16th
Annual Report
2008-2009

ASIAN OILFIELD SERVICES LTD.

Visit us at www.asianoilfield.com

Board of Directors	Mr. Satya Pal Talwar	Chairman
	Mr. Krishna Kant	Executive Vice Chairman
	Mr. Avinash Manchanda	Managing Director
	Mr. Dali E. Ilavia	Independent Director
	Mr. Vikram Walia	Independent Director
	Mr. Sumeet Narang	Investor Director
	Mr. Rameshwarlal B. Kabra	Independent Director
	Mr. Anand Prakash Agrawal	Independent Director
	Mr. Vaibhav Maloo	Promoter Director
	Mr. Gautam Gode	Independent Director

Company Secretary Mr. Mukesh Khanna

Auditors M/s. Deloitte Haskins & Sells
Chartered Accountants
Vadodara.

Bankers State Bank of India
AXIS Bank Ltd.
Central Bank of India

Registered Office 7th Floor, B-Wing, Manubhai Tower
Sayajigunj , Vadodara – 390 020
Phone : 0265 - 2362071 E-mail : secretarial@asianoilfield.com

Registrar and Share Transfer Agent Link Intime India Pvt. Ltd.
1st Floor, 308, Jaldhara Complex, Nr. Manisha Society
Off. Old Padra Road, Vasna Road, Vadodara – 390 015
Phone : 0265 - 2250241 E-mail : vadodara@linkintime.co.in

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Letter to Shareholders

Dear Fellow Shareholders,

I am pleased to share with you the fact that despite a general slowdown in the Indian economy in 2008 driven by global financial crisis, your Company achieved fairly good results. The total revenue of your Company stood at Rs. 641 million, having grown by 34% compared to previous year. This is the fifth year in a row that your Company has shown commendable growth in revenues, clocking 69% CAGR over the last five years.

There were however, hurdles also. Unexpected suspension of one of the key projects hit the margins and returns of your Company. Net profit declined to Rs. 53 million as compared to Rs. 96 million in the previous year, while EBITDA declined from Rs. 167 million in the previous year to Rs. 127 million in the current year.

During the financial year in review, your Company scaled up its operation substantially, both in terms of tangible and intangible assets. We increased the number of our employees by 25% and the gross block of fixed assets by 28%. Skilled manpower is in shortage in oilfield services and therefore it is a challenge to increase the headcount. Nevertheless, we succeeded in adding some talented and experienced people who will surely prove to be an asset. However, to be in a position to grab the opportunities likely to come up in near future in the oilfield services sector, we shall hire more qualified people. By increasing our human resource strength we wish to enhance our presence across the value chain of oilfield services sector.

One positive factor in your Company is that it is debt free and has a strong cash position. We shall leverage this cash reserve to tap the most exciting growth opportunities in the sector.

The other significant development during last fiscal was that AOSL Petroleum PTE Ltd, Singapore - a 100% owned subsidiary of your Company made strategic investment of USD 4.99 million in Ensearch Petroleum Limited. The investment is in the form of optionally convertible debentures and would be converted into equity shares based on achievement of certain predetermined milestones. Through this investment your Company has created strategic interest in 10 oil and gas blocks having fairly good prospects of hydrocarbons discovery. By virtue of this association, AOSL is expected to reap benefits of business opportunities in its core area of seismic data acquisition as well.

As I look forward, I perceive challenges, but we are well on our way to consolidate ourselves as an established oilfield services player. In 2010 we anticipate to continue our good performance in net sales and earnings. All the elements for success are in place: resources, creative thinking, determination to succeed through an even greater focus on our customers, as well as a competent management team that is distinguished by ambition and integrity.

I take this opportunity to thank you all for your consistent support and patronage. I would also like to sincerely thank our customers, employees, suppliers, financers and other business associates for their support to the Company. I look forward to their continued assistance. We will continue to work for the enhancement of stakeholder's value and shall remain committed to justifying the faith and trust you have reposed in us.

Sincerely,

Krishna Kant
Executive Vice Chairman
Asian Oilfield Services Limited

ASIAN OILFIELD SERVICES LTD.

About Us

VISION

To emerge as India's leading E&P service providers through the adherence of international quality standards

MISSION

To become an end to end service provider for both national and international exploration companies

Company Background

Asian Oilfield Services Limited (AOSL) was incorporated in 1992 by Shri Avinash Manchanda, a B.Tech from I.I.T Kharagpur along with a group of technocrats, with an objective to provide services to the Oil and Gas Exploration companies. The Company at present provides seismic data acquisition, processing and interpretation services to Oil and Gas Exploration companies in India. Through this critical service, the Company has helped its clients locate crude oil deposits with speed & accuracy, and in turn become a partner in India's quest for hydrocarbons. AOSL banks on the rich experience of well-qualified professionals to provide value added quality service to the industry yearning for quality data.

Over the years, AOSL has grown into one of the key oilfield services provider firms in India and has garnered wide experience across the spectrum of oilfield services. It has successfully executed several projects relating to seismic data acquisition, seismic job services, shot hole drilling, up hole drilling and work over services. The knowledge and experience gained over the years has made it competent enough to face the challenge and difficulty present in Oil and Gas Industry. This is well demonstrated by the fact that the Company has the credentials of being the first private company to have successfully completed seismic survey activities in harsh terrains of Nagaland and Tripura.

Our Prestigious Clients

ONGC

Oil India Limited

CANORO RESOURCES LTD.

JUBILANT ENERGY

GAIL

GeoEnpro

Asian Oilfield Services Limited (AOSL) is a dynamic and distinguished oilfield services company in India. Having been in the Industry since 1992, the Company is now in an exceptionally strong position. It has shown a consistently high growth over the last several years. The Company shall grow larger in years to come when the Oil and Gas industry opens up the window of opportunity for the oilfield services firms. It is fully geared up to capitalize its rich experience and capability into newer domains of oilfield services and spread its tentacles beyond the boundaries of the country.

2008 Sales / Turnover Crosses the 500 million mark

2007 Samara Capital invests for a 14.9% stake in the Company

2007 Scales Operations from 1 Crew to 4 Crews

2006 Deploys its first 2D seismic data acquisition crew

2006 Fund infusion by Strategic Investor

2002 Wins its first 2D Seismic Data Acquisition contract from Premier Oil

1998 Works on its first Seismic Data Acquisition project as a subcontractor for RITES

1995 ONGC awards contract for charter-hire of 3 Workover Rigs

1995 Asian Oilfield lists on bourses

1992 Asian Oilfield Services Limited is incorporated

Milestones that shaped AOSL's Progress

ASIAN OILFIELD SERVICES LTD.

Mr. Avinash Manchanda
Managing Director
Asian Oilfield Services Ltd.

Interview with the MD

Let's meet the MD, Mr. Avinash Manchanda and discuss how Asian Oilfield Services Limited fared in the financial year 2008-09. "*Commendable achievements in spite of formidable challenges*" is how he describes the year in one short line.

There is an evident smile on your face, while the world economy and particularly the oil industry is known to have been greatly affected due to recessionary trends in the past year.

Despite a global slowdown and several company specific challenges, our gross business revenue during the financial year (July 2008 – June 2009) grew by 34% to Rs. 641 million from Rs. 480 million in the last financial year that was of 15 months (Mar 2007 – June 2008). If we look at the performance on a comparable basis, annualizing revenues earned in the previous financial year, the Company revenues grew by 67%. This is a significant growth by any standards.

However, despite outstanding growth in the revenue, net profit of the Company declined from Rs. 96.2 million in 2007-08 to Rs. 53 million in 2008-09 due to some unusual circumstances. The Company incurred a revenue loss of Rs. 370 million as one of our most ambitious projects in Nagaland, awarded by ONGC Jorhat was suspended due to *force majeure* conditions. Apart from causing a significant loss of revenue, suspension of the project affected the gross margins due to idling of manpower and equipment.

There was a significant increase in operational expenses in the year 2008-09. How would you account for those?

Yes, there is a definite increase in the operating expenditure in the last fiscal. The expenses grew up to 67% of net sales as compared to 47% of net sales in the previous year. This surge in the operating expense was primarily on account of an increase in the share of outsourcing in the total project. But, this trend is temporary as the Company is working towards increasing reliance on in-house resources.

How prepared are you to meet the expected growth of the Company, in terms of capital, infrastructure and technology, which are the key growth determiners for an oilfield services company?

The balance sheet of the Company is indeed strong right now. The Company was able to repay most of its debt during the year. The net cash position of the Company as on June 30th 2009 was Rs. 73 million as against Rs. 11 million on June 30th 2008. Being fortified with a strong balance sheet, the Company is now confidently poised to tap the burgeoning growth opportunities in the oilfield services sector.

We have already made significant capital expenditure to meet the growth we forecast in the next few years. During the year, the Company's gross block increased to Rs. 315 million from Rs. 245 million in the last fiscal. The Company purchased specialized drilling equipments for improving productivity and efficiency of drilling operations in the harsh terrains, where most of the exploration activities are now being conducted. The Company also increased its seismic inventory for handling larger work volumes. Besides, we have created enough excess capability and also capacity to be able to tap the near term growth opportunities that are there on the anvil.

There were lots of changes in the AOSL's Board last year. Please offer more information in this regard.

There were some significant changes in the Board, which aimed at introducing fresh business and leadership ideas in line with the Company's ambitious expansion plans. It was proposed to consider change of control in favour of Enso Limited and to induct it as a Co-promoter of the Company. Existing Promoters would continue as Promoters and would also be in management of the Company.

It has been reported that some of the biggest oilfield services in the world had to lay off employees, in order to sustain. What has been your experience with regards to human resource?

We have been quite fortunate in this regard. The Company had ample work volumes to finish in the last fiscal, this therefore called for an increase in the number of employees. As on June 30th 2009 our headcount was 98 as compared to 79 on June 30th 2008. Furthermore, the Company is investing heavily in the training and development of its human resources to meet the expected growth possibilities, sustain current growth rate and enhance shareholder returns. Apart from investment in employees, the Company has created an enviable consultant pool of highly experienced and talented people from the industry whose expertise is immensely valuable in the execution of the most challenging projects.

What optimism would you like to share with your shareholders?

We believe the oilfield services sector is poised for continued high growth and the Company is attractively positioned to benefit from this. We aspire to strengthen our operations in existing service areas and expand to new service areas as well. The Company also aims to maintain and build upon its strong reputation and the quality services it provides to its clients. Our strong balance sheet, experienced human resource, solid infrastructure and past achievements gives us courage to look ahead with great confidence.

Thank you very much!

ASIAN OILFIELD SERVICES LTD.

Overview of Projects

Project-wise Performance

AOSL takes pride in having achieved valuable and enormously challenging contracts in the financial year 2008-09. The projects we received were highly prestigious in term of their volume too, letting your Company achieve a record turnover of Rs. 641 million. But what gives us a feeling of immense satisfaction is that we successfully and profitably executed those projects, meeting the toughest deadlines.

Given below is the glimpse of the challenges met and accomplishments made while executing the projects.

2D Seismic data acquisition in Nagaland, for ONGC

ONGC, Jorhat awarded the high-status contract to carry out 2D Seismic Data Acquisition in Nagaland in November, 2007. We had to execute 450 GLK of Seismic Data Acquisition in the two field seasons 2007-08 & 2008-09. Net value of the project was Rs. 410 million. This was one of our most ambitious projects and we were fully geared up to meet the challenges. We successfully mobilized an additional crew to execute the voluminous project. We managed to carry on with the project in spite of insurgency situations and difficulty in mobilization of the crew.

But unfortunately, ONGC decided to stall the project in February, 2009 owing to political issues in the region. The Government of Nagaland and ONGC were unable to reach an understanding over a long standing issue. However, we could complete a few GLK before the work was suspended. The revenue loss due to suspension of work was immense for the Company, but we were certainly not shaken. This was the first time that we faced the brunt of socio-political issues. The experience taught us first hand that there are situations beyond control, and we feel blessed to have grown strong and healthy enough to survive those.

2D Seismic data acquisition in Mizoram, for OIL

Your Company was awarded the contract to carry out 2D Seismic Data Acquisition in Mizoram by Oil India Ltd in October, 2007. The volume of work in the whole project was 975 GLK to be executed in 14 operating months. We mobilized two seismic crews and acquired 110 GLK in the field season 2007-08, Here, we were a little behind the set target since the work coincided with the onset of monsoon season and because of the teething problems associated with project execution in the difficult geographical landscape of Mizoram. We have realized our shortcomings in this scenario and accordingly we have increased our resources to carry out Seismic Data Acquisition. We have imported especially designed Man Portable Drilling Rigs for the tough terrains of Mizoram. Your Company feels proud in acknowledgement of the fact that we have already executed 75% of the job by May, 2009 with the two crews. The balance 25% of the work is scheduled for completion in the field season 2009-10.

Integrated shot hole drilling and seismic job services, Gujarat for ONGCL, Baroda

Your Company received the contract to carry out Integrated Shot Hole Drilling and Seismic job services in Gujarat for two field seasons 2007-08 and 2008-09. The project entailed execution of 17,000 nos. of shots from November, 2008 to mid-June 2009. The project size was big but our tremendous experience in the field helped us carry out the project with exemplary speed and efficiency. We completed the contract with 20% extension, one month ahead of the scheduled completion date.

Integrated shot hole drilling and Seismic job services contract, for ONGC

AOSL established its footprints in Tamil Nadu in the last financial year by successfully executing Integrated Shot Hole Drilling and Seismic Job Services contract for Oil & Natural Gas Corporation Ltd. We efficiently met the deadline by completing the job in time.

Integrated shot hole drilling and Seismic job services contract, for ONGCL

Your Company received the contract to carry out Integrated Shot Hole Drilling and Seismic job services in Gujarat for one field seasons 2008-09. The project entailed execution of approximately 13,000 nos. of shots from February, 2008 to mid-June 2009. The project size was big but due to the delay in award of the job by ONGC the project could start only in the middle of the field season. The terrain was also extremely challenging involving lot of river crossing. We could achieve only half of the required production as the better half of the field season was not available for carrying out the work.

NOTICE

Notice is hereby given that 16th Annual General Meeting of Members of **Asian Oilfield Services Ltd.** will be held on Friday, 18th December, 2009 at 3.00 pm at the Auditorium of Vanijyabhavan, Central Gujarat Chamber of Commerce, Race Course, Vadodara to transact the following business.

Ordinary Business :

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 30th June, 2009 and Balance Sheet as of that date together with the reports of Directors and the Auditors thereon.
2. To appoint Director in place of Mr. Dali E.Ilavia, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Director in place of Mr. Satya Pal Talwar, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors of the Company and to fix their remuneration.

Special Business :

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**.

   "RESOLVED THAT Mr. Vikram Walia, a Director liable to retire by rotation, who does not seek re-election, be not re-appointed a Director of the Company."

   "FURTHER RESOLVED THAT the vacancy, so created on the Board of Directors of the Company , be not filled."

6. To consider and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**.

   "RESOLVED THAT subject to the approval of Central Government u/s. 314 (1B) of the Companies Act, 1956, the consent of the Company be and the same is hereby accorded to Mr. Miten Manchanda, son of Mr. Avinash Manchanda, the Managing Director of the Company for holding and to continue to hold an office or place of profit as Vice President (Business Development) in the Company at a revised Salary of Rs.1,25,000 p.m. (Cost to Company) in aggregate, with effect from 1st July, 2009."

   "FURTHER RESOLVED THAT this resolution shall be deemed to confer the necessary authority to the Board of Directors to sanction the increments and proper to promote him to any higher remuneration at their discretion in due course, as they may deem fit."

By order of the Board,

Date : 26-09-2009 **Mukesh Khanna**
Place : Vadodara Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxy, in order to be effective, should be lodged duly completed before 48 hours of the meeting.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business enumerated at Item Nos. 5 & 6 is annexed herewith.
4. Register of Members and Share Transfer Register will remain closed from Saturday, the 12th December, 2009 to Friday, the 18th December, 2009, (both the days inclusive).
5. Shareholders are requested to:
   (a) bring their copy of the Annual Report at the meeting.
   (b) send all communications relating to their shareholding, quoting Folio No. / Client ID No. at Registered Office / at the office of the Registrar and Share Transfer Agents.
6. Information about directors retiring by rotation and being appointed is given in the Annexure to the notice.
7. Members desirous of obtaining any information in respect of Accounts of the Company are requested to send their queries in writing to the Company at it's registered office so as to reach at least seven days before the date of the meeting.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No.5

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Article of Association of the Company, Mr. Vikram Walia retires by rotation at this Annual General Meeting and is eligible for re-appointment. However, he does not seek re-appointment. The Company does not propose to fill the vacancy at this meeting or any adjournment thereof. Hence, as required under Section 256 of the Companies Act, 1956, a resolution is proposed not to fill up the vacancy caused by the retirement of Mr. Vikram Walia at this meeting.

The Board of Directors accordingly recommends the resolution as set out in Item No.5 of the Notice for your approval.

