	Workshops and lectures	6	13	264

b) Training

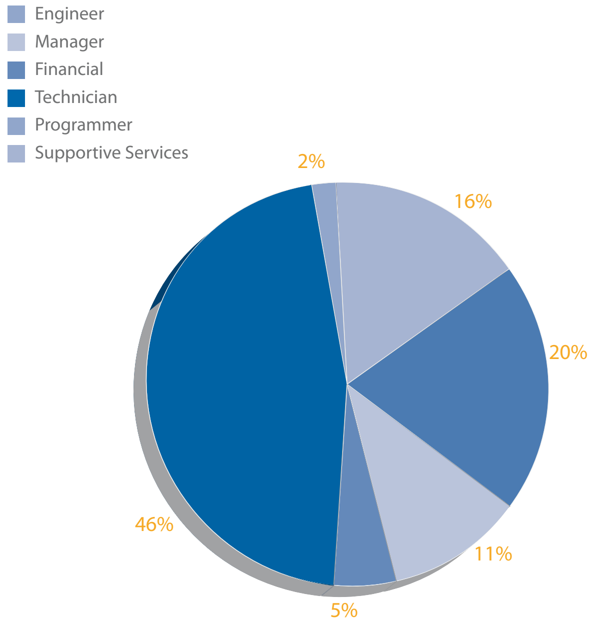
No.	Major	No. of Trainees
1	Students of Engineering	37
2	Students of Diploma	55
3	Students of Computer	2
Total		94

Training Workshop in Our Company

The positions and departments of the employees of the Company as of 31 / 12 / 2011 were as follows:

Dept/ position	Engineer	Manager	Financial Manager	Technician	Programmer	Supportive Services	Total
Senior Management	1	2	3	-	-	1	7
Technical Management	11	6	-	7	-	3	27
Financial and Administrative Management	1	15	11	5	4	17	53
Plant Management	45	8	1	123	1	26	204
Total	58	31	15	135	5	47	291

Job categories in Samra Electric Power Company



Insurance:

SEPCO is experiencing a significant expansion in the value of its assets, liabilities, capabilities and cadres. This expansion is progressive in line with the responsibility undertaken by the Company in the electricity sector which the Company forms one of its fundamental units. SEPCO maintains insurance in respect of its production assets and imports. In addition, the Company maintains life insurance in respect of its employees on annual basis. The insurance covers maintained by the Company are as follows:

1. All risks insurance policy
2. Equipment damage insurance policy
3. Civil liability insurance policy
4. Maritime insurance policy
5. Life and personal accidents insurance policy
6. Insurance in respect of the vehicles of the Company

A comprehensive field survey is conducted on a regular basis by SEPCO Insurance Department in respect of the assets and liabilities of the Company, whether in the plant or the main offices of the Company, in coordination with the locally approved insurance companies and the international reinsurance companies' experts. The survey aims to monitor the latest global developments in the field of insurance with respect to public safety and security precautions procedures adopted worldwide in power plants to be applied by SEPCO.

Community Service

- Keen on serving the local community and upon directions of H.E. the Managing Director, SEPCO, represented by the Health Insurance Department, held a free medical day for Al Hashimieh residents. A large number of doctors specialized in different fields, pharmacists and representatives of the participating companies have contributed in this day. Around JD 30,000 have been offered by participating companies and more than 1050 cases addressed, which testifies to the high turnout by citizens in the activity.
- Driven by its belief in its social responsibility, SEPCO has distributed food packages in the holy month of Ramadan in cooperation with Al Hashimieh Municipality - Al Zarqa', premises of the company.
- SEPCO has been keen on establishing its own sport activity through founding a football team to boost the sports march of Al Hashimieh and companies of the electricity sector in the Kingdom.

Future Plans

In line with SEPCO's dedication to excellence in its business, the following future plans have been defined according to a plan that is representative of its work map, taking into consideration the internal and external factors in accordance with the national objectives of the electricity sector.

- Increasing the automatic operations in the company to cover maintenance and electronic archiving.
- Maintaining the availability of already operating generating units.
- Developing management systems in accordance with the requirements of ISO 9001.
- Boosting the efficiency and qualifications of senior management and specialized employees through specialized training programs.
- Managing financial sources efficiently and effectively.
- Improving safety, occupational health and environment systems through applying the requirements of OHSAS 18001 and ISO 14001.
- Increasing SEPCO's contribution to the local community.

Expanding Phase III to operate by the Combined Cycle system with a view to increasing the generating capacity.

Financial statements and
Independent auditor's report
For the year ended December 31, 2011

Index	Page
Independent auditor’s report	27
Statement of financial position as at December 31, 2011	28
Statement of comprehensive income for the year ended December 31, 2011	29
Statement of changes in equity for the year ended December 31, 2011	30
Statement of cash flows for the year ended December 31, 2011	31
Notes to the financial statements	32

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Independent Auditor's Report

To Messrs. Board of directors
Samra Electric Power Company
Private Shareholding Company
Amman - The Hashemite Kingdom of Jordan

We have audited the accompanying financial statements of Samra Electric Power Company (Private Shareholding Company), which comprise the statement of financial position as at December 31, 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error .