None of the Directors are interested in the aforesaid resolution.

Item No.6

Mr. Miten Manchanda who has been holding office of the Vice President - Business Development , is a son of Mr. Avinash Manchanda, who is Managing Director of the Company. Sub Section (1B) of Section 314 of the Companies Act, 1956 provides that no relative of a Director should hold any place of profit in the Company which carries total monthly remuneration of Rs. 50,000 or more in the Company, except with the consent of the Company by Special Resolution. The Board of Directors are of the view that Mr. Miten Manchanda should be remunerated adequately in consideration of useful contributions made to the Company and in view of utility of his Services in future. At present he is actively involved , along with other top officials of the Company, in professionalizing the management of the Company and takes care of day to day Operational activities at various sites. The Board of Directors taking into consideration his experience, alternative salary structure for similar employment to other personnel and further work load of the Company decided to increase his remuneration as mentioned in the Resolution, subject to the approval of Central Government , as required by sub-section (1B) of Section 314 of the Companies Act, 1956.

Mr. Miten Manchanda is a First Class Graduate, B.Sc. (Hons.) from M.S.University of Vadodara and holds Diploma in Information Technology from Corporate Education Division of Mahindra British Telecom. He is a member of Actuarial Society of India.

Mr. Miten Manchanda started his career as Process Analyst for about Two Years and joined the organization as the Project Coordinator from 1st October, 2003. During the tenure of his service he undertook training of operating Seismic Data Acquisition equipments with Aram Aries and managed Seismic data acquisition work on various sites, skillfully and effectively. His useful contributions helped the Company to avail various Seismic Work contracts Awarded from Governmental and Private Operators and Players in the Industry and achieve the higher performance, during past several years. In consideration of such useful contributions, he was promoted to Vice- President (Business Development).

Mr. Miten Manchanda brings with his over 7 years of very valuable experience in developing a new business enterprise. His association with the Company involves, strengthening the top management team and more efficient handling of the operations at various sites. His commitment to quality, strive for excellence and sincerity of discharging responsibilities are an invaluable asset for your Company. Your directors are confident that Mr. Miten Manchanda will benefit the Company significantly.

The Board of Directors accordingly recommends the resolution as set out in Item No.6 of the Notice for your approval.

None of the Directors except Mr. Avinash Manchanda are interested in the aforesaid resolution and recommend your acceptance thereof in the interest of the Company.

By order of the Board,

Date : 26-09-2009
Place : Vadodara

Mukesh Khanna
Company Secretary

ASIAN OILFIELD SERVICES LTD.

Annexure to the Notice of Annual General Meeting

Information pursuant to Clause 49 of the Listing Agreement regarding reappointment of Directors upon retiring by rotation and appointment of Directors.

Name of the Directors	Mr. Dali E. Ilavia	Mr. Satya Pal Talwar
Date of Birth	17-11-1934	14-06-1939
Date of Appointment	29-10-2003	23-02-2009
Specialized Expertise	Finance and Accounts	Banking , Finance and Commercial areas
Qualifications	B.Com	B.A., LL.B., and Certified Associate of Institute of Bankers and also Member of Indian Council of Arbitration.
Directorship of other Companies as on 30th June, 2009	None	1) Housing Development and Infrastructure Ltd. 2) Reliance Life Insurance Co. Ltd. 3) Reliance General Insurance Co. Ltd. 4) Crompton Greaves Ltd. 5) Videocon Industries Ltd. 6) Reliance Communications Ltd. 7) Reliance Communication Infrastructure Ltd. 8) Reliance Infratel Ltd. 9) Wall Street Finance Ltd. 10) A.B. Hotels Ltd. 11) Kalpatru Power Transmission Ltd. 12) Reliance Securities Ltd. 13) Uttam Galva Steels Ltd. 14) HDIL Investment Advisor Pvt. Ltd.
Chairman / Member of Committees of other Companies as on 30th June, 2009	None	1) Reliance Life Insurance Co.Ltd. 2) Reliance Infratel Ltd. 3) Reliance General Insurance Co. Ltd. 4) Crompton Greaves Ltd. 5) Reliance Communications Ltd. 6) Videocon Industries Ltd. 7) Housing Development and Infrastructure Ltd. 8) Reliance Communications Infrastructure Ltd .

DIRECTORS' REPORT

To,
The Shareholders,

Your Directors have great pleasure in presenting Company's 16th Annual Report. The Company's financial results for the year ended 30th June, 2009 are as follows :

FINANCIAL HIGHLIGHTS : (Rs. In lacs)

	30th June 2009 (12 Months)	30th June 2008 (15 Months)
Gross Income	**6418.79**	**4796.74**
Gross Profit before Depreciation & Interest	**1265.58**	**1671.44**
Depreciation	390.44	204.28
Interest and Financial Charges	63.52	102.13
Profit before Tax	**811.62**	**1365.03**
Less : Provision for Tax		
Current Tax	162.00	286.00
Excess Provision of Current Tax in earlier years	(97.39)	-—
Deferred Tax Liability	209.93	112.12
Fringe Benefit Tax	7.01	4.65
Net Profit after Tax & other adjustments	**530.07**	**962.25**

Dividend :

With a view to plough back all the available surpluses in asset creation for the purpose of business consolidation, the Board does not recommend payment of Dividend to the Shareholders, for the year under review.

Operations in Retrospect :

During the period under review, your Company registered significant improvement in its performance by earning Gross revenue of Rs. **6418.79** Lacs during 12 Months, compared with Rs. **4796.74** Lacs in the previous year of 15 Months, however generated Net Profit of Rs. **530.07** Lacs against Rs. **962.25** Lacs of previous year mainly because of the closure of Nagaland Project under Force Majure resulted in idling of equipment and manpower and due to variations in gross margins in different projects

Management discussion and analysis :

Introduction :

With a view to fulfill its requirement of energy security and reduce its dependence on oil and gas imports, the Government of India launched NELP to catalyse exploration and production. Following the introduction of NELP in 1999, investments in the seismic surveys (both 2D and 3D) increased significantly. Until now, DGH awarded 199 oil and gas blocks in six NELP rounds combined and in NELP-VII, aiming to cover 352,000 sq. km through the offer of 57 oil and gas blocks.

The Indian oil exploration and production market is poised for robust growth, auguring well for the seismic services market (estimated potential of over Rs 8,000 cr over the next five years). The principal growth drivers are:

Steadily rising hydrocarbon demand and consumption : India is expected to be the fourth largest petroleum market in the world by 2010.

Large unexplored sedimentary basins of the 26 sedimentary basins, only seven are under commercial production.

Pressure on the political system for ensuring energy security has led to a government driven focus on exploration activity, resulting in creation of the NELP (New Exploration Licensing Policy) regime in 2000. Assured (non cyclical) business through accurately quantifiable market size and value determination under the NELP regime : E&P activity in India is a function of committed work programmes and not crude oil prices.

Increasing exploration budgets of oil majors: ONGC's exploratory spend grew almost 85 percent over 2004-07 and is expected to witness double-digit growth, going forward.

Large private sector players and international E&P companies like RIL, Cairn, ENI, Niko, Hardy Oil, British Gas, Chevron and Gazprom are currently present and majors like Exxon-Mobil are expected to enter the exploration and production space : Indian sedimentary basins are enjoying changed perceptions, from low to high prospects, due to the recent hydrocarbon discoveries in the Krishna-Godavari basin and Rajasthan by private/ joint venture companies.

Competitive positioning of Asian Oilfield

The Indian seismic services industry is marked by only three large-scale third party service providers. Asian Oilfield provides a rich seismic services portfolio, which enables it to closely integrate with the success of its E&P customers. This represents the most significant edge in an industry characterised by strong entry barriers like experience, integrated project management expertise and a scalable capital asset pool. A large and growing opportunity base on the one hand, and high entry fencing on the other, translates into the business flowing to incumbents.

Asian Oilfield enjoys a strongly competitive position in this exciting business landscape. Its investment in Ensearch is a positive step to enhance global footprint and bid for projects abroad, which are typically large in volume and margins-accretive. Ensearch possesses 10 strategic blocks across the world, with a combined net acreage of 40,000 sq. km (excluding the newly acquired blocks). It demonstrated capabilities in managing complex 2D and 3D projects, leveraging this understanding to bid for more such ventures. Typically, 3D projects are much larger in volume and cost efficient by achieving economies of scale. Its rich intellectual asset pool provides technical competence and execution skills. The Company seeks to enhance its human resource through training initiatives and recruitment of industry experts.

With the growth of Industry as a whole in the Country, the requirement of Petroleum is on the increase every year and a large portion of our total requirement is imported. Therefore the search of New Oil and Gas fields is going on in the Country and is to be continued for the decades to come. Our Company is engaged in a very intensive manner in helping the exploratory activities in the field of Petroleum in the Country and hence there is a big scope of expansion in these activities in the times to come. With the perseverance with which the Company is perusing our activities, it is hoped to continue to achieve a remarkable growth.

The Company is in the business of Geophysical Data Acquisition, Shot hole drilling & seismic job services for exploration of Petroleum and are regularly trying to improve on the technology applied. Your Company is also considering to go in other verticals of Oilfield Services.

Technology :

The Company is continuously trying to improve the technology and in this effort have made a collaboration with the internationally recognized Company TGC Technologies Ltd. , GSC and other well known Companies.

Overall review :

The global economic downturn, which started in July, 2007, when a loss of confidence by investors in the value of securitized mortgages in the United States resulted in a liquidity crisis that promoted a substantial injection of capital into financial markets by the United States Federal Reserve, Bank of England and European Central Bank , continued during the financial year 2008-09 also. This resulted in the huge drop in demand for the petroleum and petroleum products resulting in the crash in their prices. The price of crude oil dropped from US$ 11 per Million BTU. The drop in prices led to a contraction in the exploration and production activity of oil and gas globally with most of the operators deferring their exploration. Oil and Gas prices have since risen to some extent.

Opportunities, Threats, Risks and Concerns:

The recent surge in seismic activity is attributed to the increase in the search of oil and gas reserves. Various oil and gas projects have announced by Companies in India which amounts to huge investments and these will translate into direct investment in this seismic services industries in the search of oil and gas reserves. This is expected to pose the demand of the services rendered by the Company.

The operations of the Company are subject to general business risk, economic conditions and competition in the industry. The change in the Government policies could also effect the profitability of the Company. Globalization offers unlimited opportunities, but the same is coupled with threats from the competitors abroad.

Internal Control Systems :

The Company has already adequate Internal Control Systems in respect of efficiency of operation, financial reporting, compliance with laws and applications etc., which is supplemented by Internal Audit conducted regularly by the external Chartered Accountant, to review the adequacy and effectiveness of Internal Control and to suggest improvement. The Audit Committee regularly reviews the significant observations of the Audit and also meets the Company's Statutory Auditors to obtain their observations on Financial Reports and Controls.

Financials :

The detailed financial analysis of the Company's operations for the year is given herein above and therefore the same is not repeated.

Cautionary Statement :

Certain Statements made in the Management Discussion & Analysis may be "Forward-looking statements" within the meaning of applicable securities laws & regulations and actual results may differ materially from those expressed and implied. Factors that could make differences to the Company's operations include competition, available contracts through bidding process and service value realizations, changes in the Government policies and regulations, tax regimes, economic development within India and other incidental factors.

Change in control of the Company in favour of Enso Limited

Pursuant to Regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 1997 ("the SEBI Regulations") the consequent upon change in Control, Enso Limited has become Co-Promoter of the Company.

Directorate :

In terms of Regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 Mr. Satya Pal Talwar, Mr. Rameshwarlal B. Kabra, Mr. Anand Prakash Agrawal, Mr. Vaibhav Maloo and Mr. Gautam Gode have been appointed as Directors of the Company. Considering their rich business experience, technical expertise and business acumen, the Board hopes that the Company would be highly benefited by having them as Directors.

Mr. Navinbhai Patel and Dr. Bhupendra R.Shah resigned as Directors from 23rd February, 2009 whereas Mr. Vikram Walia, who retires by rotation does not offer himself for reappointment at the ensuing Annual General Meeting of the Company. The Board places on record its sincere appreciation for the contributions made by each of them during their tenure as Directors of the Company.

Mr. Dali E. Ilavia and Mr. Satya Pal Talwar retire by rotation and being eligible, offer themselves for reappointment.

A brief note on Directors retiring by rotation and eligible for re-appointment is furnished in the accompanying notice calling the Annual General Meeting.

Directors' Responsibility Statement :

In terms of Section 217 (2AA) of the Companies Act, 1956, the Directors would like to state that ;

i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed.

ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the Company's state of affairs at the end of the financial year and of the profit of the Company for the year under review.

iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the Company's Assets and preventing and detecting fraud and other irregularities.

iv) they have prepared the Annual Accounts on a 'going concern' basis.

Corporate Governance :

A separate section titled "Corporate Governance" including a certificate from the Practicing Company Secretary confirming the compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement along with the report on Management Discussion Analysis Report are annexed hereto and form part of this report.

Subsidiary Company :

Your Company, on 23rd July, 2008, had incorporated a wholly owned subsidiary namely AOSL Petroleum Pte. Limited , under the laws of Singapore as a limited Private Company with an initial capital of Rs.31,059 (SGD 1000 Only) comprising 1,000 shares of SGD 1 each.

Audited Account together with the Reports of Directors and Auditors of the Subsidiary Company, alongwith the statement pursuant to Section 212 of the Companies Act, 1956 is annexed to this report.

Consolidated Financial Statements :

In terms of listing requirement and in accordance with Accounting Standard AS-21, audited consolidated financial statements are provided in the Annual Report.

Change in Capital Structure and Listing of Shares :

During the period under review, 8,14,444 Equity Shares of Rs.10/- each were issued upon conversion of convertible warrants. The Company's shares are listed and traded at the Bombay Stock Exchange Ltd.

Forfeiture of Warrants :

The Company has forfeited 28,65,556 and 12,00,000 partly paid up convertible warrants on 17-03-2009 and 21-07-2009 respectively, upon non receipt of balance subscription money within stipulated period.

Dematerialization of Shares :

The Company has been allotted **ISIN No. INE276G01015** for its Equity Shares by National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL). Members are requested to Dematerialize Shares held by them for their convenience.

Audit Committee :

In view of change in control, the Audit Committee was reconstituted with Mr. Rameshwarlal B. Kabra, Mr. Anand Prakash Agrawal, Mr. Dali E. Ilavia and Mr. Gautam Gode, the Independent Directors as its members in compliance of Section 292A of the Companies Act, 1956 and it performed inter-alia, various functions as required in terms of the said provisions.

Statutory Disclosures :

Personnel :

Information under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, forms part of this report. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Report and the Accounts is being sent to all shareholders of the Company excluding the aforesaid information. Shareholders interested in obtaining this information may write to the Company Secretary at the Registered Office of the Company.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo :

As required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988, statement showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and out go, is given in the enclosed Annexure.

Auditors, Audit Report and Audited Accounts :

The Auditors M/s. Deloitte Haskins & Sells , retire at the conclusion of the ensuing Annual General Meeting, but being eligible, offer themselves for re-appointment.

The Auditors' Report read with the notes to the accounts referred to therein, are self-explanatory and therefore, do not call for any further comments.

Public Deposits :

During the period under review, the Company has not accepted any deposits under Section 58A of the Companies Act, 1956 .

Insurance :

All the properties of the Company are adequately insured against fire and other risks.

Appreciations :

The Board places on record its deep appreciation for the continued Support received from Oil & Natural Gas Corporation Limited, Oil India Limited, Geophysical Institute of Israel, State Bank of India , Government Authorities, Employees at all levels and Shareholders, in furthering the interest of the Company.

For and on behalf of the Board,

Date : 26-09-2009
Place : Vadodara

Krishna Kant
Executive Vice Chairman

Annexure to the Directors' Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo :

The particular as prescribed under Section 217 (1) (e) of the Companies Act, 1956 are appended hereto and forms part of the report :-

(A) CONSERVATION OF ENERGY :

(a) Energy conservation is an on going process and there is a continuous effort to create awareness and motivate the employees to conserve energy. The various measures taken by the Company are as under :-

1. Wherever possible local power connections were tapped and the running of generators is minimal.
2. In efficient engines have been replaced with new ones for the efficient and economic running.
3. All the engines are maintained properly to keep the fuel consumption minimal.
4. Running of automobiles is controlled by reducing possible trips and locating the working crew close to work spot.

(b) Additional investment and proposals for reduction of consumption of energy :-

1. Utilisation of energy sources with over capacity is limited / zeroed.
2. Additional manpower is deployed for maintenance of the equipment to optimize their utilization.
3. Induction of new equipment contributed to reduction of number of existing operating unit for the same output.

(c) Impact of the above measures :-

With the implementation of the various energy conservation measures, energy cost has reduced and consequently there is an impact on the cost of service.

(B) TECHNOLOGY ABSORPTION :

(a) Research and Development (R&D) :

1. Specific area in which R&D carried out by the Company :

   No new technologies have been introduced during the year under review, however, the Company intends deploy the same at relevant point of time.
2. Benefits derived as a result of R & D : Nil
3. Future plan of action : The Company is in process of streamline the operations and improve productivity per unit per man operation.
4. Expenditure on R & D : Nil

(b) Technology Absorption, Adaptation & Innovation :

1. Efforts made toward technology absorption, adaptation & innovation.

a) Indigenous development of drilling units, modules have been adapted.

b) International standard has been observed in the adoption and manufacture of new items, drilling technology is indigenous.

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.

   Improved quality , time efficiency and cost reduction.
3. In case of imported technology following information may be furnished:

- Technology imported	:	Nil
- Year of Import	:	Nil
- Has technology been fully absorbed	:	N.A.
- If not fully absorbed, areas where this has not taken place, reason and future plans of action.	:	N.A.

(C) FOREIGN EXCHANGE EARNING & OUTGO :

a.	Foreign Exchange Earnings Seismic Survey and other related charges	:	Rs.	9,32,296
b.	Foreign Exchange outgo towards	:		
	(i) Traveling expenses	:	Rs.	6,59,546
	(ii) Capital goods	:	Rs.	6,46,08,065
	(iii) Revenue Payment	:	Rs.	1,70,66,567

Report on Corporate Governance

In compliance with Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange Ltd., the Company submits the report on the matters mentioned in the said Clause and lists the practices followed by the Company.

1. Company's philosophy on Code of Corporate Governance.

Asian Oilfield Services Limited's philosophy on Corporate Governance envisages working towards high levels of transparency, accountability, consistent value systems, delegation, across all facets of its operations leading to sharply focused and operationally efficient growth.

2. Board of Directors :

The Board of Directors consist of Ten Directors with Non Executive Chairman, Executive Vice Chairman, Managing Director, Promoter Director and Investor Director with five Non Executive Independent Directors as on 30th June, 2009. The Composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49, across all the Companies in which he is a Director. Necessary disclosure regarding Committee position in other Public Companies as at 30th June, 2009 have been made by the Directors.

A brief resume of the Directors being re-appointed at the Annual General Meeting, the nature of their expertise in specific functional areas and names of companies in which they holds directorship and membership of the committees of the Board, is annexed to the Notice. Whereas the names and categories of the Directors, their attendance at Board Meetings, Annual General Meetings, Number of directorships in other Companies and committee meetings etc. are given below :

Name of Directors	Category of Directors	No. of Board Meeting Attended during 08-09	Whether attended last A.G.M	No. of Directorship in domestic public companies	No. of Committee membership	
					Chairman	Member
Satya Pal Talwar **	Non Executive Chairman	1	N.A.	13	5	4
Krishna Kant	Executive Vice Chairman & Promoter	1	No	—	—	—
Avinash Manchanda	Managing Director & Promoter	6	Yes	—	—	—
Navin Patel *	Non Executive Independent	None	No	—	—	—
Dali E. Ilavia	Non Executive Independent	4	No	—	—	—
(Dr.) Bhupendra R.Shah *	Non Executive Independent	3	Yes	—	—	—
Vikram Walia	Non Executive Independent	None	No	1	—	—
Sumeet Narang	Investor Director	3	No	1	—	—
Vaibhav Maloo **	Non Executive Promoter	2	N.A.	2	—	—
Rameshwar Lal Kabra **	Non Executive Independent	3	N.A.	2	1	—
Anand Prakash Agrawal**	Non Executive Independent	3	N.A.	—	—	—
Gautam Gode **	Non Executive Independent	2	N.A.	—	—	—

* Ceased to be Directors w.e.f. 23rd February, 2009.

** Appointed as Additional Directors w.e.f. 23rd February, 2009 and regularized as Directors effective from 16-04-2009.

Board Meetings :

During the year 2008-2009, the Board met 6 times on 30th August, 2008, 25th October, 2008, 31st January, 2009, 23rd February, 2009, 28th April, 2009, 13th May, 2009. The longest gap between any two Board Meetings did not exceed four months.

None of the Directors on the Board holds the office of Director in more than 15 Companies nor are they members in Committees of the Board in more than 10 Committees or Chairman of more than 5 Committees.

None of the Non Executive Directors have any material pecuniary relationship or transactions with the Company. Necessary information as mentioned in Annexure 1A to the Clause 49 of the Listing Agreement has been placed before the Board for their consideration.

Shareholding of Directors :

Names of Directors	No. of Shares held
Mr. Krishna Kant	2,61,230 (2.32 %)
Mr. Avinash Manchanda	2,69,606 (2.39 %)

3. Audit Committee :

The Board of Directors reconstituted the Audit Committee, with four Non Executive Independent Directors viz. Mr. Anand Prakash Agrawal, Mr.Dali E. Ilavia and Mr. Gautam Gode with Mr. Rameshwarlal B. Kabra, as the Chairman of the Committee.

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting.

The constitution of Audit Committee also meets the requirements under Section 292A of the Companies Act, 1956 and Clause 49II(D) of the Listing Agreement and the terms of reference stipulated by the Board for the Audit Committee, covers the matters specified, which are as under.

A. The Audit Committee shall have the following powers :

1. To investigate any activity within its terms of reference.
2. To seek information from any employees.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. The Role of the Audit Committee shall include the following :

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors and fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by them.
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
   - matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.
   - changes, if any, in accounting policies and practices and reasons for the same.
   - major accounting entries involving estimates based on the exercise of judgment by the management.
   - significant adjustment made in the financial statements arising out of audit findings.
   - compliance with listing and other legal requirements relating to financial statements.
   - disclosure of related party transactions.
   - qualification in draft Audit Report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

6. Reviewing with the management, the performance of Statutory and Internal Auditors, adequacy of internal control system.

7. Reviewing the adequacy of Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of Internal Audit.

8. Discussion with Internal Auditors about any significant findings and follow-up thereon.

9. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

10. Discussion with Statutory Auditors before the Audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.

11. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders and Shareholders (in case of non payment of declared dividends) and creditors.

12. To review the functioning of the Whistle Blower Mechanism.

13. Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.

14. Reviewing information related to

- the management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- management letter/letters of internal control weakness issued by the Statutory Auditors;
- internal Audit Reports relating to internal control weakness; and
- the appointment, removal and terms of remuneration of Internal Auditors.

15. Reviewing the financial statements and in particular the investments made by the unlisted subsidiaries of the Company.

During the year 2008-2009, 4 meetings of the Audit Committee, were held on 30th August, 2008, 25th October, 2008, 31st January, 2009 , 28th April, 2009, details of attendance of members are as under;

Name of Directors	Number of Meetings	Meetings attended
Mr. Dali E. Ilavia	4	3
Mr. Navin Patel *	3	—
Mr. (Dr.) Bhupendra Shah *	3	3
Mr. Rameshwarlal B. Kabra **	1	1
Mr. Anand Prakash Agrawal **	1	1
Mr. Gautam Gode **	1	1

* Ceased to be Directors w.e.f. 23rd February, 2009.
** Appointed as Additional Directors w.e.f. 23rd February, 2009.

4. Remuneration Committee :

The Board of Directors has constituted a Remuneration Committee to review and recommend the remuneration package of the Wholetime Directors, based on performance and defined criteria.

Remuneration Committee was reconstituted on 23rd February, 2009, which consist of five members viz. Mr. Rameshwarlal B. Kabra, Mr. Anand Prakash Agrawal, Mr. Dali E. Ilavia, Mr. Sumeet Narang and Mr. Vaibhav Maloo.

No Remuneration Committee meeting was held during the year 2008-2009.

Remuneration Policy is directed towards rewarding performance, based on the review of achievements. The remuneration policy is in consonance with the existing Industry practice.

The remuneration paid to the Executive Vice Chairman and the Managing Director was recommended by the Remuneration Committee and approved by the Board of Directors in the Board Meeting and by the Shareholders at the Annual General Meeting.

Details of remuneration paid during 2008-09 :

The aggregate value of salary and perquisites including Company's contribution to provident fund and gratuity fund etc., for the year ended 30th June, 2009 paid to Mr. Krishna Kant , the Executive Vice Chairman and to Mr. Avinash Manchanda, the Managing Director are as follows :

(In Rs.)

	Executive Vice- Chairman	Managing Director
Salary	30,00,000	30,00,000
Gratuity	12,50,000	—
Contribution to Provident Fund	—	7,020
Total	42,50,000	30,07,020

These Wholetime Directors are not related to any Director. They have been appointed for a tenure of Five years with effect from 18th June, 2008 and 1st February, 2008, respectively, under the agreements which can be terminated by either party giving three months' notice in writing.

Non-Executive Directors do not draw any remuneration. However, sitting fees were paid to such Non Executive Directors @ Rs.2,000/- per Board Meeting and Rs.1,500 per Committee Meetings of Audit Committee, Remuneration Committee and Shareholders' Grievance Committee and Rs.750/- per meeting of Share Transfer Committee, Investment Committee, Allotment Committee and Finance Committee during the year under review.

Details of sitting fees paid to Non Executive Directors during the year 2008-2009.

Name of Directors	Sitting Fees paid (in Rs.)
Mr. Dali E. Ilavia	23,750
Mr. (Dr.)Bhupendra Shah	18,000
Mr. Sumeet Narang	4,000
Mr. Rameshwarlal B. Kabra	9,000
Mr. Anand Prakash Agrawal	9,000
Mr. Vaibhav Maloo	2,000

There were no other pecuniary relationship or transactions of the Non Executive Director vis a vis the Company. As of now, the Company does not have any employee stock option plan.

5. Shareholders' Grievance Committee :

The Board of Directors has reconstituted a Shareholders' Grievance Committee with three Independent Directors, viz. Mr. Rameshwarlal B. Kabra, Mr. Anand Prakash Agrawal, Mr. Dali E. Ilavia with Mr. Vaibhav Maloo, the promoter director.

The Committee, inter alia, oversees and reviews all matters connected with the securities and looks into shareholders complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividend, issue of Duplicate Share Certificate, dematerialisation of shares etc. The Committee oversees the performance of the Secretarial Department and the working of M/s. Link Intime India Pvt. Ltd., the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of services to the investors.

During the year 2008-2009, the Shareholders' Grievance Committee met on 30th August, 2008, 25th October, 2008, 31st January, 2009 and 28th April, 2009.

Attendance of Members at the Meetings of the Shareholders' Grievance Committee held during 2008-2009.

Name of Director	Number of Meetings	Meetings attended
Mr. Dali E. Ilavia	4	3
Mr. Navin Patel *	3	—
Mr. (Dr.) Bhupendra Shah *	3	3
Mr. Vaibhav Maloo **	1	—
Mr. Rameshwarlal B. Kabra **	1	1
Mr. Anand Prakash Agrawal **	1	1

* Ceased to be Directors w.e.f. 23rd February, 2009.

** Appointed as Additional Directors w.e.f. 23rd February, 2009.

The Company has appointed Mr. Mukesh Khanna as the Compliance Officer.

During the year under review, the Company had received and resolved 2 complaints and no complaints are outstanding and no requests for transfer and/or requests for dematerialization were pending for approval as on 30.06.2009.

Share Transfer Committee

This Committee has been constituted to approve transfer / transmission / rematerialization / dematerialization of shares of the Company. The Committee comprises of Mr. Avinash Manchanda, as its Chairman and Mr. Dali E. Ilavia as the member.

Number of pending share transfers

As the shares are compulsorily traded in demat mode which effects automatically through NSDL and CDSL. The approval of the Company is required for transfer of shares which are in physical mode. As on 30th June, 2009, no share transfer request was pending. All the Share Transfers and other requirement have been completed during the year in the stipulated time period.

6. Board / Committee Meeting and procedure :

a) Institutionalized decision-making process :

With a view to institutionalize all corporate affairs and setting up systems and procedures for advance planning for matters requiring decision by the Board , the Company has placed in a defined procedure for meeting of the Board of Directors and Committees thereof in an informed and efficient manner.

b) Scheduling and selection of Agenda items for Board / Committee Meetings :

i) The meetings are convened by giving appropriate notice, preferably seven days, to the concerned Directors , Statutory Auditors , Stock Exchange and other invitees. The detailed agenda, management reports and other explanatory statements are circulated in advance amongst the members to facilitate meaningful, informed and focused decisions at the meetings.

ii) The agenda papers are prepared by the Secretarial Department, and circulated amongst the Board Members and other invitees to the meeting.

iii) Where it is not practicable to attach any document or the agenda is sensitive nature, the same is circulated at the meeting with the approval of the Chair. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are taken up for discussion with the permission of the Chair and after a consensus is formed. Sensitive / confidential subject matters are discussed at the meeting even without written material being circulated.

iv) The meetings are usually held at Mumbai for the convenience of majority of the Directors.

v) The members of the Board have complete access to all information of the Company.

c) Briefing by the Managing Director :

At the beginning of each Meeting of the Board, the Managing Director briefs the Board Members about the key developments relating to the Company in diverse areas.

d) Recording minutes of proceedings at the Board :

Minutes of the proceedings of each Board / Committee meeting are recorded and entered in the Minutes Book. The minutes of each Board Meeting are submitted for confirmation at its next meeting and are signed by the Chairman. The minutes of the Board are placed before the Board of Directors for its information.

e) Compliance :

The Board ensures compliance of all applicable provisions of the Companies Act, 1956 , SEBI Guidelines, Listing Agreement and other statutory requirements pertaining to capital market.

f) Information placed before the Board of Directors, inter alia , includes :

- Annual operating plans and budgets and any updates.
- Capital Budgets and any updates.
- Annual Accounts, Directors' Report etc.
- Quarterly results of the Company.
- Minutes of meetings of Board and other Committee of the Board.
- Presentation by the marketing team with regard to marketing plans of the Company.
- Show cause, demand, prosecution notices and penalty notices which are materially important
- Fatal or serious accidents, dangerous occurrences etc.

- Operational highlights and substantial non-payment for goods sold by the Company.
- Major investments, formation of Subsidiaries and Joint Ventures , Strategic Alliances etc.
- Award of large contracts.
- Disclosure of Interest by Directors about directorship and committee positions occupied by them in other companies.
- Any significant development in Human Resources / Industrial Relations front.
- Compliance Certificate of any regulatory , statutory nature.
- Short term investment of surplus funds.
- Information relating to major legal disputes.
- All other significant events / information.

7. General Body Meetings :

A. Annual General Meeting

Particulars of the last three Annual General Meeting held and Special Resolution passed thereat , are as under.

Date	Time	Place	Special Resolution
23-12-2008	11.30 a.m.	Auditorium of Central Gujarat Chamber of Commerce, Race Course, Vadodara.	Reappointment of Mr. Krishna Kant as the Executive Chairman of the Company for a period of 5 years. Special Resolution passed through Postal Ballot for authorizing Board to make any Loan, give guarantee or provide security, to acquire by way of subscription, purchase or otherwise the securities of any body corporate in excess of limit prescribed under Section 372A, upto an aggregate amount of Rs.200 Crores.
28-09-2007	11.30 a.m.	As above	Revision of terms of Appointment of Managing Director and Executive Chairman.
03-08-2006	11.30 a.m.	As above	—

Resolutions relating to (i) create charge and/or mortgage on all or any assets of the Company in favour of lenders/ trustees for securing borrowing under Section 293(1)(a) of the Companies Act, 1956 (ii) authorizing Board to make any Loan, give guarantee or provide security, to acquire by way of subscription, purchase or otherwise the securities of any body corporate in excess of limit prescribed under Section 372A, upto an aggregate amount of Rs.200 Crores were passed on 23-12-2008 through Postal Ballot.

Whereas Resolutions relating to appointment of Messers Satya Pal Talwar, Rameshwarlal B. Kabra, Anand Prakash Agrawal, Vaibhav Maloo and Gautam Gode and Change in control of the Company in favour M/s ENSO Ltd. under Regulation 12 of SEBI (SAST) Regulations, 1997, were passed on 16-04-2009 through Postal Ballot.

Presently the Company does not have any proposal that requires a postal ballot.

B. Extra Ordinary General Meeting

During the period under review, no Extra-Ordinary General Meeting of the Members of the Company was held.

8. Disclosures :

(i) Related Party Transactions, comprising of contracts or arrangements with the Promoters or other Companies/entities in which the Directors are interested, are entered in the Register of Contracts and placed before Board Meeting as per Section

301 of the Companies Act, 1956. None of the transactions with any of the related parties were in conflict with the interest of the Company.

(ii) There were no instances of non-compliance and no strictures and penalties have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities, on any matters related to capital markets, during the last three years.

9. Compliance of mandatory requirements :

The Company has complied with the mandatory requirements of Clause 49 of the listing agreements and a certificate from Mr. Jayesh Vyas, the Practicing Company Secretary, has been obtained.