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 judgment, 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 control 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 control. 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 present fairly, in all material respects, the financial position of Samra Electric Power Company (Private Shareholding Company), as at December 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Talal Abu-Ghazaleh & Co. International
Steve Karadsheh
(License# 756)

Amman, March 28, 2012

Statement of financial position as at December 31, 2011

ASSETS	Notes	2011	2010
Non-current Assets		JD	JD
Property, plant and equipment	3	393,994,911	402,760,251
Employees housing fund loan		470,000	350,000
Total Non-current Assets		**394,464,911**	**403,110,251**
Current Assets			
Warehouses	4	22,374,356	17,714,558
Other debit balances	5	4,095,093	1,842,681
National Electric Power Company receivable	6	92,611,416	18,565,351
Cash and cash equivalents	7	158,917	580,861
Total Current Assets		119,239,782	38,703,451
TOTAL ASSETS		**513,704,693**	**441,813,702**
EQUITY AND LIABILITIES			
Equity			
Authorized and paid-in capital of (51) millions shares			
at JD 1 par value each		51,000,000	51,000,000
Statutory reserve		2,442,955	2,128,161
Voluntary reserve		4,885,909	4,256,322
Retained earnings		1,849,378	1,279,617
Total Equity		60,178,242	58,664,100
Liabilities			
Non-current Liabilities			
End of service indemnity provision	8	214,974	163,491
Loans payable	9	361,581,237	342,956,132
Total Non-current Liabilities		361,796,211	343,119,623
Current Liabilities			
Income tax provision	**10**	**1,477,794**	**695,009**
Other credit balances	11	4,154,873	3,735,698
Contractors retention		7,076,694	23,937,224
Accounts payable	12	748,213	3,747,971
Jordan Petroleum Refinery Company payable	6	51,565,371	-
Loans payable - current portion	9	9,571,700	7,895,911
Due to banks	13	17,135,595	18,166
Total Current Liabilities		91,730,240	40,029,979
Total Liabilities		**453,526,451**	**383,149,602**
TOTAL EQUITY AND LIABILITIES		**513,704,693**	**441,813,702**

Statement of comprehensive income for the year ended December 31, 2011

	Notes	2011	2010
		JD	JD
Energy revenues		47,691,740	31,669,573
Station operation and maintenance cost	14	(3,000,843)	(1,201,640)
Depreciation		(16,092,297)	(12,637,950)
Administrative and operating expenses	15	(2,294,011)	(1,676,404)
Salaries, wages and other benefits	16	(3,573,815)	(2,706,120)
Operating profit		**22,730,774**	**13,447,459**
Other income	17	508,413	1,341,120
Finance costs	18	(12,020,179)	(8,610,005)
Profit before loans payable exchange differences and tax		**11,219,008**	**6,178,574**
Losses on loans payable exchange differences		(8,071,072)	(9,666,416)
Profit (Loss) before tax		**3,147,936**	**(3,487,842)**
Income tax	10	(1,633,794)	(740,316)
Profit (Loss)		**1,514,142**	**(4,228,158)**

Statement of changes in equity for the year ended December 31, 2011

	Capital	Governmental grants and donations	Statutory reserve	Voluntary reserve	Retained earnings	Total
	JD	JD	JD	JD	JD	JD
Balance as at January 1, 2010	50,000,000	1,000,000	2,128,161	4,256,322	5,507,775	**62,892,258**
Increase of capital	1,000,000	(1,000,000)	-	-	-	-
Loss	-	-	-	-	(4,228,158)	**(4,228,158)**
Balance as at December 31, 2010	**51,000,000**	**-**	**2,128,161**	**4,256,322**	**1,279,617**	**58,664,100**
Profit	-	-	-	-	1,514,142	**1,514,142**
Statutary reserve	-	-	314,794	-	(314,794)	-
Voluntary reserve	-	-	-	629,587	(629,587)	-
Balance as at December 31, 2011	51,000,000	-	2,442,955	4,885,909	1,849,378	60,178,242