10. Compliance of non-mandatory requirements :

The Company has adopted the non-mandatory requirements as regards the provisions relating to the Remuneration Committee. The Quarterly Financial Results are extensively published in newspapers and also sent to the shareholders on request. The Company affirms that no employee has been denied access to the Audit Committee. The Company addressed various risks and its policy on risk management. As regards the other non mandatory requirements, the Board has taken cognizance of the same and shall consider adopting the same as and when necessary.

The Company adopted the following non-mandatory requirement on Corporate Governance recommended under Clause 49 of the Listing Agreement.

a) **Remuneration Committee :**

The Remuneration Committee of Directors is comprised three Non-Executive Independent Directors.

b) **Whistleblower policy :**

The Company is in the process of formulating a Whistleblower Policy.

c) As on date, the Company had not adopted other non-mandatory requirements mentioned in Clause 49 of the listing agreement.

Risk management :

The Company addressed various risks and its policy on risk management is provided in the Management discussion and analysis report provided elsewhere in this annual report.

Management Discussion and Analysis :

The Management discussion and analysis is included as a part of this annual report.

CEO / CFO certifications

The required certifications in pursuance of Clause 49 of Listing Agreement from Mr. Mohan Akalkotkar, Chief Finance Officer, who is looking after finance function of the Company , are given at the end this report.

11. Means of Communication :

- **Quarterly Results :** The Quarterly Results are published in accordance with the provisions of the listing agreement. The results are published in English newspaper and in Gujarati news paper.
- **Website :** The Company's website **www.asianoilfield.com** contains a separate dedicated section called 'Investor' where shareholders' information is available. The full Annual Reports for the Financial Year 2004-05, 2005-06, 2006-07, 2007-08 and quarterly results for first Four quarters for the Financial Year 2007-08, 2008-09 and also Code of Conduct and Ethics for Board of Directors and Senior Management Personnel are also available on the website in a user-friendly and downloadable form.
- **Email ID :** secretarial@asianoilfield.com
- **Annual Report :** Annual Report containing notice and agenda of the Annual General Meeting, Audited Annual Accounts, Directors' Report , Auditors' Report, and other important information is circulated to Members and others entitled thereto. The Management's Discussion and Analysis (MDA) Report forms part of the Annual Report

12. General Shareholder information :

12.1 Annual General Meeting :

- Date and time : Friday, the 18th December, 2009, at 3.00 p.m.
- Venue : At the Auditorium of Vanijyabhavan, Central Gujarat Chamber of Commerce, Race Course, Vadodara.

12.2 Financial Calendar :

Board Meeting to approve Quarterly Financial Results ending	Period
September 30th, 2009	By end of October, 2009
December 31st, 2009	By end of January, 2010
March 31st, 2010	By end of April, 2010
June 30th, 2010	By end of July, 2010
Audited Results for the year 2009-2010	By end of August, 2010

12.3 Dividend payment Date : Not applicable

12.4 Details of Book Closures : Saturday, the 12th December, 2009 to Friday, the 18th December, 2009 (Both the days inclusive)

12.5 Listing of Equity Shares on Stock Exchange : The Bombay Stock Exchange Ltd., Mumbai

12.6 Stock Code : 530355

Demat ISIN number in NSDL and CDSL for Equity Shares : **ISIN - INE276G01015**

12.7 Stock Market Data :

High / Low of market price of the Company's shares traded on The Bombay Stock Exchange Ltd. during each month in the last financial year ended 30th June, 2009 is as under :

Months	High (Rs.)	Low (Rs.)	Total No. of Shares Traded
July, 2008	156.90	112.40	4,124
August, 2008	158.00	105.00	4,289
September, 2008	145.00	59.20	14,75,295
October, 2008	74.00	39.10	15,86,632
November, 2008	53.00	29.00	6,20,433
December, 2008	54.90	35.50	6,66,185
January, 2009	50.00	31.00	1,04,538
February, 2009	48.00	30.75	6,81,207
March, 2009	35.40	24.30	10,68,276
April, 2009	46.10	29.55	16,56,863
May, 2009	72.95	35.90	30,93,796
June, 2009	75.00	44.70	17,48,103

12.8 Registrar and Share Transfer Agent : **Link Intime India Pvt. Ltd.**
1st Floor, 308, Jaldhara Complex,
Opp.Manisha Society, Vasna Road,
Vadodara - 390 015, Gujarat
Phone 0265 – 2250241/46
E-mail : vadodara@linkintime.co.in

12.9 Share Transfer System

Presently, the Share Transfers which are received in physical form are processed and the share certificates are returned within a period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board of Directors of the Company are approving transfer of securities under the supervision and control of the Company Secretary, subject to placing of a summary statement of transfer / transmission, etc. of securities of the Company at meetings of the said Committee.

All requests for dematerialization of shares are processed and confirmation is given to the respective depositories, i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services Limited (CDSL) within 21 days except few cases.

12.10 Distribution of Shareholding as on 30th June, 2009.

No. of Shares	No. of Share holders	Percentage of share holders	Total No. of Shares	Percentage holding
Upto - 500	9,489	86.98	17,76,368	15.76
501 - 1000	871	7.98	7,06,124	6.26
1001 - 2000	273	2.50	4,23,483	3.76
2001 - 3000	90	0.82	2,34,270	2.08
3001 - 4000	38	0.35	1,37,640	1.22
4001 - 5000	45	0.41	2,13,710	1.90
5001 - 10000	43	0.39	3,11,598	2.76
10001 and above	61	0.56	74,71,251	66.27
Total	**10,910**	**100.00**	**1,12,74,444**	**100.00**

The Company has not issued any GDRs / ADRs or any convertible instrument.

12.11 Distribution of Shareholding Pattern as on 30th June, 2009 :

Category	No. of Shares	% of Total Capital
Promoters (including Relatives, Bodies Corporate)	9,49,357	8.42
Non Promoters		
a. Banks and Financial Institution	—	—
b. Mutual Funds	—	—
c. Insurance Companies	—	—
d. Foreign Institutional Investors	3,15,900	2.80
e. Bodies Corporate	30,21,137	26.80
f. Indian Public	51,50,236	45.68
g. Clearing Members	1,73,800	1.54
h. Non Residents Indians	1,64,004	1.46
i. Foreign Company	15,00,000	13.30
j. Overseas Bodies Corporate	10	0.00
Total	**1,12,74,444**	**100 %**

12.12 Dematerialisation of Shares :

About 88,11,269 (78.15 %) Equity Shares of the Company have been Dematerialised. The Equity Shares of the Company are compulsorily to be traded in Electronic form through Bombay Stock Exchange Ltd. The Equity Shares of the Company are actively traded on BSE thus ensure good liquidity for the investors.

12.13 Plant locations : The Company has no plants.

12.14 Address of Correspondence for Grievances relating to Shares

Link Intime India Pvt. Ltd.

308, Jaldhara Complex,
Opp.Manisha Society, Off. Old Padra Road,
Vasna Road, Vadodara – 390 015.
Phone : (0265) 2250241/46
E-Mail : vadodara@linkintime.co.in

Secretarial Dept.

Asian Oilfield Services Ltd.
7th Floor, B-Wing, Manubhai
Tower, Sayajigunj, Vadodara 390 020.
PhoneNo.0265–2362071, 2362292
Fax No. (0265) – 2226216
Email : secretarial@asianoilfield.com

Declaration regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct :

This is to confirm that the Company has adopted a Code of Conduct for its employees, Non Executive Directors and Executive Directors, which is also available on the Company's web site.

I confirm that the Company has , in respect of the financial year ended 30th June, 2009 received from the Senior Management Team of the Company and the Members of the Board , a declaration of Compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Finance Officer, the Company Secretary and other employees in the Executive Vice President cadre on 30th June, 2009.

Date : 26-09-2009
Place : Vadodara

Avinash Manchanda
CEO & Managing Director

Report of Practicing Company Secretary on Corporate Governance

To

The Members,

Asian Oilfield Services Limited,

Vadodara.

We have examined the compliance of conditions of Corporate Governance by Asian Oilfield Services Limited, for the year ended 30th June, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Ltd.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuing compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We state that generally no investor grievances is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' Grievance Committee and the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Jayesh Vyas & Associates
Practicing Company Secretaries

Place : Vadodara
Date : 25.09.2009

Jayesh Vyas
Proprietor
Membership No. FCS 5072
C.P.No.1790

CERTIFICATE

To,
The Board of Directors,
Asian Oilfield Services Ltd.
Vadodara.

This is to certify that;

We have reviewed financial statements and the Cash Flow statement for the year and that to the best of our knowledge and belief :

these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,

these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations,

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct

We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit Committee,

- significant changes in Internal Control during the year;
- significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant rolls in the Company's internal control system.

Mohan Akalkotkar
Chief Finance Officer
Asian Oilfield Services Ltd

Place : Vadodara
Date : 26.09.2009

AUDITORS' REPORT

To the Shareholders of
Asian Oilfield Services Limited

1. We have audited the attached balance sheet of **Asian Oilfield Services Limited,** as at 30th June 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

   e) On the basis of written representations received from the directors of the Company, as on 30th June 2009 and taken on record by the Board of Directors of the Company, none of the directors is disqualified as on 30th June 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

   f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      a) in the case of the Balance Sheet, of the state of affairs of the Company as at 30th June 2009;

      b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

      c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants

(Gaurav J. Shah)
Partner
M. No.35701

Place: Vadodara
Date: 26th September 2009

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us, the Company has a program for physical verification of fixed assets, in accordance with which, the fixed assets have been physically verified during the year by the Management. In our opinion, the frequency of physical verification is reasonable. As informed to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(ii) (a) According to the information and explanations given to us, inventories held during the year have been physically verified by the management. In our opinion, the frequency of verification is reasonable considering the value of inventories held during the year.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted or taken any loans, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of Paragraph 4 of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.

(v) According to the information and explanations given to us, there are no transactions made by the Company in pursuance of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956.

(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the period covered by our audit report. Accordingly, the provisions of clause (vi) of the Paragraph 4 of the Order are not applicable to the Company.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(l)(d) of the Companies Act, 1956 in respect of company's class of business.

(ix) (a) The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, service tax, professional tax, custom duty and other material statutory dues applicable to it though there has been slight delay in few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty and excise duty were in arrears, as at 30^{th} June 2009 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no statutory dues including sales tax, custom duty and cess, which have remained undeposited as on 30^{th} June 2009 on account of any dispute. Details of such dues, in respect of income tax, which have not been deposited on account of dispute, are as under:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Assessment Dues	3,213,719	FY 2005-06	CIT (Appeals)
Income Tax Act, 1961	Penalty and Interest	929,957	FY 2004-05	CIT (Appeals)

(x) The Company does not have any accumulated losses as at the end of the financial year. Further, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution or bank.

(xii) Based on our examination of records and the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) According to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of Paragraph 4 of the Order are not applicable to the Company.

(xiv) According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of Paragraph 4 of the Order are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Therefore, the provisions of clause (xv) of Paragraph 4 of the Order are not applicable to the Company.

(xvi) According to the information and explanations given to us, no term loans have been raised by the Company during the year, Therefore, the provisions of clause (xvi) of Paragraph 4 of the Order are not applicable to the Company.

(xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have, *prima facie*, been used for long-term investment.

(xviii) During the year, the Company has made preferential allotments of 3,00,000 equity shares of Rs. 10 each, against the conversion of preferential convertible warrants, at a price of Rs. 20.50 per share to a Company covered under register maintained under Section 301 of the Companies Act, 1956. According to the information and explanations given to us, these shares are issued in terms of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and accordingly, the prices at which these shares have been issued are not prima facie prejudicial to the interest of the Company.

(xix) According to the information and explanations given to us, during the year covered by our audit report, the Company has not issued any debentures. Therefore, the provisions of clause (xix) of Paragraph 4 of the Order are not applicable to the Company.

(xx) As informed to us, during the year covered by our audit report, the Company has not raised any money by way of public issue.

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Deloitte Haskins & Sells
Chartered Accountants

(Gaurav J. Shah)
Partner
M. No.35701

Place: Vadodara
Date: 26th September 2009

Balance Sheet as at June 30, 2009

	Schedule No.	As at June 30, 2009 Rupees	As at June 30, 2008 Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	112,744,440	104,600,000
Share Warrants (Refer Note 12 of Schedule 13 B)		22,800,030	55,541,000
Reserves and Surplus	2	615,868,983	507,865,742
		751,413,453	668,006,742
Loan Funds			
Secured Loans	3	145,661	30,908,407
Deferred Tax Liability (Net)		33,503,474	12,510,285
TOTAL		**785,062,588**	**711,425,434**
APPLICATION OF FUNDS			
Fixed Assets	4		
Gross Block		315,666,544	248,479,154
Less : Accumulated Depreciation		75,994,687	37,380,105
Net Block		239,671,857	211,099,049
Investments	5	323,576,509	343,406,197
Current Assets, Loans and Advances	6		
Inventories		-	1,029,215
Sundry Debtors		198,959,625	152,262,157
Cash and Bank Balances		73,789,517	42,125,138
Loans and Advances		115,362,807	22,468,962
Other Current Assets		8,936,902	18,481,963
Total - A		397,048,851	236,367,435
Less : Current Liabilities & Provisions	7		
Current Liabilities		174,154,917	82,984,242
Provisions		1,079,712	1,488,005
Total - B		175,234,629	84,472,247
Net Current Assets (A) - (B)		221,814,222	151,895,188
Miscellaneous Expenditure			
(To the extent not written off or adjusted)			
Expenses on Issue of Share Warrants		-	5,025,000
TOTAL		**785,062,588**	**711,425,434**
Significant Accounting Policies and Notes to Accounts	13		

As per our report of even date
For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

Place : Vadodara
Date : September 26, 2009

For and on behalf of the Board

Krishna Kant
Executive Vice Chairman

Avinash Manchanda
Managing Director

Mukesh Khanna
Company Secretary

Mohan Akalkotkar
Chief Finance Officer

Place : Vadodara
Date : September 26, 2009

Profit and Loss Account for the year ended June 30, 2009

	Schedule No.	2008-09 Rupees	2007-08 (15 Months) Rupees
INCOME			
Service Income - Seismic Survey related - Gross		688,106,053	515,518,999
Less : Service Tax		71,058,376	54,528,946
Net Income from Services		617,047,677	460,990,053
Other Income	8	24,831,194	18,683,500
		641,878,871	**479,673,553**
EXPENDITURE			
Operating Expenses	9	418,246,207	224,902,615
Personnel Expenses	10	36,122,863	37,289,050
Administrative and Other Expenses	11	60,951,187	50,337,875
Interest and Finance Charges	12	6,352,230	10,213,263
Depreciation / Amortisation	4	39,043,897	20,428,094
		560,716,384	**343,170,897**
Profit before Tax		**81,162,487**	**136,502,656**
Less : Provision for Taxation			
- Current Tax		16,200,000	28,600,000
- Excess Provision of Current Tax in Earlier Years		(9,738,687)	-
- Deferred Tax		20,993,189	11,212,494
- Fringe Benefit Tax		701,274	465,416
Profit after Tax		**53,006,711**	**96,224,746**
Add : Balance brought forward from Previous year		158,249,342	62,024,596
Surplus carried to Balance Sheet		211,256,053	158,249,342
Earnings Per Share (Refer Note 14 of Schedule 13 B)			
Basic and Diluted [Nominal value per share Rs.10			
(Previous Year : Rs.10)] (Rs.)		**4.74**	**11.66**
Significant Accounting Policies and Notes to Accounts	13		

As per our report of even date
For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

Place : Vadodara
Date : September 26, 2009

For and on behalf of the Board

Krishna Kant
Executive Vice Chairman

Avinash Manchanda
Managing Director

Mukesh Khanna
Company Secretary

Mohan Akalkotkar
Chief Finance Officer

Place : Vadodara
Date : September 26, 2009

Schedules forming part of the Balance Sheet

	As at June 30, 2009 Rupees	As at June 30, 2008 Rupees
Schedule 1 : SHARE CAPITAL		
Authorised:		
17,000,000 Equity Share of Rs.10 each	170,000,000	170,000,000
Issued, Subscribed and Paid Up:		
11,274,444 (Previous year 10,460,000) Equity Shares of Rs.10 each fully paid up	112,744,440	104,600,000
TOTAL	**112,744,440**	**104,600,000**
Schedule 2 : RESERVES AND SURPLUS		
Capital Reserve		
Share warrants forfeited during the year (Refer Note 12 of Schedule 13 B)	21,778,226	-
Securities Premium Account		
As per last Balance Sheet	349,616,400	17,325,000
Add : Premium received during the year on issue of shares	33,218,304	332,291,400
	382,834,704	349,616,400
Profit and Loss Account	211,256,053	158,249,342
TOTAL	**615,868,983**	**507,865,742**
Schedule 3 : SECURED LOANS		
From Banks		
Term Loans	-	29,355,257
(Secured by hypothecation of fixed assets / equipments purchased out of the Bank Finance and collateral security by way of equitable mortgage of immovable properties of the Company).		
Working Capital Loans	-	1,309,541
(Secured by hypothecation of chargeable current assets and collateral security by way of equitable mortgage of immovable properties of the Company).		
Vehicle Loan	145,661	243,609
(Secured by hypothecation of vehicle purchased out of finance)		
TOTAL	**145,661**	**30,908,407**

SCHEDULE 4 : FIXED ASSETS

(Amount in Rupees)

DESCRIPTION	Gross Block (At Cost)				Depreciation				Net Block	
	As at July 1, 2008	Additions	Deductions / Adjustments	As at June 30, 2009	As at July 1, 2008	Additions	Deductions / Adjustments	As at June 30, 2009	As at June 30, 2009	As at June 30, 2008
Land	794,750	-	-	794,750	-	-	-	-	794,750	794,750
Building	21,379,749	-	19,549,554	1,830,195	476,512	127,612	156,522	447,602	1,382,593	20,903,237
Plant & Machinery	58,283,588	61,191,241	-	119,474,829	18,540,164	9,798,928	-	28,339,092	91,135,737	39,743,424
Furniture & Fixtures	1,475,900	233,462	105,286	1,604,076	1,101,830	102,923	94,524	1,110,229	493,847	374,070
Office Equipments	515,669	168,947	180,714	503,902	237,964	34,305	150,268	122,001	381,901	277,705
Computers	163,562,812	21,755,399	270,599	185,047,612	16,264,264	28,505,559	28,001	44,741,822	140,305,790	147,298,548
Vehicles	2,466,686	3,944,494	-	6,411,180	759,371	474,570	-	1,233,941	5,177,239	1,707,315
TOTAL	**248,479,154**	**87,293,543**	**20,106,153**	**315,666,544**	**37,380,105**	**39,043,897**	**429,315**	**75,994,687**	**239,671,857**	**211,099,049**
Previous Year	85,453,282	165,123,440	2,097,568	248,479,154	18,055,683	20,428,094	1,103,672	37,380,105	211,099,049	67,397,599

Schedules forming part of the Balance Sheet

	As at June 30, 2009 Rupees	As at June 30, 2008 Rupees
Schedule 5 : INVESTMENTS		
Long Term Investments (At Cost)		
Investments in Subsidiaries		
1000 (Previous year - Nil) Ordinary Shares of SGD 1 each fully paid up of AOSL Petroleum Pte Ltd	31,059	-
Other Long Term Investment in subsidiary	211,523,454	-
Current Investments (At lower of cost or fair value)		
Investments in Equity Shares (Quoted)		
900 (Previous Year - 1128) Equity Shares of Rs.10 each fully paid up of Reliance Power Ltd	100,800	507,600
[During the year, 904 equity shares were sold and 676 bonus shared received]		
Investments in Mutual Funds (Unquoted)		
68,66,970.666 (Previous Year - 29,98,500.750) units of Rs.10 each of SBI - SHF - Ultra Short Term Fund - Institutional Plan - Daily Dividend Option	68,706,788	30,000,000
43,165.355 (Previous Year - Nil) units of Rs.1000 each of Reliance Money Manager Fund - Institutional Plan - Daily Dividend Option	43,214,408	-
Nil (Previous Year - 1,27,44,906.790) units of Rs. 10 each of Lotus India Liquid Plus Fund - Institutional Plan - Growth Option	-	141,381,800
Nil (Previous Year - 1,39,91,045.731) units of Rs.10 each of Reliance Monthly Interval Fund - Series II - Institutional Plan Dividend Option	-	140,000,000
Nil (Previous Year - 31,440.522) units of Rs.1000 each of Reliance Liquid Plus Fund - Institutional Plan - Weekly Dividend Option	-	31,516,797
TOTAL	**323,576,509**	**343,406,197**
Book Value of Quoted Investments	100,800	507,600
Market Value of Quoted Investments	150,750	154,141
Book Value of Unquoted Investments	323,475,709	342,898,597
Particulars of Investments acquired and sold during the year	**Units**	**Purchase Cost**
		Rupees
Equity Shares of Ranbaxy Laboratories Limited (Face Value Rs.10)	8,000	4,052,802
Mutual Funds		
SBI - SHF - Ultra Short Term Fund - Institutional Plan - Daily Dividend Option (Face Value Rs.10)	49,326,558	493,512,211
SBI Debt Fund Series - 30 Days - III - Dividend Option (Face Value Rs.10)	16,140,397	161,403,972
SBI Magnum Insta Cash Fund - Daily Dividend Option (Face Value Rs.10)	10,754,971	180,148,991
Reliance Money Manager Fund - Institutional Plan - Daily Dividend Option (Face Value Rs.1000)	182,614	182,821,431
ICICI Prudential Flexi Income Plan - Daily Dividend Reinvest Option (Face Value Rs.10)	13,262,369	140,229,656
Reliance Liquid Fund - Treasury Plan - Retail Daily Dividend Option (Face Value Rs.1000)	328,120	5,001,406
Reliance Liquid Plus Fund - Institutional Weekly Dividend Option (Face Value Rs.1000)	161	157,341

Schedules forming part of the Balance Sheet

	As at June 30, 2009 Rupees	As at June 30, 2008 Rupees
Schedule 6 : CURRENT ASSETS, LOANS AND ADVANCES		
Inventories (at lower of cost and net realisable value)		
Consumables, Stores and Spares	-	1,029,215
Sundry Debtors (Unsecured)		
Debts outstanding for a period exceeding six months		
- considered good	4,403,099	2,540,279
- considered doubtful	4,897,624	-
Others - Considered Good	194,556,526	149,721,878
Less: Provision for Doubtful Debts	4,897,624	-
	198,959,625	**152,262,157**
Cash and Bank Balances		
Cash on Hand	32,065	653,382
Balance with Scheduled Banks		
- on current accounts	1,124,056	8,011,833
- on margin money accounts	51,699,100	33,459,923
- on cash credit accounts	20,934,296	-
	73,789,517	**42,125,138**
Loans and Advances (Unsecured, Considered Good)		
Inter-Corporate Loan	69,807,577	-
Advances recoverable in cash or in kind or for value to be received	5,728,741	10,485,008
Deposits - Others	723,740	1,685,015
Balances with Customs, Excise etc.	16,771,436	10,298,939
Advance Income Tax (Net of Provisions)	22,331,313	-
	115,362,807	**22,468,962**
Other Current Assets		
Interest accrued but not due	3,557,670	**-**
Accrued Service Income	5,379,232	18,481,963
	8,936,902	18,481,963
TOTAL	**397,048,851**	**236,367,435**
Schedule 7 : CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors - Micro, Small and Medium Enterprises	-	-
(Refer note 4 of Schedule 13 B)		
- Others	98,333,343	45,082,319
Deposits	39,807,807	13,518,678
Other Current Liabilities	36,013,767	24,383,245
	174,154,917	**82,984,242**
Provisions		
For Employee Benefits	1,079,712	465,765
For Income Tax (Net of Advance Tax paid)	-	1,022,240
	1,079,712	1,488,005
TOTAL	**175,234,629**	**84,472,247**

Schedules forming part of the Profit and Loss Account

	2008-09 Rupees	2007-08 (15 Months) Rupees
Schedule 8 : OTHER INCOME		
Dividend Income	11,783,432	3,827,541
Interest from Banks and Others	8,842,487	3,581,122
[Tax deducted at source Rs. 7.12 lacs (previous year Rs.4.63 lacs)]		
Exchange Rate Variance (Net)	-	1,129,113
Profit on Sale of Fixed Assets (Net)	3,100,038	-
Profit on Sale of Investments	-	6,363,029
Miscellaneous Income	1,105,237	3,782,695
TOTAL	**24,831,194**	**18,683,500**
Schedule 9 : OPERATING EXPENSES		
Sub-contract Charges	346,052,960	191,063,274
Shot Hole Drilling Expenses	43,961,183	10,010,448
Stores and Consumables Consumed	17,534,720	6,522,145
Camp Establishment and Maintenance	1,504,450	4,379,546
Mobilisation and Demobilisation Expenses	81,350	2,333,368
Tender Fees	201,396	143,464
Site Administrative Expenses	-	2,498,713
Survey Expenses	-	765,407
Liquidated Damages	8,910,148	7,186,250
TOTAL	**418,246,207**	**224,902,615**
Schedule 10 : PERSONNEL EXPENSES		
Salaries, Exgratia and Bonus	27,065,045	23,762,130
Contribution to Provident Fund	901,315	856,296
Staff Welfare Expenses	906,503	595,624
Remuneration to Directors (Refer note 3 of Schedule 13 B)	7,250,000	12,075,000
TOTAL	**36,122,863**	**37,289,050**
Schedule 11 : ADMINISTRATIVE AND OTHER EXPENSES		
Business Promotion Expenses	677,896	1,328,838
Rent, Rate and Taxes	1,702,770	1,320,065
Travelling and Conveyance	18,512,511	23,839,918
Printing and Stationery	526,317	583,471
Advertisement	126,875	665,375
Postage and Telephone Expenses	2,771,761	1,440,196
Insurance	2,328,479	2,115,873
Miscellaneous Expenses	1,428,183	674,767
Power and Fuel	309,484	255,119
Audit Fees	500,000	75,000
Legal and Professionals Charges	10,110,988	10,001,914
Provision for Doubtful Debts	4,897,624	-
Bad Debts written off	6,597,217	3,402,468
Exchange Rate Variance (Net)	1,013,517	-

Schedules forming part of the Profit and Loss Account

	2008-09 Rupees	2007-08 (15 Months) Rupees
Schedule 11 : ADMINISTRATIVE AND OTHER EXPENSES (Contd...)		
Directors Sitting Fees	65,750	108,750
Repairs and Maintenance		
- Building	2,247,287	-
- Plant and Machinery	1,425,362	2,340,769
- Others	434,545	153,498
Donation	29,311	41,957
Loss on Sale of Fixed Assets	-	314,897
Loss on Sale of Investments	220,310	-
Miscellaneous Expenditure Written Off	5,025,000	1,675,000
TOTAL	**60,951,187**	**50,337,875**
Schedule 12 : INTEREST AND FINANCE CHARGES		
Interest to		
- Bank	3,207,644	5,955,651
- Others	16,201	21,444
Bank Charges	3,128,385	4,236,168
TOTAL	**6,352,230**	**10,213,263**

SCHEDULE 13 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A SIGNIFICANT ACCOUNTING POLICIES :

1 Accounting Convention

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards, notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in accordance with historical cost convention.

2 Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

3 Fixed Assets and Depreciation

All fixed assets are stated at cost of acquisition less accumulated depreciation. Assessment of indication of impairment of an asset is made at the year end and impairment loss, if any, is recognised.

Expenditure on assets, other than plant and machinery and furniture hired out to employees and at camp offices, is charged to revenue.

Machinery spares that can be used only in connection with an item of fixed assets and their use is expected to be irregular are capitalised. Replacement of such spares is charged to revenue.

Depreciation is provided on the straight line method at the rates and in the manner specified in Schedule XIV of the Companies' Act, 1956, where such rates are not lower than the rates determined on the basis of management's estimate of economic useful life of the asset. Depreciation on addition to / deduction from assets during the year is provided on pro-rata basis.

4 Intangibles

Intangible Assets are stated at cost of acquisition less accumulated amortisation. Cost of computer software is being amortised over a period of six years.

5 Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the relevant date. The exchange difference resulting from the settled transactions is recognised in the profit and loss account. Year end balances of monetary items are restated at the year-end exchange rates and the resultant net gain or loss is adjusted in the profit and loss account.

6 Investments

Long term investment are stated at cost, less adjustment for any diminution, other than temporary, in the value thereof. Current investments are stated at lower of cost and market value.

7 Inventories

Inventories of spares and consumables is stated at lower of cost or net realisable value.

8 Retirement Benefits

a Defined Benefit Schemes

Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

b Defined Contribution Schemes

The contributions required in respect of Provident Fund Scheme maintained by the Company, are recognised in the profit and loss account on accrual basis.

9 CENVAT Credit

CENVAT credit availed on capital goods is reduced from the cost of the capital goods. CENVAT claimed on services is reduced from the cost of such services. The unutilised CENVAT balance is shown as asset in loans and advances.

10 Revenue Recognition

a Services

Revenue from services are recognised in the period in which services are rendered on percentage completion method.

b Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

c Dividend

Revenue is recognised when the right to receive dividend is established.

11 Taxes on Income

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

12 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

B NOTES TO ACCOUNTS :

1 Previous year's figures have been regrouped / recast wherever necessary to conform to current year's presentation.

2 Contingent liabilities

(Amt in Rs.)

	June 30, 2009	June 30, 2008
Outstanding balance on bank guarantees	115,675,555	115,395,190
Demand for Income Tax contested by the Company	6,919,546	2,775,870

3 Information in respect of related parties

During the year, the Company entered into transactions with the related parties. List of related parties alongwith nature and volume of transactions and balances at June 30, 2009 are presented below:

(a)	Subsidiary	AOSL Petroleum Pte Ltd
(b)	Key Management Personnel	Mr. Krishnakant - Executive Vice Chairman
		Mr. Avinash Manchanda - Managing Director
(c)	Relatives of Key Management Personnel	Mr. Miten Manchanda - Son of Mr. Avinash Manchanda
(d)	Associates	Nimit Finance Private Limited

Transactions with Related Parties

(Amt in Rs.)

		2008-09	2007-08
a	Subsidiary - AOSL Petroleum Pte Ltd		
	Investment in Equity Shares	211,554,513	-
Remuneration to key managerial person and relative of key managerial person :			(Amt in Rs.)
b	**Executive Vice Chairman**		
	Salaries	4,250,000	3,850,000
		4,250,000	**3,850,000**
c	**Managing Director**		
	Salaries	3,000,000	8,225,000
	Contribution to provident fund and other funds	7,020	339,240
		3,007,020	**8,564,240**
d	**Relative of Key Managerial Person**		
	Salaries	652,780	860,358
	Contribution to provident fund and other funds	9,360	22,378
		662,140	**882,736**
	(The above figures do not include provision for leave encashment)		
e	**Nimit Finance Private Limited**		
	Equity Shares Allotted on conversion of warrants (at a premium of Rs.10.50 per share)	6,150,000	-

4 The Company has not received any intimation from the suppliers regarding their status under the Micro Small and Medium Enterprises Act, 2006 and hence disclosure, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act, have not been given.

5 The Company has only one reportable primary segment of providing oilfield related services and hence no separate segment disclosure made.

6 Components of Deferred Tax Assets / (Liability)

(Amt in Rs.)

	2008-09	2007-08
Depreciation	(36,626,772)	(12,510,285)
Deferred Tax assets		
- Employee benefits	206,064	-
- Provision for Doubtful Debts	1,664,703	-
- Preliminary Expenses written off	1,252,532	-
	(33,503,474)	**(12,510,285)**

7 Employees benefit

Defined contribution plan

The Company has recognised, in the profit and loss account for the year ended 30th June, 2009, following amounts as expenses under defined contribution plan 'under the head Contribution to Provident Fund' in schedule 10 Personnel Expenses:

(Amt in Rs.)

Benefit (Contribution to)	2008-09
Provident Fund	740,058
Total	**740,058**

The Company has determined the leave entitlement liability on acturial basis and also obtained actuarial valuation of gratuity from an actuary as of the year end i.e., 30th June 2009. The Company has recognised leave entitlement expense and provision at Rs. 1,079,712 as of the year end and gratuity expense and net liability as follows.

Defined Benefit Plans

Sr.		Particulars	2008-09 Gratuity (Amt in Rs.)
I		**Expense recognized in Profit & Loss Account**	
	a.	Current Service Cost	226,227
	b.	Interest cost	64,409
	c.	Expected return on Plan Assets	(92,950)
	d.	Actuarial (Gain)/Loss	(114,132)
	e.	Addl. Charge / (write-back) on account of change in Policy	-
	f.	Net expense recognised in Profit & Loss Account (In schedule 10 - Personnel Expenses)	**83,554**
II		**Changes in Obligation during the year**	
	a.	Obligation as at the beginning of the year	604,856
	b.	Current service cost	226,227
	c.	Interest cost	64,409
	d.	Actuarial (Gain)/Loss	(135,355)
	e.	Benefits Paid	-
	f.	PV of Obligation as at the end of the year	**760,137**
III		**Changes in Plan Assets during the year**	
	a.	Fair Value of Plan Assets as at the beginning of the year	527,638
	b.	Expected return on Plan assets	92,950
	c.	Actuarial (Gain)/Loss	(21,223)
	d.	Contributions	634,235
	e.	Benefits Paid	-
	f.	Fair Value of Plan Assets as at the end of the year	**1,233,600**

IV	**Net Assets / Liabilities recognized in the Balance Sheet**		
	a.	PV of Obligation as at the end of the year	760,137
	b.	Fair Value of Plan Assets as at the end of the year	1,233,600
	c.	Net Liabilities / (Assets) recognised in the Balance Sheet at year end	**(473,463)**
V	**Principal Actuarial Assumptions**		
	a.	Discount rate (per annum) (Refer Note-1)	7.75%
	b.	Expected return on Plan Assets (per annum) (Refer Note-2)	8.00%
	c.	Expected increase in salary costs (per annum) (Refer Note-3)	5.00%

Notes :

1. Discount rate is determined by reference to the benchmark rate available on Government Securities for the tenure of 20 years. The rate is taken as per the deal rate as on 30.06.2009 available on Reserve Bank of India site.
2. Expected Return on Plan Assets is based on market expectation, at the beginning of the period for returns over the entire life of the related obligation.
3. The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
4. 100% of Plan Assets are invested in group gratuity scheme offered by LIC of India.
5. Comparative figures for the previous years are not presented in the absence of required information.