Statement of cash flows for the year ended December 31, 2011

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES	JD	JD
Profit (Loss) before tax	3,147,936	(3,487,842)
Adjustments to:		
Depreciation	16,092,297	12,637,950
Recovery of a provision	-	(1,146,282)
Losses on loans payable exchange differences	8,071,072	9,666,416
Change in operating assets and liabilities:		
Warehouses	(4,659,798)	(3,492,408)
Other debit balances	(2,252,412)	27,659,874
National Electric Power Company receivable	(74,046,065)	(13,791,583)
End of service indemnity provision	51,483	21,820
Other credit balances	419,175	1,762,221
Contractors retention	(16,860,530)	14,765,042
Accounts payable	(2,999,758)	(8,875,186)
Jordan Petroleum Refinery Company payable	51,565,371	-
	(21,471,229)	**35,720,022**
Income tax paid	(851,009)	(1,221,241)
Net cash from operating activities	**(22,322,238)**	**34,498,781**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7,326,957)	(181,939,550)
Employees housing fund loan	(120,000)	(100,000)
Net cash from investing activities	**(7,446,957)**	**(182,039,550)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Due to banks	17,117,429	18,166
Loans payable	12,229,822	148,029,464
Net cash from financing activities	**29,347,251**	**148,047,630**
Net change in cash and cash equivalents	(421,944)	**506,861**
Cash and cash equivalents - beginning of the year	580,861	74,000
Cash and cash equivalents - end of the year	**158,917**	**580,861**

1. Legal status and activity

- Samra Electric Power Company was established and registered in the register of the private shareholding companies under the number (40) on April 20, 2004 in implementation of the Council of Ministers resolution number 58/11/2/13075 dated August 27, 2003.
- The main objectives of the Company are:
  - Electric power generating in different areas of the kingdom using any primary energy source and new and renewable energy.
  - Establishing stations of electric energy generation that are required for its operation and to increase the generating energy according to general needs.
  - Contribution or participation in any project that related to generating electric energy inside and outside the kingdom.

- The Company is totally owned by the Government of Hashemite Kingdom of Jordan.
- The financial statements have been approved by the board of directors in its meeting dated March 28, 2012 and require approval of the general assembly of shareholders.

2. Significant accounting policies

Financial statements preparation framework

The financial statements have been prepared in accordance with International Financial Reporting Standards.

Measurement bases used in preparing the financial statements

The financial statements have been prepared on the historical cost basis except for measurement of certain items at bases other than historical cost.

Property, plant and equipment

- Property, plant and equipment are initially recognized at their cost being their purchase price plus any other costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.
- After initial recognition, property, plant and equipment are carried, in the statement of financial position, at their cost less any accumulated depreciation and any accumulated impairment losses. Lands are not depreciated.
- The depreciation charge for each year is recognized as expense. Depreciation is calculated on a straight line basis, which reflects the pattern in which the asset's future economic benefits are expected to be consumed over the estimated useful lives of the assets using the following annual rates:

Category	2011	2010
	%	%
Gas and steam units	4	5
Buildings	2 - 10	2 - 10
Gas transfer station	4	5
Fuel tanks	4	5
Others	5 - 25	5 - 25

- The estimated useful lives are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.
- The carrying values of property, plant and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
- On the subsequent derecognition of the property, plant and equipment, the resulting gain or loss, being the difference between the net disposals proceeded, if any, and the carrying amount, is included in profit or loss.

Projects under construction

Amounts paid to construct property, plant and equipment item are charged first to projects under construction account. When project becomes ready to use, it is transferred to the related property, plant and equipment caption.

Impairment of assets

- At each statement of financial position date, management reviews the carrying amounts of its assets to determine whether there is any indication that those assets have been impaired.
- If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's

length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset.

- An impairment loss is recognized immediately as a loss.
- Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior years. A reversal of an impairment loss is recognized immediately as income.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liabilities or equity instrument of another entity.

Financial assets

- A financial asset is any asset that is:
  a) Cash;
  b) An equity instrument of another entity;
  c) A contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.
  d) A contract that will or may be settled in the entity's own equity instruments.

- Financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.
- All recognized financial assets are subsequently measured either at amortized cost or fair value, on the basis of both:
  a) The entity's business model for managing the financial assets, and
  b) The contractual cash flow characteristics of the financial assets.
- A financial asset is measured at amortized cost if both of the following conditions are met:
  a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
  b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- All other financial assets are subsequently measured at fair value.
- A gain or loss on a financial asset that is measured of fair value and is not part of a hedging relationship is recognized in profit or loss unless the financial asset is an investment in an equity instrument and the entity has elected to present gains and losses on that investment in other comprehensive income.

Cash and cash equivalents

- Cash comprises cash on hand, current accounts and demand deposits with banks.
- Cash equivalents are short- term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Loans and trade receivables

- Loans and trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
- Trade receivables are stated at invoices amount net of any allowance for doubtful receivables which represents the collective impairment of receivables.

Impairment of financial assets

- Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each year.
- For financial assets carried at amortized cost, the amount of impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets. The amount of the impairment loss shall be recognized in profit or loss.

Financial liabilities

- A financial liability is any liability that is:

  a) A contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
  b) A contract that will or may be settled in the entity's own equity instruments.