8 Remuneration to Auditors (For Other Services)

(Amt in Rs.)

	2008-09	2007-08
For Tax Audit	-	10,000
Other Taxation matters	185,577	-
Other services	53,217	30,358
Reimbursement of Expenses	686	-
	239,480	**40,358**

9 Value of imports during the year (CIF basis)

(Amt in Rs.)

Particulars	2008-09	2007-08
Capital goods	64,608,065	95,459,311

10 Expenditure in foreign currency during the year (on payment basis)

(Amt in Rs.)

Particulars	2008-09	2007-08
Travelling expenses	659,546	294,823
Contractual Expenses	17,066,567	47,951,236

11 Earnings in foreign currency

(Amt in Rs.)

Particulars	2008-09	2007-08
Export of Services	932,296	-

12 As on 1st July 2008, following warrants issued by the Company were outstanding:-

Date of Allotment of warrant	No. of Warrants	Exercise Price per share (Rs.)	Upfront Payment Received Amount (Rs.)
12th January, 2007	370,000	20.50	7,585,000
10th September, 2007	3,310,000	76.00	25,156,000
21st January, 2008	1,200,000	190.00	22,800,000
			55,541,000

Out of the above, on 11th July, 2008, 370,000 warrants have been converted into equal number of equity shares and on 11th September, 2008, 444,444 warrants have been converted into equal number of equity shares. Warrant holders holding 2,865,556 warrants, who paid 10% consideration of Rs. 21,778,226 expressed their inability to pay remaining amount. Accordingly, the Board of Directors forfeited the same and credited the amount received against those warrants to the Capital Reserve. After the Balance Sheet date, 10% of exercise price of 1,200,000 warrants outstanding as on 30th June,2009 amounting to Rs. 22,800,000 has been forfeited by the Board of Directors on 21st July, 2009, as the respective warrant holders expressed their inability to pay the remaining amount on such warrants. As at 30th June, 2009, the same has been shown as 'Share Warrants' in the Balance Sheet.

13 The company has not taken any derivative instrument during the year and there is no derivative instrument outstanding as at the year end. The foreign currency exposures that are not hedged by a derivative instrument or otherwise are as follows:

Particulars		Amount in foreign currency		Equivalent amount in Indian currency	
	Currency	2008-09	2007-08	2008-09	2007-08
Receivables	US Dollar	131,136	-	4,897,624	-
Payables	US Dollar	3,723	284,321	178,236	11,102,909

14 Earnings per share (EPS):

Particulars	2008-09	2007-08
Net Profit after Tax for the year	53,006,711	96,224,746
Number of Equity Shares outstanding as at year end	11,274,444	10,460,000
Nominal value of Equity Share (in Rs.)	10.00	10.00
Weighted average number of Equity Shares	11,176,636	8,252,551
Basic and Diluted Earnings Per Shares (in Rs.)	4.74	11.66

Note : The effect of Share warrants on the Earning Per Share are anti-dilutive and hence, the same is ignored for the purpose of calculation of dilutive earning per share.

15 Figures of current year are not directly comparable with figures reported for previous period as the previous period covers transactions for 15 months ending 30th June 2008.

As per our report of even date
For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

Place : Vadodara
Date : September 26, 2009

For and on behalf of the Board

Krishna Kant
Executive Vice Chairman

Avinash Manchanda
Managing Director

Mukesh Khanna
Company Secretary

Mohan Akalkotkar
Chief Finance Officer

Place : Vadodara
Date : September 26, 2009

Cash Flow Statement for the year ended June 30, 2009

		2008-09 Rupees	2007-08 (15 Months) Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax		81,162,487	136,502,656
Adjusted for:			
(Profit)/Loss on Sale of Fixed Assets (net)		(3,100,038)	314,897
(Profit)/Loss on Sale of Investment		220,310	(6,363,029)
Depreciation		39,043,897	20,428,094
Miscellaneous Expenditure written off		5,025,000	1,675,000
Interest Income from Banks and Others		(8,842,487)	(3,581,122)
Interest and Finance Charges		6,352,230	10,200,468
Dividend Income		(11,783,432)	(3,827,541)
Operating Profit before Working Capital Changes		108,077,967	155,349,423
Adjusted for:			
Trade and Other Receivables		(34,349,692)	5,524,521
Inventories		1,029,215	(97,211)
Trade Payables and Other Current Liabilities		91,784,622	1,988,020
		166,542,112	162,764,753
Less : Taxes paid		(30,516,140)	(44,341,310)
Net Cash from Operating Activities	**A**	**136,025,972**	**118,423,443**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(87,293,543)	(165,123,440)
Sale of Fixed Assets		22,776,876	679,000
Loans given		(65,000,000)	-
Purchase of Investments (Refer Note 2)		(1,493,269,659)	(336,977,721)
Sale of Investments		1,512,879,037	-
Interest Income from Banks and Others		477,240	3,581,122
Dividend Income		11,783,432	3,827,541
Net Cash used in Investing Activities	**B**	**(97,646,617)**	**(494,013,498)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of Equity Shares / Warrants		30,400,000	419,142,900
Expenses for issue of Equity Shares / Warrants		-	(6,700,000)
Repayment of Term Loans		(29,453,205)	(7,919,433)
Proceeds / (Repayment) of Working Capital Loans		(1,309,541)	1,309,541
Interest and Finance Charges		(6,352,230)	(10,200,468)
Net Cash from Financing Activities	**C**	**(6,714,976)**	**395,632,540**
Changes in Cash and Cash Equivalents (A+B+C)		31,664,379	20,042,485
Opening Balance of Cash and Cash Equivalents		42,125,138	22,082,653
Closing Balance of Cash and Cash Equivalents		73,789,517	42,125,138

Notes

1. The above statement has been prepared under Indirect Method as per the Accounting Standard on Cash Flow Statement (AS -3).
2. Previous year figures for purchase and sale of Investment is given on net basis in absence of required information.
3. Cash and Cash Equivalents comprises of

	As at June 30, 2009 Rupees	As at June 30, 2008 Rupees
Cash on Hand	32,065	653,382
With Scheduled Banks		
- in Current Accounts	1,124,056	8,011,833
- in Cash Credit Accounts	20,934,296	-
- in Deposit Accounts	51,699,100	33,459,923
	73,789,517	**42,125,138**

As per our report of even date
For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

Place : Vadodara
Date : September 26, 2009

For and on behalf of the Board

Krishna Kant
Executive Vice Chairman

Avinash Manchanda
Managing Director

Mukesh Khanna
Company Secretary

Mohan Akalkotkar
Chief Finance Officer

Place : Vadodara
Date : September 26, 2009

Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No.	17254	State code (Refer Code List)	04
Balance Sheet Date (Date Month Year)	30062009		

II Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	8144

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	785063	Total Assets	785063
Sources of Funds			
Paid-up Capital	112744	Reserves & Surplus	615869
Secured Loans	146	Unsecured Loans	NIL
Share Warrants	22800	Deferred Tax Liability	33504
Application of Funds			
Net Fixed Assets	239672	Investment	323577
Net Current Assets	221814	Misc. Expenditure	NIL
Accumulated Losses	NIL		

IV Performance of Company (Amount in Rs. Thousands)

Turnover (including other incomes)	641879	Total Expenditure	560716
Profit / Loss Before Tax	+ 81163	Profit / Loss After Tax	+ 53007
Earning Per Share in Rs.	4.74	Dividend rate %	NIL

V Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code No. (ITC Code)	NA	Product Description	OILFIELD SERVICES
Item Code No. (ITC Code)	NA	Product Description	NA
Item Code No. (ITC Code)	NA	Product Description	NA

For and on behalf of the Board

Krishna Kant
Executive Vice Chairman

Avinash Manchanda
Managing Director

Mukesh Khanna
Company Secretary

Mohan Akalkotkar
Chief Finance Officer

Place : Vadodara
Date : September 26, 2009

ASIAN OILFIELD SERVICES LTD.

Statement pursuant to section 212 of the Companies Act, 1956 relating to Subsidiary Company.

1.	Name of the Subsidiary	:	AOSL Petroleum Pte. Ltd.
2.	Financial year/period ended on	:	30th June, 2009
3.	No. of equity shares held by Asian Oilfield Services Ltd. in the Subsidiary.	:	1000 (One Thousand) Equity Shares of SGD $ 1 each fully paid.
4.	Extent of interest of Asian Oilfield Services Ltd. in the capital of the Subsidiary	:	100%
5.	Net Aggregate amount of profits of the subsidiary so far as it concerns the members of Asian Oilfield Services Ltd., and is not dealt with in the Company's accounts	:	
	(a) Profit/(Loss) for the financial year ended on 30th June, 2009 of the subsidiary	:	USD $ (10,167), {Rs. (4,87,891)}
	(b) Profit / (Loss) for the previous financial years of the subsidiary since it became subsidiary of Asian Oilfield Services Ltd.	:	NIL
6.	Net Aggregate amount of Profit / (Loss) of the subsidiary so far as dealt with or provision is made for those Profit / (Loss) in Asian Oilfield Services Ltd.'s accounts	:	
	(a) For the subsidiary's Financial year ended on 30th June, 2009	:	NIL
	(b) For its previous financial years since it became the subsidiary of Asian Oilfield Services Ltd.	:	NIL

Note : Figures in Indian Rupees, wherever it appears in respect of overseas subsidiary, have been given only as additional information.

INFORMATION PERTAINING TO SUBSIDIARY COMPANY :

Sr No.	PARTICULARS	AOSL Petroleum Pte. Ltd. Amount Rs.
1	Share Capital	31,059
2	Reserves and Surplus	NIL
3	Total Assets (Investment)	23,88,71,300
4	Total Liabilities	23,93,28,132
5	Turnover	NIL
6	Profit/(loss) Before Taxation	(4,87,891)
7	Provision for Taxation	NIL
8	Profit/(loss) After Taxation	(4,87,891)
9	Proposed Dividend	NIL

As per our report of even date
For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

Place : Vadodara
Date : September 26, 2009

For and on behalf of the Board

Krishna Kant
Executive Vice Chairman

Avinash Manchanda
Managing Director

Mukesh Khanna
Company Secretary

Mohan Akalkotkar
Chief Finance Officer

Place : Vadodara
Date : September 26, 2009

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors
Asian Oilfield Services Limited

1. We have audited the attached Consolidated Balance Sheet of Asian Oilfield Services Limited (the Company) and its Subsidiary (collectively referred to as "the Group") as at 30th June, 2009, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs. 239,205,241/- as at 30th June, 2009, total revenue of Rs. Nil and cash flows amounting to Rs.174,534/- for the period ended on that date as considered in the Consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us by the management of the Group, and our opinion is based solely on the report of other auditors.

4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements notified by Companies (Accounting Standards) Rules, 2006.

5. Based on our audit as aforesaid, and on consideration of report of other auditors on the separate financial statements as explained in paragraph 3 above and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   a) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 30th June, 2009;

   b) in the case of the Consolidated Profit and Loss Account, of the Profit of the Group for the year ended on that date; and

   c) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants

(Gaurav J. Shah)
Partner
M. No.35701

Place: Vadodara
Date: 26th September 2009

ASIAN OILFIELD SERVICES LTD.

Consolidated Balance Sheet as at June 30, 2009

	Schedule No.	Rupees
SOURCES OF FUNDS		
Shareholders' Funds		
Share Capital	1	112,744,440
Share Warrants (Refer Note 9 of Schedule 13 B)		22,800,030
Reserves and Surplus	2	643,412,099
		778,956,569
Loan Funds		
Secured Loans	3	145,661
Deferred Tax Liability (Net)		33,503,474
TOTAL		**812,605,704**
APPLICATION OF FUNDS		
Fixed Assets	4	
Gross Block		315,666,544
Less : Accumulated Depreciation		75,994,687
Net Block		239,671,857
Investments	5	350,893,296
Current Assets, Loans and Advances	6	
Inventories		-
Sundry Debtors		198,959,625
Cash and Bank Balances		73,964,051
Loans and Advances		115,522,214
Other Current Assets		8,936,902
Total - A		**397,382,792**
Less : Current Liabilities & Provisions	7	
Current Liabilities		174,262,529
Provisions		1,079,712
Total - B		**175,342,241**
Net Current Assets (A) - (B)		222,040,551
Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Expenses on Issue of Share Warrants		-
TOTAL		**812,605,704**
Significant Accounting Policies and Notes to Accounts	13	

Consolidated Profit and Loss Account for the year ended June 30, 2009

	Schedule No.	Rupees
INCOME		
Service Income - Seismic Survey related - Gross		688,106,053
Less : Service Tax		71,058,376
Net Income from Services		617,047,677
Other Income	8	24,831,194
		641,878,871
EXPENDITURE		
Operating Expenses	9	418,246,207
Personnel Expenses	10	36,122,863
Administrative and Other Expenses	11	61,284,606
Interest and Finance Charges	12	6,506,702
Depreciation / Amortisation	4	39,043,897
		561,204,275
Profit before Tax		**80,674,596**
Less : Provision for Taxation		
- Current Tax		16,200,000
- Excess Provision of Current Tax in Earlier Years		(9,738,687)
- Deferred Tax		20,993,189
- Fringe Benefit Tax		701,274
Profit after Tax		**52,518,820**
Add : Balance brought forward from Previous year		158,249,342
Surplus carried to Balance Sheet		210,768,162
Earnings Per Share (Refer Note 11 of Schedule 13 B)		
Basic and Diluted [Nominal value per share Rs.10 (Previous Year : Rs.10)] (Rs.)		**4.70**
Significant Accounting Policies and Notes to Accounts	13	

As per our report of even date
For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

Place : Vadodara
Date : September 26, 2009

For and on behalf of the Board

Krishna Kant
Executive Vice Chairman

Avinash Manchanda
Managing Director

Mukesh Khanna
Company Secretary

Mohan Akalkotkar
Chief Finance Officer

Place : Vadodara
Date : September 26, 2009

Schedules forming part of the Consolidated Balance Sheet as at June 30, 2009

	Rupees
Schedule 1 : SHARE CAPITAL	
Authorised: 17,000,000 Equity Share of Rs.10 each	170,000,000
Issued, Subscribed and Paid Up: 11,274,444 (Previous year 10,460,000) Equity Shares of Rs.10 each fully paid up	112,744,440
TOTAL	**112,744,440**
Schedule 2 : RESERVES AND SURPLUS	
Capital Reserve	
Share warrants forfeited during the year (Refer Note 9 of Schedule 13 B)	21,778,226
Securities Premium Account	
As per last Balance Sheet	349,616,400
Add : Premium received during the year on issue of shares	33,218,304
	382,834,704
Profit and Loss Account	210,768,162
Foreign Currency Translation Reserve	
Arising on consolidation during the year	28,031,007
TOTAL	**643,412,099**

	Rupees
Schedule 3 : SECURED LOANS	
From Banks	
Term Loans (Secured by hypothecation of fixed assets / equipments purchased out of the Bank Finance and collateral security by way of equitable mortgage of immovable properties of the Company).	–
Working Capital Loans (Secured by hypothecation of chargeable current assets and collateral security by way of equitable mortgage of immovable properties of the Company).	–
Vehicle Loan (Secured by hypothecation of vehicle purchased out of finance)	145,661
TOTAL	**145,661**

SCHEDULE 4 : FIXED ASSETS

(Amount in Rupees)

DESCRIPTION	Gross Block (At Cost)				Depreciation				Net Block	
	As at July 1, 2008	Additions	Deductions / Adjustments	As at June 30, 2009	As at July 1, 2008	Additions	Deductions / Adjustments	As at June 30, 2009	As at June 30, 2009	As at June 30, 2008
Land	794,750	-	-	794,750	-	-	-	-	794,750	794,750
Building	21,379,749	-	19,549,554	1,830,195	476,512	127,612	156,522	447,602	1,382,593	20,903,237
Plant & Machinery	58,283,588	61,191,241	-	119,474,829	18,540,164	9,798,928	-	28,339,092	91,135,737	39,743,424
Furniture & Fixtures	1,475,900	233,462	105,286	1,604,076	1,101,830	102,923	94,524	1,110,229	493,847	374,070
Office Equipments	515,669	168,947	180,714	503,902	237,964	34,305	150,268	122,001	381,901	277,705
Computers	163,562,812	21,755,399	270,599	185,047,612	16,264,264	28,505,559	28,001	44,741,822	140,305,790	147,298,548
Vehicles	2,466,686	3,944,494	-	6,411,180	759,371	474,570	-	1,233,941	5,177,239	1,707,315
TOTAL	**248,479,154**	**87,293,543**	**20,106,153**	**315,666,544**	**37,380,105**	**39,043,897**	**429,315**	**75,994,687**	**239,671,857**	**211,099,049**