- Financial liabilities are initially recognized at fair value plus transaction costs, directly attributable to the acquisition or issue of those liabilities, except for the financial liabilities classified as at fair value through

profit or loss, which are initially measured at fair value.
- After initial recognition, the entity measures all financial liabilities at amortized cost using the effective interest method, except for financial liabilities at fair value through profit or loss which are measured at fair value and other determined financial liabilities which are not measured under amortized cost method.
- Financial liabilities at fair value through profit or loss are stated at fair value, with any resulting gain or loss from change in fair value is recognized through profit or loss.

Trade payables and accruals

Trade payables and accruals are liabilities to pay for goods or services that have been received or supplied and have been either invoiced or formally agreed with the suppliers or not.

Inventories

- Inventories are measured at the lower of cost and net realizable value.
- Inventory costs comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- The cost of inventory is assigned by using the weighted-average cost formula.
- Net realizable value is the estimated selling/usage price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale/usage.

Provisions

- Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of financial position date.
- Provisions reviewed and adjusted at each statement of financial position date. If outflows, to settle the provisions, are no longer probable, reverse of the provision is recorded as income.

End of service indemnity

End of service indemnity is calculated based on the difference between indemnity amount computed according to Jordanian Labor Laws and Regulations and periodic contributions which the Company paid to the Social Security Corporation.

Income tax

Income tax is calculated in accordance with Jordanian laws and regulations.

Contingent liabilities

- Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably.
- Contingent liabilities are not recognized in the financial statements.

Statutory reserve

Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit until the reserve equals one quarter of the Company's subscribed capital. Such reserve is not available for dividends distribution.

Voluntary reserve

This reserve is determined in accordance with the Jordanian Companies Law by allocating 20% annually of the profit to this reserve.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Energy revenue

Energy revenues are recognized when the unit enters the production phase as follows:

- Fixed revenue which results from the capacity tariff is calculated based on the ability of units entered into production.
- Variable revenue which results from the production tariff is calculated based on the produced quantity of energy for units entered into production multiplied by the variable revenue rate.

Interest revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Borrowing costs

- Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs are expensed in the period in which they are incurred.
- Borrowing costs in relation to the acquisition, construction and production of the qualifying assets are treated as part of the cost of the relevant assets.
- Qualifying assets are those assets that take a substantial period of time to get ready for their intended use.

- The borrowing costs eligible for capitalization are the actual borrowing costs incurred on the borrowing less any investment income on the temporary investment of those borrowings.
- The borrowing costs eligible for capitalization are determined by applying capitalization rate to the expenditures on the qualifying assets.
- The capitalization rate is the weighted average of the borrowing applicable to the borrowings of the entity that are outstanding during the year, other than borrowings made specifically for the purpose of obtaining the qualifying assets.
- Capitalization of borrowing costs commence when:
    - Expenditures for the qualifying assets are being incurred
    - Borrowing costs are being incurred, and
    - Activities that are necessary to prepare the qualifying assets for their intended use or sale are in progress.

Foreign currencies

- The financial statements are presented in the Jordanian Dinar (functional currency).
- In preparing the financial statements, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the statement date (closing rate). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.
- Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the year or in previous financial statements shall be recognized in profit or loss in the year in which they arise.

Accounting judgments

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised. Accounting adjustments has no retrospective effects.

2010	Cost				Accumulated Depreciation			Net Book Value
Description	As at January 1, 2010	Additions	Transfers	As at December 31,2010	As at January 1,2010	Depreciation	As at December 31,2010	As at December 31,2010
	JD	JD	JD	JD	JD	JD	JD	**JD**
Projects under construction	55,898,575	181,376,650	(101,308,601)	135,966,624	-	-	-	**135,966,624**
Steam unit - Second	-	-	97,568,900	97,568,900	-	2,044,937	2,044,937	**95,523,963**
Steam unit - First	59,934,779	-	-	59,934,779	9,952,390	2,996,739	12,949,129	**46,985,650**
Gas unit - Third	40,902,403	-	-	40,902,403	4,095,843	2,045,120	6,140,963	**34,761,440**
Gas unit - Fourth	37,960,665	-	-	37,960,665	2,693,647	1,898,033	4,591,680	**33,368,985**
Gas unit - First	30,250,476	-	-	30,250,476	6,054,037	1,512,524	7,566,561	**22,683,915**
Gas unit - Second	30,250,476	-	-	30,250,476	6,054,037	1,512,524	7,566,561	**22,683,915**
Buildings	2,152,117	-	1,675,894	3,828,011	384,084	116,425	500,509	**3,327,502**
Lands	-	-	2,453,866	2,453,866	-	-	-	2,453,866
Payments on lands acquisition	510,913	364,678	(398,866)	476,725	-	-	-	**476,725**
Gas converter station	2,804,500	-	-	2,804,500	537,913	140,225	678,138	**2,126,362**
Fuel tanks	1,854,484	-	-	1,854,484	371,151	92,724	463,875	**1,390,609**
Other	1,820,752	198,222	8,807	2,027,781	738,387	278,699	1,017,086	1,010,695
Total	**264,340,140**	**181,939,550**	**-**	**446,279,690**	**30,881,489**	**12,637,950**	**43,519,439**	**402,760,251**

Property, plant and equipment

2011	Cost				Accumulated Depreciation			Net Book Value
Description	As at January 1, 2011	Additions	Transfers	As at December 31, 2011	As at January 1, 2011	Depreciation	As at December 31, 2011	As at December 31,2011
	JD	JD	JD	JD	JD	JD	JD	**JD**
Projects under construction	135,966,624	7,033,368	(142,794,976)	205,016	-	-	-	**205,016**
Steam unit - Second	97,568,900	-	(112,831)	97,456,069	2,044,937	3,862,815	5,907,752	**91,548,317**
Gas unit -Six	-	-	73,230,046	73,230,046	-	1,476,640	1,476,640	**71,753,406**
Gas unit - Five	-	-	69,677,761	69,677,761	-	2,603,848	2,603,848	**67,073,913**
Steam unit - First	59,934,779	-	-	59,934,779	12,949,129	2,273,448	15,222,577	**44,712,202**
Gas unit - Third	40,902,403	-	-	40,902,403	6,140,963	1,568,158	7,709,121	**33,193,282**
Gas unit - Fourth	37,960,665	-	-	37,960,665	4,591,680	1,477,579	6,069,259	**31,891,406**
Gas unit - First	30,250,476	-	-	30,250,476	7,566,561	1,134,195	8,700,756	**21,549,720**
Gas unit - Second	30,250,476	-	-	30,250,476	7,566,561	1,134,195	8,700,756	**21,549,720**
Buildings	3,828,011	-	-	3,828,011	500,509	114,657	615,166	**3,212,845**
Lands	2,453,866	-	-	2,453,866	-	-	-	**2,453,866**
Payments on lands acquisition	476,725	6,002	-	482,727	-	-	-	**482,727**
Gas converter station	2,804,500	-	-	2,804,500	678,138	105,440	783,578	**2,020,922**
Fuel tanks	1,854,484	-	-	1,854,484	463,875	69,530	533,405	**1,321,079**
Other	2,027,781	287,587	-	2,315,368	1,017,086	271,792	1,288,878	1,026,490
Total	**446,279,690**	**7,326,957**	**-**	**453,606,647**	**43,519,439**	**16,092,297**	**59,611,736**	**393,994,911**

(*) Costs of property, plant and equipment include an amount of JD 4,380,949 which represents allocated capitalized borrowing costs as follows:

	2011	2010
	JD	**JD**
Beginning of the year balance	2,689,271	-
Interest capitilized during the year - Note (18)	1,691,678	2,689,271
End of the year balance	**4,380,949**	**2,689,271**

4. Warehouses

	2011	2010
	JD	**JD**
Station warehouse	12,906,980	9,600,288
Fuel warehouse	9,467,376	8,114,270
Total	**22,374,356**	**17,714,558**

5. Other debit balances

	2011	2010
	JD	**JD**
Letter of credits and orders	3,248,353	269,346
Prepaid expenses	767,857	441,229
Orders differences receivable	66,732	42,912
Employees receivable	11,601	15,022
Refundable deposits	550	550
Advances to contractors	-	1,073,622
Total	**4,095,093**	**1,842,681**

National Electric Power Company receivable

	2011	2010
	JD	JD
Energy revenues receivable (*)	13,970,377	13,592,568
Fule receivable (**)	78,641,039	4,972,783
Net	92,611,416	18,565,351

(*) The only client for the Company is National Electric Power Company (National). Tariff of power purchasing is approved between the two companies according to the decisions of the Electricity Regulatory Commission's board of commissioners for units entered in to production. The following are the major decisions:

- Production tariff and capacity tariff are determined in details where financing costs, operating maintenance and administrating and operating costs for the units entered in to production are taken in to consideration.
- Settlements are on a monthly basis, inflation rate is added starting from a pre-determined date.
- (National) is committed to the fuel costs with its different types.
- Additional fees (Supplementary charges) are calculated according to what is applied in the purchase agreement for the eastern-Amman station.
- Capacity tariff conditions are enforced, for example, stopping the unit for maintenance or un-availability, and repayment delay fines according to what is applied in the purchase agreement for the eastern-Amman station.

However, the financial statements does not include the effects of some of the decisions above, which been estimated by JD 2,440,000 since it is still under negotiation with (National).

(**) This item represents the fuel consumed by (National) which been provided through the Company by Jordan Petroleum Refinery Co. where the account payable for the Jordan-Petroleum was amounted to JD 51,565,371 as at December 31, 2011.
This balance has been paid during 2012 directly from (National) and notifying the Company by this.