	Rupees
Schedule 5 : INVESTMENTS	
Long Term Investments (At Cost)	
Unquoted	
Convertible Bonds of EnSearch Petroleum Ltd., Singapore	238,871,300
Current Investments (At lower of cost or fair value)	
Investments in Equity Shares (Quoted)	
900 Equity Shares of Rs.10 each fully paid up of Reliance Power Ltd	100,800
[During the year, 904 equity shares were sold and 676 bonus shared received]	

	Rupees
Investments in Mutual Funds (Unquoted)	
68,66,970.666 units of Rs.10 each of SBI - SHF - Ultra Short Term Fund - Institutional Plan - Daily Dividend Option	68,706,788
43,165.355 units of Rs.1000 each of Reliance Money Manager Fund - Institutional Plan - Daily Dividend Option	43,214,408
TOTAL	**350,893,296**
Book Value of Quoted Investments	100,800
Market Value of Quoted Investments	150,750
Book Value of Unquoted Investments	350,792,496

Schedules forming part of the Consolidated Balance Sheet as at June 30, 2009

	Rupees
Schedule 6 : CURRENT ASSETS, LOANS AND ADVANCES	
Inventories (at lower of cost and net realisable value)	
Consumables, Stores and Spares	-
Sundry Debtors (Unsecured)	
Debts outstanding for a period exceeding six months	
- considered good	4,403,099
- considered doubtful	4,897,624
Others - Considered Good	194,556,526
Less: Provision for Doubtful Debts	4,897,624
	198,959,625
Cash and Bank Balances	
Cash on Hand	32,065
Balance with Scheduled Banks	
- on current accounts	1,298,590
- on margin money accounts	51,699,100
- on cash credit accounts	20,934,296
	73,964,051
Loans and Advances (Unsecured, Considered Good)	
Inter-Corporate Loan	69,807,577
Advances recoverable in cash or in kind or for value to be received	5,728,741
Deposits - Others	883,147
Balances with Customs, Excise etc.	16,771,436
Advance Income Tax (Net of Provisions)	22,331,313
	115,522,214
Other Current Assets	
Interest accrued but not due	3,557,670
Accrued Service Income	5,379,232
	8,936,902
TOTAL	**397,382,792**
Schedule 7 : CURRENT LIABILITIES AND PROVISIONS	
Current Liabilities	
Sundry Creditors	98,333,343
Deposits	39,807,807
Other Current Liabilities	36,121,379
	174,262,529
Provisions	
For Employee Benefits	1,079,712
For Income Tax (Net of Advance Tax paid)	-
	1,079,712
TOTAL	**175,342,241**
Schedule 8 : OTHER INCOME	
Dividend Income	11,783,432
Interest from Banks and Others [Tax deducted at source Rs. 7.12 lacs]	8,842,487
Exchange Rate Variance (Net)	-
Profit on Sale of Fixed Assets (Net)	3,100,038
Profit on Sale of Investments	-
Miscellaneous Income	1,105,237
TOTAL	**24,831,194**

	Rupees
Schedule 9 : OPERATING EXPENSES	
Sub-contract Charges	346,052,960
Shot Hole Drilling Expenses	43,961,183
Stores and Consumables Consumed	17,534,720
Camp Establishment and Maintenance	1,504,450
Mobilisation and Demobilisation Expenses	81,350
Tender Fees	201,396
Site Administrative Expenses	-
Survey Expenses	-
Liquidated Damages	8,910,148
TOTAL	**418,246,207**
Schedule 10 : PERSONNEL EXPENSES	
Salaries, Exgratia and Bonus	27,065,045
Contribution to Provident Fund	901,315
Staff Welfare Expenses	906,503
Remuneration to Directors (Refer note 5 of Schedule 13 B)	7,250,000
TOTAL	**36,122,863**
Schedule 11 : ADMINISTRATIVE AND OTHER EXPENSES	
Business Promotion Expenses	677,896
Rent, Rate and Taxes	1,702,770
Travelling and Conveyance	18,512,511
Printing and Stationery	531,308
Advertisement	126,875
Postage and Telephone Expenses	2,777,088
Insurance	2,328,479
Miscellaneous Expenses	1,448,098
Power and Fuel	309,484
Audit Fees	582,971
Legal and Professionals Charges	10,331,203
Provision for Doubtful Debts	4,897,624
Bad Debts written off	6,597,217
Exchange Rate Variance (Net)	1,013,517
Directors Sitting Fees	65,750
Repairs and Maintenance	
- Building	2,247,287
- Plant and Machinery	1,425,362
- Others	434,545
Donation	29,311
Loss on Sale of Fixed Assets	-
Loss on Sale of Investments	220,310
Miscellaneous Expenditure Written Off	5,025,000
TOTAL	**61,284,606**
Schedule 12 : INTEREST AND FINANCE CHARGES	
Interest to	
- Bank	3,207,644
- Others	16,201
Bank Charges	3,282,857
TOTAL	**6,506,702**

Schedules forming part of the Consolidated Balance Sheet & Profit and Loss Account for the year ended June 30, 2009

SCHEDULE 13 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A SIGNIFICANT ACCOUNTING POLICIES :

1 Principles of Consolidation

The financial statements of the Company and its subsidiary (herein after referred to as "the Group") have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses, if any, have been fully eliminated in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements".

In case of foreign subsidiary, being non-integral foreign operations, revenue items are consolidated at the average foreign exchange rate prevailing during the year. All assets and liabilities of the subsidiary company are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised as the foreign currency translation reserve.

2 Accounting Convention

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards, notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in accordance with historical cost convention.

3 Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

4 Fixed Assets and Depreciation

All fixed assets are stated at cost of acquisition less accumulated depreciation. Assessment of indication of impairment of an asset is made at the year end and impairment loss, if any, is recognised.

Expenditure on assets, other than plant and machinery and furniture hired out to employees and at camp offices, is charged to revenue.

Machinery spares that can be used only in connection with an item of fixed assets and their use is expected to be irregular are capitalised. Replacement of such spares is charged to revenue.

Depreciation is provided on the straight line method at the rates and in the manner specified in Schedule XIV of the Companies' Act, 1956, where such rates are not lower than the rates determined on the basis of management's estimate of economic useful life of the asset. Depreciation on addition to / deduction from assets during the year is provided on pro-rata basis.

5 Intangibles

Intangible Assets are stated at cost of acquisition less accumulated amortisation. Cost of computer software is being amortised over a period of six years.

6 Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the relevant date. The exchange difference resulting from the settled transactions is recognised in the profit and loss account. Year end balances of monetary items are restated at the year-end exchange rates and the resultant net gain or loss is adjusted in the profit and loss account.

7 Investments

Long term investment are stated at cost, less adjustment for any diminution, other than temporary, in the value thereof. Current investments are stated at lower of cost and market value.

8 Inventories

Inventories of spares and consumables is stated at lower of cost or net realisable value.

9 Retirement Benefits

a Defined Benefit Schemes

Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

b Defined Contribution Schemes

The contributions required in respect of Provident Fund Scheme maintained by the Company, are recognised in the profit and loss account on accrual basis.

10 CENVAT Credit

CENVAT credit availed on capital goods is reduced from the cost of the capital goods. CENVAT claimed on services is reduced from the cost of such services. The unutilised CENVAT balance is shown as asset in loans and advances.

11 Revenue Recognition

a Services

Revenue from services are recognised in the period in which services are rendered on percentage completion method.

b Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

c Dividend

Revenue is recognised when the right to receive dividend is established.

12 Taxes on Income

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

13 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

B NOTES TO ACCOUNTS :

1 The consolidated financial statements are prepared for the first time as the subsidiary is incorporated in current year, accordingly the previous year's figure not presented.

2 The following subsidiary company is considered in the consolidated financial statements

Name of the Company	Country of Incorporation	Ownership Interest
AOSL Petroleum Pte Ltd	Singapore	100%

3 The Financial Statements of AOSL Petroleum Pte Ltd reflecting total income of Rs. Nil and total expenditure of Rs. 487,891/- for the period from 23rd July 2008 (date of incorporation) to 30th June, 2009 and total assets of Rs. 239,205,241/- and total liabilities of Rs. 107,612/- as on 30th June, 2009 are prepared as per the Singapore Financial Reporting Standards. The proportion of Income, Expenditure, Assets and Liabilities are Nil, 0.09%, 24.21%, and 0.05% respectively to the Consolidated Financial Statements.

4 **Contingent liabilities as on June 30, 2009**

Contingent liabilities as on June 30, 2009	Rupees
Outstanding balance on bank guarantees	115,675,555
Demand for Income Tax contested by the Group	6,919,546

5 **Information in respect of related parties**

During the year, the Group entered into transactions with the related parties. List of related parties alongwith nature and volume of transactions and balances at June 30, 2009 are presented below:

(a) Key Management Personnel	Mr. Krishnakant - Executive Vice Chairman
	Mr. Avinash Manchanda - Managing Director
(b) Relatives of Key Management Personnel	Mr. Miten Manchanda -Son of Mr. Avinash Manchanda
(c) Associates	Nimit Finance Private Limited

Transactions with Related Parties

Remuneration to key managerial person and relative of key managerial person :

		Rupees
a	**Executive Vice Chairman**	
	Salaries	4,250,000
		4,250,000
b	**Managing Director**	
	Salaries	3,000,000
	Contribution to provident fund and other funds	7,020
		3,007,020
c	**Relative of Key Managerial Person**	
	Salaries	652,780
	Contribution to provident fund and other funds	9,360
		662,140

(The above figures do not include provision for leave encashment)

d	**Nimit Finance Private Limited**	
	Equity Shares Allotted on conversion of warrants (at a premium of Rs.10.50 per share)	6,150,000

6 The Group has only one reportable primary segment of providing oilfield related services and hence no separate segment disclosure made.

7 **Components of Deferred Tax Assets / (Liability)**

	Rupees
Depreciation	(36,626,772)
Deferred Tax assets	
- Employee benefits	206,064
- Provision for Doubtful Debts	1,664,703
- Preliminary Expenses written off	1,252,532
	(33,503,474)

8 **Employees benefit**

Defined contribution plan

The Group has recognised, in the profit and loss account for the year ended 30th June, 2009, following amounts as expenses under defined contribution plan 'under the head Contribution to Provident Fund' in schedule 10 Personnel Expenses:

	Rupees
Benefit (Contribution to)	
Provident Fund	740,058
Total	**740,058**

The Group has determined the leave entitlement liability on acturial basis and also obtained actuarial valuation of gratuity from an actuary as of the year end i.e., 30th June 2009. The Group has recognised leave entitlement expense and provision at Rs. 1,079,712 as of the year end and gratuity expense and net liability as follows.

Defined Benefit Plans

Sr.		Particulars	Gratuity Rupees
I		**Expense recognized in Profit & Loss Account**	
	a.	Current Service Cost	226,227
	b.	Interest cost	64,409
	c.	Expected return on Plan Assets	(92,950)
	d.	Actuarial (Gain)/Loss	(114,132)
	e.	Addl. Charge / (write-back) on account of change in Policy	-
	f.	Net expense recognised in Profit & Loss Account (In schedule 10 - Personnel Expenses)	**83,554**
II		**Changes in Obligation during the year**	
	a.	Obligation as at the beginning of the year	604,856
	b.	Current service cost	226,227
	c.	Interest cost	64,409
	d.	Actuarial (Gain)/Loss	(135,355)
	e.	Benefits Paid	-
	f.	PV of Obligation as at the end of the year	**760,137**

III Changes in Plan Assets during the year

a.	Fair Value of Plan Assets as at the beginning of the year	527,638
b.	Expected return on Plan assets	92,950
c.	Actuarial (Gain)/Loss	(21,223)
d.	Contributions	634,235
e.	Benefits Paid	-
f.	Fair Value of Plan Assets as at the end of the year	**1,233,600**

IV Net Assets / Liabilities recognized in the Balance Sheet

a.	PV of Obligation as at the end of the year	760,137
b.	Fair Value of Plan Assets as at the end of the year	1,233,600
c.	Net Liabilities / (Assets) recognised in the Balance Sheet at year end	**(473,463)**

V Principal Actuarial Assumptions

a.	Discount rate (per annum) (Refer Note-1)	7.75%
b.	Expected return on Plan Assets (per annum) (Refer Note-2)	8.00%
c.	Expected increase in salary costs (per annum) (Refer Note-3)	5.00%

Notes :

1. Discount rate is determined by reference to the benchmark rate available on Government Securities for the tenure of 20 years. The rate is taken as per the deal rate as on 30.06.2009 available on Reserve Bank of India site.
2. Expected Return on Plan Assets is based on market expectation, at the beginning of the period for returns over the entire life of the related obligation.
3. The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
4. 100% of Plan Assets are invested in group gratuity scheme offered by LIC of India.
5. Comparative figures for the previous years are not presented in the absence of required information.

9 As on 1st July 2008, following warrants issued by the Group were outstanding:-

Date of Allotment of warrant	No. of Warrants	Exercise Price per share (Rs.)	Upfront Payment Received Amount (Rs.)
12th January, 2007	370,000	20.50	7,585,000
10th September, 2007	3,310,000	76.00	25,156,000
21st January, 2008	1,200,000	190.00	22,800,000
			55,541,000

Out of the above, on 11th July, 2008, 370,000 warrants have been converted into equal number of equity shares and on 11th September, 2008, 444,444 warrants have been converted into equal number of equity shares. Warrant holders holding 2,865,556 warrants, who paid 10% consideration of Rs. 21,778,226 expressed their inability to pay remaining amount. Accordingly, the Board of Directors forfeited the same and credited the amount received against those warrants to the Capital Reserve. After the Balance Sheet date, 10% of exercise price of 1,200,000 warrants outstanding as on 30th June,2009 amounting to Rs. 22,800,000 has been forfeited by the Board of Directors on 21st July, 2009, as the respective warrant holders expressed their inability to pay the remaining amount on such warrants. As at 30th June, 2009, the same has been shown as 'Share Warrants' in the Balance Sheet.

10 The Group has not taken any derivative instrument during the year and there is no derivative instrument outstanding as at the year end. The foreign currency exposures that are not hedged by a derivative instrument or otherwise are as follows:

Particulars	Currency	Amount in foreign currency	Equivalent amount in Indian currency
Receivables	US Dollar	131,136	4,897,624
Payables	US Dollar	3,723	178,236

11 Earnings per share (EPS):

Particulars	2008-09
Net Profit after Tax for the year	52,518,820
Number of Equity Shares outstanding as at year end	11,274,444
Nominal value of Equity Share (in Rs.)	10.00
Weighted average number of Equity Shares	11,176,636
Basic and Diluted Earnings Per Shares (in Rs.)	4.70

Note : The effect of Share warrants on the Earning Per Share are anti-dilutive and hence, the same is ignored for the purpose of calculation of dilutive earning per share.

As per our report of even date
For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

Place : Vadodara
Date : September 26, 2009

For and on behalf of the Board

Krishna Kant
Executive Vice Chairman

Avinash Manchanda
Managing Director

Mukesh Khanna
Company Secretary

Mohan Akalkotkar
Chief Finance Officer

Place : Vadodara
Date : September 26, 2009

ASIAN OILFIELD SERVICES LTD.