7. Cash and cash equivalents

	2011	2010
	JD	JD
Current accounts at banks	147,967	578,461
Petty cash	10,950	2,400
Total	**158,917**	**580,861**

8. End of service indemnity provision

	2011	2010
	JD	JD
Beginning of the year balance	163,491	141,671
Provided during the year	51,483	28,500
Paid during the year	-	(6,680)
Ending of the year balance	**214,974**	**163,491**

9. Loans payable

Lenders	Granted date	Currency	Original amount of the loan
Kuwait Fund For Arab Economic Development - 696	9-Mar-2005	KWD	12,250,000
Arab Fund for Economic & Social Development - 462	8-May-2005	KWD	21,000,000
Cairo Amman Bank and Arab Investment Bank - syndicated loan	22-Jun-2006	JD	25,000,000
Arab Fund for Economic & Social Development - 515	6-May-2007	KWD	20,000,000
Arab Fund for Economic & Social Development - 524	10-Mar-2008	KWD	30,000,000
Arab Fund for Economic & Social Development - 542	16-Dec-2009	KWD	30,000,000
Kuwait Fund For Arab Economic Development - 802	18-Mar-2010	KWD	15,000,000
Saudi Fund For Development	14-Apr-2010	SAR	193,000,000

(*) All foreign loans are guaranteed by the Government of Hashemite Kingdome of Jordan, while local loans are secured by the Company's assets.

		2011			2010
loan's duration	Interest rate	Current portion	Long term portion	Balance	Balance
	%	JD	JD	JD	JD
Repaid in 34 semi-annual installments started at May 15, 2009	4	1,827,000	24,612,300	**26,439,300**	**27,542,411**
Repaid in 35 semi-annual installments started at May,1 2010	4,5	3,132,000	45,414,000	**48,546,000**	**50,490,000**
Repaid in 16 equal-annual, installments; first installment is due after two years from the date of agreement till full redemption.	3,5	3,125,000	9,375,000	**12,500,000**	**15,625,000**
Repaid in 35 semi-annual installments (34 equal installments of KWD 570,000 and last installment of KWD 620,000) starting at August 1, 2012	4,5	1,487,700	50,712,300	**52,200,000**	**51,000,000**
Repaid in 35 semi-annual installments (34 equal installments of KWD 860,000 and the last installment of KWD 760,000) starting at February 1, 2014	4,5	-	78,300,000	**78,300,000**	**76,500,000**
Repaid in 35 semi-annual installments (34 equal installments of KWD 860,000 and the last installment of KWD 760,000) starting at September 1, 2014	3	-	75,273,254	**75,273,254**	**60,536,930**
Repaid in 40 equal semi-annual installments of KWD 375,000 each starting at October, 15 2014	3	-	43,717,173	43,717,173	38,232,406
Repaid in 30 equal semi-annual installments of SAR 6,433,000 each starting from October 1, 2015	2	-	34,177,210	**34,177,210**	**30,925,296**
		9,571,700	**361,581,237**	**371,152,937**	**350,852,043**

10. Income tax provision

	2011	2010
	JD	JD
Beginning of the year balance	695,009	2,145,853
Provided during the year	1,633,794	740,316
Recovery of a provision	-	(969,919)
Paid during the year	(851,009)	(1,221,241)
End of the year balance	**1,477,794**	**695,009**

(*) The following is reconciliation between the accounting income and taxable income:

	2011	2010
	JD	JD
Profit (loss) of accounting	3,147,936	(3,487,842)
Other revenues subject to 25% tax rate	(508,413)	(194,838)
Revenues not subject to tax	-	(1,146,282)
Unacceptable tax expenses	8,122,555	9,769,005
Taxable profit	**10,762,078**	**4,940,043**
Income tax rate	14%	14%
	1,506,691	**691,606**
Other revenue's income tax	127,103	48,710
Income tax due for the profits of the year	**1,633,794**	**740,316**

The tax status of the Company has been settled with Sales and Income Tax Department until the end of 2009, with Future Financial. Liabilities may raise over the Company

11. Other credit balances

	2011	2010
	JD	JD
Accrued loan payable interests	4,110,577	3,648,234
Orders differences payable	29,491	65,396
Chairman and board of directors rewards provision	12,000	12,000
Employees payable	2,738	2,637
Other	67	7,431
Total	**4,154,873**	**3,735,698**

12. Accounts payable

	2011	2010
	JD	JD
Vendors payable	748,213	740,895
Contractors payable	-	3,007,076
Total	**748,213**	**3,747,971**

13. Due to banks

Bank	Ceiling	Interest	2011	2010
	JD	%	JD	JD
Jordan bank	10,000,000	5,85	10,050,433	-
Amman Cairo Bank (*)	15,000,000	5,75	7,085,162	-
Arab Jordan Investment Bank	4,250,000	5,5	-	18,166
Total			**17,135,595**	**18,166**

14. Station operation and maintenance cost

	2011	2010
	JD	JD
Maintenance	2,804,954	1,009,504
Chemical materials	126,041	54,976
Laboratories	41,196	47,888
Water and electricity	26,934	78,288
General safety	1,718	10,984
Total	3,000,843	1,201,640

15. Administrative and operating expenses

	2011	2010
	JD	JD
Insurance	948,630	658,509
Governmental fees and subscriptions	352,973	285,483
Currency differences	180,752	74,089
Professional fees	113,966	70,906
Security	99,066	82,619
Computer and internet	86,368	96,921
Electricity and water	66,375	49,025
General maintenance and supplies	65,028	43,327
Cleaning	60,595	46,184
End of service indemnity	51,483	28,500
Salaries and transportation of board of directors members	32,670	26,575
Fuel and heating	25,095	21,690
Social and sport activities	25,093	8,304
Communication	23,060	37,684
Food	22,800	-
Training	22,314	16,086
Waste water	18,370	3,195
Per diems, accommodation and travel	16,759	6,669
Stationery and printings	16,046	14,422
Hospitality	15,948	16,767
Board of directors rewards	12,000	12,000
Miscellaneous	10,029	4,904
Vehicles insurance	9,017	6,259
Advertizing	7,388	7,622
Orders	6,595	5,609
Medical tests	4,845	5,021
Conferences and delegations	746	1,951
Rents	-	46,083
Total	**2,294,011**	**1,676,404**

16. Salaries, wages and other benefits

	2011	2010
	JD	JD
Employees salaries and benefits	2,928,480	2,213,595
Social security contribution	256,460	193,609
Saving fund contribution	238,213	186,778
Medical insurance contribution	150,662	112,138
Total	**3,573,815**	**2,706,120**

(*) The executive management salaries was amounted to JD 148,598 for the year ended at December 31, 2011 (JD 115,172 for the year ended December 31, 2010).

17. Other income

	2011	2010
	JD	JD
Insurance company compensation	351,696	311
Tenders copies sale	115,696	12,870
Scrap sale	40,537	177,954
Interest	484	3,703
Recovery of allowances	-	1,146,282
Total	**508,413**	**1,341,120**

18. Finance costs

	2011	2010
	JD	JD
Total finance costs	13,711,857	11,299,276
Less: interests allocated to property, plant and equipment - Note (3)	(1,691,678)	(2,689,271)
Net	**12,020,179**	**8,610,005**

19. Contingent liabilities

- As stated in the Company Lawyer's letter, there are legal cases from third parties against the Company with an amount of JD 689,697 for land acquisition compensation. Also there are cases legale with un-determined values, and these cases are still outstanding specialized courts.
- There are letters of credit and policies without guarantees at the date of financial statements ,as follows:

	2011
	JD
Letters of credit	3,404,532
Policies	36,235
Total	**3,440,767**

Risk management

a) Capital risk:

Regularly, the capital structure is reviewed and the cost of capital and the risks associated with capital are considered. In addition, capital is managed properly to ensure continuing as a going concern while maximizing the return through the optimization of the debt and equity balance.
The Company's capital structure consists of equity and loans payable.
Loans payable to capital structure ratio reached 86%, and debt to equity ratio reached 754%.

b) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
The risk arises on certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year.
The entity is exposed to currency risk resulting from loans payable and the effect was reflected in profit or loss.

c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
The risk arises on exposure to a fluctuation in market interest rates resulting from borrowings.
The following schedule illustrates the sensitivity of profit or loss and owner's equity for the change in interest prices that the entity pays for borrowing from banks:

	Change in interest		Effect on loss
	%		JD
Loans payble	± 0,5	±	62,500
Due to banks	± 0,5	±	85,678
Total			**148,178**

d) Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
The risk arises from investing in equity investments.
The entity is not exposed to other price risk.

e) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
The entity maintains cash at financial institutions with suitable credit rating.
Trade receivables of the entity concentrate in National Electric Power Company receivable.
The carrying amount of financial assets recorded in the financial statements represents the maximum exposure to credit risk without taking into account the value of any collateral obtained.

f) Liquidity risk:

Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.
Liquidity risk is managed through monitoring cash flows and matching with maturity dates of the financial assets and liabilities.
The following table shows the maturity dates of financial assets and liabilities as of December 31:

Description	Less than a year			
	2011	2010	2011	2010
Financial assets	JD	JD	JD	JD
Employees housing fund loan	-	-	470,000	350,000
Other debit balances	78,883	58,484	-	-
National Electric Power Company receivable	92,611,416	18,565,351	-	-
Cash and cash equivalents	158,917	580,861	-	-
TOTAL	92,849,216	19,204,696	470,000	350,000

Financial liabilities				
Loans payable	9,571,700	7,895,911	361,581,237	342,956,132
Other credit balances	4,154,873	3,735,698	-	-
Contractors retention	7,076,694	23,937,224	-	-
Accounts payable	748,213	3,747,971	-	-
Due to banks	17,135,595	18,166	-	-
Total	**38,687,075**	**39,334,970**	**361,581,237**	**342,956,132**

21. Adoption of new and revised Standards

In the current year, the new and revised International Financial Reporting Standards (IFRSs) including the International Accounting Standards (IASs) and their interpretations that are relevant to operations and effective for annual reporting periods have been adopted. The adoption of these new and revised Standards and Interpretations has resulted in changes to the accounting policies in the following areas:

- IFRS 3 'Business combinations'. The amendments clarify that the measurement choice regarding non-controlling interests at the date of acquisition is only available in respect of non-controlling interests that are present ownership interests and that entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other types of non-controlling interests are measured at their acquisition-date fair value, unless another measurement basis is required by other Standards. In addition, the amendments provide more guidance regarding the accounting for share-based payment awards held by the acquiree's employees. Specifically, the amendments specify that share-based payment transactions of the acquiree that are not replaced should be measured in accordance with IFRS 2 Share-based Payment at the acquisition date (market-based measure).

- **Applicable for periods beginning on July 1, 2010, and after.**

- IFRS 7 'Financial instruments: disclosures – transfers of financial assets'. The amendments are intended to provide greater transparency around risk exposures of transactions when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

- **Applicable for periods beginning on July 1, 2011, and after.**

IFRS 9 'Financial instruments'. The amendments introduce new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.
IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 to be subsequently measured at amortized cost or fair value.

Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

The amendments clarify the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

- **Applicable for periods beginning on January 1, 2015, and after, with earlier application permitted. This standard was applied for the current period's financial statements with no major effect over them.**

IAS 1 "Presentation of financial statements". The amendments clarify that an entity may choose to disclose an analysis of other comprehensive income by item in the statement of changes in equity or in the notes to the financial statements.
Applicable for periods beginning on January 1, 2011, and after.

IAS 24 'Related party disclosures'. The amendments relax the disclosures of transactions between the governmental entities and clarify related-party definition.

- **Applicable for periods beginning on January 1, 2011, and after.**

IAS 32 'Financial instruments – classification of rights and issues'. The amendments address the classification of certain rights issues denominated in a foreign currency as either equity instruments or as financial liabilities. Under the amendments, rights, options or warrants issued by an entity for the holders to acquire a fixed number of the entity's equity instruments for a fixed amount of any currency are classified as equity instruments in the financial statements of the entity provided that the offer is made pro rata to all of its existing owners of the same class of its non-derivative equity instruments.

- **Applicable for periods beginning on February 1, 2010, and after, and should be applied retrospectively.**

IFRIC 14 "Prepayments of a minimum funding requirement .The amendments now allow recognition of an asset in the form of prepaid minimum funding contributions.

- **Applicable for periods beginning on January 1, 2011, and after.**

IFRIC 19 'Extinguishing financial liabilities with equity instruments'. Under this interpretation, equity instruments issued under such arrangements will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued will be recognized in profit or loss.

- **Applicable for periods beginning on July 1, 2010, and after.**

At the date of authorization of these financial statements, the following Standards and Interpretations issued but not yet effective:

IFRS 10 'Consolidated financial statements'. IFRS 10 replaces the parts of IAS 27 "Consolidated and separate financial statements" that deal with consolidated financial statements. SIC-12 "Consolidation – special purpose entities" has been withdrawn upon the issuance of IFRS 10. Under IFRS 10, there is only one basis for consolidation, that is control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns.

IFRS 11 'Joint arrangements'. IFRS 11 replaces IAS 31 "Interests in joint ventures". IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. SIC-13 "Jointly controlled entities – non-monetary contributions by venturers" has been withdrawn upon the issuance of IFRS 11. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.
In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

IFRS 12 'Disclosure of interests in other entities'. IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.
The above three standards which are integrated with IAS 27 (as amended in 2011) and IAS 28 (as amended in 2011) are applicable for periods beginning on January 1, 2013, and after, with earlier application are permitted provided that all of these standards are applied at the same time.

IFRS 13 'Fair value measurement'. IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 "Financial instruments: disclosures" will be extended by IFRS 13 to cover all assets and liabilities within its scope.

- **Applicable for periods beginning on January 1, 2013, and after, with earlier application permitted.**

IAS 1 'Presentation of items of other comprehensive income'. The amendments require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

- **Applicable for periods beginning on July 1, 2012, and after. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.**

IAS 12' Deferred tax' – Recovery of underlying assets. The amendments provide an exception to the general principles in IAS 12 that the measurement of deferred tax assets and liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, 'investment properties' that are measured using the fair value model in accordance with IAS 40 'Investment property' are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

- **Applicable for periods beginning on January 1, 2012, and after.**

IAS 19 (as revised in 2011) 'Employee benefits'. The amendments change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

- **Applicable for periods beginning on January 1, 2013, and after and require retrospective application with certain exceptions.**

Management anticipates that the adoption of these Standards and Interpretations in current or future periods may not have material financial impact on the financial statements.

22. Reclassification

Balances of 2010 has been re-classified to conform to the classification used in 2011.