Consolidated Cash Flow Statement for the year ended June 30, 2009

		Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax		80,674,596
Adjusted for:		
(Profit)/Loss on Sale of Fixed Assets (net)		(3,100,038)
(Profit)/Loss on Sale of Investment		220,310
Depreciation		39,043,897
Miscellaneous Expenditure written off		5,025,000
Interest Income from Banks and Others		(8,842,487)
Interest and Finance Charges		6,506,702
Dividend Income		(11,783,432)
Operating Profit before Working Capital Changes		107,744,548
Adjusted for:		
Trade and Other Receivables		(34,509,098)
Inventories		1,029,215
Trade Payables and Other Current Liabilities		91,892,234
		166,156,899
Less : Taxes paid		(30,516,140)
Net Cash from Operating Activities	**A**	**135,640,759**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		(87,293,543)
Sale of Fixed Assets		22,776,876
Loans given		(65,000,000)
Purchase of Investments		(1,492,555,439)
Sale of Investments		1,512,879,036
Interest Income from Banks and Others		477,240
Dividend Income		11,783,432
Net Cash used in Investing Activities	**B**	**(96,932,398)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Shares / Warrants		30,400,000
Expenses for issue of Equity Shares / Warrants		-
Repayment of Term Loans		(29,453,205)
Proceeds / (Repayment) of Working Capital Loans		(1,309,541)
Interest and Finance Charges		(6,506,702)
Net Cash from Financing Activities	**C**	**(6,869,448)**
Changes in Cash and Cash Equivalents (A+B+C)		31,838,913
Opening Balance of Cash and Cash Equivalents		42,125,138
Closing Balance of Cash and Cash Equivalents		73,964,051

Notes

1. The above statement has been prepared under Indirect Method as per the Accounting Standard on Cash Flow Statement (AS -3).
2. Cash and Cash Equivalents comprises of

	Rupees
Cash on Hand	32,065
With Scheduled Banks	
- in Current Accounts	1,298,590
- in Cash Credit Accounts	20,934,296
- in Deposit Accounts	51,699,100
	73,964,051

As per our report of even date
For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

Place : Vadodara
Date : September 26, 2009

For and on behalf of the Board

Krishna Kant
Executive Vice Chairman

Avinash Manchanda
Managing Director

Mukesh Khanna
Company Secretary

Mohan Akalkotkar
Chief Finance Officer

Place : Vadodara
Date : September 26, 2009

REPORT OF THE DIRECTORS

For the period from 23 July 2008 to 30 June 2009

The directors present their report together with the financial statements of the Company for the period from 23 July 2008 to 30 June 2009.

1 DIRECTORS

The directors holding office at the date of this report are:

Avinash Chandra Manchanda

Gaurav Sud

Ng Puay Chye (Huang Peicai)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

During and as at the end of the financial period, the Company was not a party to any arrangement, the object of which was to enable the directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate.

3 DIRECTORS' INTEREST IN SHARES OR DEBENTURES

The directors holding office at the end of the financial period and their interest in the share capital of the Company as recorded in the register of directors[1] shareholdings kept by the Company under Section 164 of the Companies Act Cap. 50 were as follows:-

	No of Shares	
Name of directors	**At date of incorporation**	**At end of year**
Avinash Chandra Manchanda	–	–
Gaurav Sud	–	–
Ng Puay Chye (Huang Peicai)	–	–

4 DIRECTORS[1] CONTRACTUAL BENEFITS

No director has received or become entitled to receive a benefit by reason of a contract made by the Company with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accounts.

5 AUDITORS

The Auditors, Messrs Lim Wan Chat & Co., retire and have expressed their willingness to be re-appointed.

6 SHARE OPTIONS EXERCISED

There were no shares issued by virtue of the exercise of option to take up unissued shares.

7 SHARE OPTIONS OUTSTANDING

There were no unissued shares under option.

On behalf of the directors

Avinash Manchanda
Director

Gaurav Sud
Director

Singapore
08 September 2009

STATEMENT OF DIRECTORS PURSUANT TO SECTION 201 (15)

In the opinion of the directors, the accompanying balance sheet, profit and loss statement together with the notes thereon are drawn up in accordance with the provisions of the Companies Act , Cap.50 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the results and changes in equity and cash flows of the business of the Company for the period then ended and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statement for issue.

On behalf of the directors

Avinash Manchanda
Director

Gaurav Sud
Director

Singapore
08 September 2009

AUDITORS' REPORT

TO
THE MEMBERS OF
AOSL PETROLEUM PTE LTD
for the financial period from 23 July 2008 to 30 June 2009

We have audited the accompanying financial statements of AOSL Petroleum Pte Ltd set out on pages 6 to 27, for the financial period from 23 July 2008 to 30 June 2009, comprising the balance sheet of the Company, and the income statements and statement of changes in equity of the Company, and the cash flow statement of the Company for the year ended, and 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 the provisions of the Singapore Companies Act, Cap. 50(the 'Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a systems of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transaction are properly authorized and that they are recorded as necessary to permit the preparation of the true and fair profit and loss accounts and balances sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore 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 includes 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 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

(a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act , Cap.50 (the "Act") and Singapore Financial Reporting Standards and so as to give a true and fair view of the state of affairs of the Company as at 30 June 2009 and of the results and changes in equity and cash flows of the Company for the year ended 30 June 2009 ; and

(b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

"The Company has an accumulated losses of US$10,167 for the year ended 30 June 2009 and, as of that date, the Company's total liabilities exceeded its total assets by US$9,432. These factors raise substantial doubt that the Company will be able to continue as a going concern unless the Company obtained financial support from the holding company."

Lim Wan Chat & Co.

Public Accountants and
Certified Public Accountants
Singapore

Singapore
08 September 2009

Profit and loss account for the period from 23 July to 30 June 2009

(Amount in U.S dollars)

	Notes	2009 US$
Revenue	3	**–**
Cost of service		–
Gross profit		–
Other income		–
		–
Other operation expenses		(10,167)
		(10,167)
(Loss) before taxation	4	(10,167)
Taxation	5	–
(Loss) after taxation		**(10,167)**

The accompanying accounting policies and explanatory notes from an integral part of the financial statements.

Balance Sheet as at 30 June 2009

(Amount in U.S dollars)

	Notes	2009 US$
ASSETS		
Non-current assets		
Investment securities	6	4,990,000
		4,990,000
Current assets:		
Trade and other receivables	7	3,330
Cash and cash equivalents	8	3,646
		6,976
TOTAL ASSETS		**4,996,976**
EQUITY AND LIABILITIES		
Current liabilities:		
Other liabilities	**10**	2,248
Income tax payable		–
		2,248
Net Current Assets		**4,728**
Non-current liabilities		
Payable to shareholder	9	5,004,160
		5,004,160
Total liabilities		5,006,408
Net Assets		**(9,432)**
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	**11**	735
Accumulated (loss)		(10,167)
TOTAL EQUITY		(9,432)
TOTAL EQUITY AND LIABILITIES		**4,996,976**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of changes in equity as at 30 June 2009

(Amounts in U.S dollars)

	Attributable to equity holders of the Company		
	Total US $	**Share Capital US $**	**Accumulated (Loss) US $**
At the beginning of period	5,004,895	5,004,895	–
(Loss) for the year	(10,167)	–	(10,167)
Total recognised income for the year	4,994,728	5,004,895	(10,167)
Balance as at 30 June 2009	4,994,728	5,004,895	(10,167)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Cash Flows Statement for the period from 23 July 2008 to 30 June 2009

(Amounts in U.S dollars)

	2009 US $
CASH FLOW FROM OPERATION ACTIVITIES	
(Loss) for the year	(10,167)
Adjustments for :	
Depreciation on fixed assets	–
Interest received	–
Hire purchase interest	–
Operating (loss) before working capital changes	(10,167)
(Increase) / Decrease in working capital	
(Increase) in trade and other receivable	(3,330)
Increases in other liabilities	2,248
	(1,082)
Cash generated from operations	(11,249)
Tax paid	–
Net cash used in operating activities	(11,249)
CASH FLOW FROM INVESTING ACTIVITIES	
Investment securities	(4,990,000)
Purchase of fixed assets	–
Net cash (used in) investing activities (4,990,000)	
CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issues of shares	735
Loan from shareholders	5,004,160
	5,004,895
Net increase in cash and cash equivalents	3,646
Cash and cash equivalents at beginning of the period	–
Cash and cash equivalents at end of the period	3,646
Represented by	
Cash and cash equivalents	3,646

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE ACCOUNTS

The following notes form an integral part of the accounts.

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Singapore Financial Reporting Standards (FRS) including related interpretations promulgated by the Council on Corporate Disclosure and Governance (CCDG) as required by the Singapore Companies Act.

The preparation of financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1 (c).

The measurement currency of the Company is Singapore dollars and the financial statements are also presented in United States Dollars.

The accounting policies have been consistently applied by the Company.

(b) Future changes in accounting policies

The Company has not adopted the following FRS and INT FRS that have been issued but are not yet effective:

Reference	Description	Effective for annual periods beginning on or after
INT FRS 113	Customer Loyalty Programmes 1 July 2008	
FRS 1	*-Presentation of Financial Statements-* Revised presentation	1 January 2009
	-Presentation of Financial Statements- Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
FRS 23	Borrowing Costs	1 January 2009
FRS 32	*Financial Instruments: Presentation -* Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
FRS 102	Share-based payment - Vesting conditions and cancellations	1 January 2009
FRS 108	Operating Segments	1 January 2009

The directors expect that the adoption of the above pronouncements will have no material impact on the financial statements in the period of initial application, except for FRS 1 and FRS 108 as indicated below.

FRS 1 Presentation of Financial Statements - Revised presentation

The revised FRS 1 requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line item. In addition, the revised standard introduces the statement of comprehensive income: it presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Company is currently evaluating the format to adopt.

FRS 108 Operating Segments

FRS 108 requires entities to disclose segment information based on the information reviewed by the entity's chief operating decision maker. The impact of this standard on the other segment disclosures is still to be determined. As this is a disclosure standard, it will have no impact on the financial position and results of the Company when implemented in 2009.

(c) Significant accounting judgements and estimates

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Depreciation of fixed assets

  The cost of plant and equipment is depreciated on a straight-line basis over the estimated useful lives. Management estimates the useful lives of these plant and equipment to be within 3 to 10 years. The carrying amount of the Company's plant and equipment at 30 June 2009 was $Nil. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

- Income taxes

  The Company has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the Company-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Company's income tax payables and deferred tax liabilities at the balance sheet date was $Nil respectively.

(ii) Critical judgments made in applying accounting policies

In the process of applying the Company's accounting policies, management has made certain judgments, apart from those involving estimations, which have significant effect on the amounts recognised in the financial statements.

- Impairment of financial assets

  The Company follows the guidance of FRS 39 on determining when a financial asset is other-than-temporary impaired. This determination requires significant judgment, the Company evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost; and the financial health of and near-term business outlook for the financial asset, including factors such as industry performance, changes in technology and operational and financing cash flows.

(d) Functional and foreign currency

(i) *Functional and presentation currency*

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be United States Dollars (USD). Sales, collections and purchases of direct materials are primarily influenced by fluctuations in USD.

(ii) *Foreign currency transactions*

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the profit and loss account.

(e) Property, plant & equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the asset as follows:

N.A

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit and loss account in the year the asset is derecognised.

(f) Inventories

Stocks are valued at the lower of cost and net realisable value. Historical cost is determined by applying the first-in-first-out formula.

Costs incurred in bringing each product to its present location and condition are accounted for as follows :

Finished goods and work-in-progress - cost of direct materials and all direct expenditure incurred.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(g) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognised in the profit and loss account as 'impairment losses' or treated as a revaluation decrease for assets carried at revalued amount to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for that same asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses recognised for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversal of an impairment loss is recognised in the profit and loss account.

(h) Financial assets

Financial assets are recognised on the balance sheet when, and only when, the company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the income statement.

All regular purchases and sales of financial assets are recognised or derecognised on the trade date., the date that the company commits to purchase or sell the asset. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(i) *Financial assets at fair value through profit or loss*

Financial assets held for trading are classified as financial assets at fair value through profit or loss. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in the income statement. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

(ii) *Loans and receivables*

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

(iii) *Held-to-maturity investments*

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to maturity when the Group has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are not classified in any of the preceding categories. After initial recognition, available-for sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised directly in the fair value adjustment reserve in equity, except that impairment loss, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in the income statement. The cumulative gain or loss previously recognised in equity is recognised in the income statement when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and 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.

Cash and short term deposits carried in the balance sheets are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note (h).

(j) Trade and other receivables

Trade and other receivables, including amounts due from holding, fellow subsidiary and affiliated companies are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note (b). An affiliated company is a company, not being a subsidiary or an associated company, in which the directors or shareholders of the Company have a significant equity interest or exercise significant influence.

An allowance is made for uncollectible amounts when there is objective evidence that the Company will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are stated in Note (k) below.

(k) Impairment of financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(i) Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the profit and loss account.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the profit and loss account, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(l) Trade and other payables

Liabilities for trade and other amounts payable, which are normally settled on 30 - 60 day terms, are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company. Subsequently, it is measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit and loss accounts when the liabilities are derecognsied as well through the amortisation process.

(m) Derecognition of financial assets and liabilities

(i) Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The contractual rights to receive cash flows from the asset have expired;
- The Company retains the contractual rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- The Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received (including any new asset obtained less any new liability assumed) and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in the profit and loss account.

ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit and loss account.

(n) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

(o) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Services income

Revenue from rendering services is recognised by reference to the stage of completion when it can be measured reliably. The stage of completion is determined based on completion of work performed.

Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(p) Income taxes

(i) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

(ii) Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised.

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Company recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Company conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

(iii) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(q) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event's not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the balance sheet of the Company.

(r) Employee benefits

(i) Pensions and other post employment benefits

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to balance sheet date.

(iii) Employee share option plans

Employees of the Company receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in the income statement, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of options that will ultimately vest. The charge or credit to the income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reassurance of treasury shares.

(s) Leases

Finance lease

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the lease item, are capitalised at the present value of the minimum lease payments at the inception of the lease term and disclosed as leased fixed assets. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating leases

Leases where the lesser effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

(t) Borrowing costs

Borrowing costs are generally expensed as incurred. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are ready for their intended use. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

2 CORPORATE AND GENERAL INFORMATION

The company is a private company limited by shares, incorporated and domiciled in Singapore. The registered office of the company is located at 192 Waterloo Street #05-01 Sky Line Building Singapore 187966.

The company ultimate and immediate holding company is Asian Oilfield Services Ltd, a company incorporated in India.

The principal activities of the company are to carry the business of oil and gas exploration and investment holding.

The directors have authorised the financial statement for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

3 REVENUE

	2009 us $
Sales income	–

4 (LOSS) BEFORE TAXATION

	2009 us $
This is arrived at after charging/(crediting):-	
Non-audit fees paid to:	
- Auditors of the Company	415

5 TAXATION

	2009 US $
Current income tax	
- Current income taxation	–
- under provision in respect of previous year	–
Deferred taxation	
- origination and reversal of temporary differences	–

A reconciliation of the tax expense and the product of accounting profit multiplied by the applicable tax rate for the financial period from 23 July 2008 to 30 June 2009 is as follows:

	2009 us $
(Loss) before taxation	(10,167)
Tax at statutory rate of 17%	1,728
Tax loss utilised	(1,728)
	–

Provision for current taxation is based on the company's estimated chargeable income arrived at after adjustment for non-allowable expenses in the profit and loss account.

6 INVESTMENT IN SECURITIES

	2009 us $
Held-to-maturity investment	
- 12% p.a Ensearch Petroleum Ltd convertible bonds due 31 December 2010	4,990,000

7 TRADE AND OTHER RECEIVABLES

	2009 US $
Trade and other receivables	
Deposit	3,330
	3,330
Total trade and other receivables (current and non-current)	3,330
Add: Cash and cash equivalents	3,646
Total and receivables and cash	6,976

Trade receivables

Trade receivables are non-interest bearing and are generally on 30-90 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Receivables that are past due but not impaired

The Company do not have any trade receivables that are past due at the balance sheet date but not impaired.

Receivables that are impaired

The Company do not have any trade receivables that are impaired at the balance sheet date.

8 CASH AND CASH EQUIVALENTS

	2009 us $
Cash at banks and in hand	3,646

Cash at banks does not earns interest.

9 PAYABLE TO SHAREHOLDER

	2009 US$
Payable to shareholder (non-current)	5,004,160
	5,004,160
Payable to shareholder	5,004,160
Add:	
- Other liabilities	2,248
Total financial liabilities carried at amortized cost	5,006,408

10 OTHER LIABILITIES

	2009 us$
Accrued operating expenses	2,248

11 SHARE CAPITAL

	2009 No. of shares	2009 US $
At 23 July 2008	1,000	735
Issued for working capital		
At 30 June 2009	1,000	735

The holder of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

12 FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the director. The Board of Directors provides independent oversight to the effectiveness of the risk management process. It is and has been throughout the current and previous financial year policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company do not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. The company does not invest in investment securities and does not use derivatives.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Company does not offer credit terms without the approval of the Directors.

Exposure to credit risk

At the balance sheet date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets and information regarding credit enhancements for trade and other receivable is disclosed in note 8.

Credit risk concentration profile

As an investment holding company, the Company do not monitor concentrations of credit risk by monitoring the country or industry sector profile of its trade receivables on an on-going basis.

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain continuity of funding through accumulation of cash and cash equivalents.

The table below summarises the maturity profile of the Company's financial liabilities at the balance sheet date based on contractual undiscounted payments.

2009	**1 year or less**	**1 to 5 years**	**over 5 years**	**Total**
Company				
Payable to shareholder	–	5,004,160	–	5,004,160
Other liabilities	2,248	–	–	2,248
	2,248	–	–	5,006,408

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company does not have any exposure to interest rate risk as the company uses fixed interest rate bearing loans or borrowings. The Company's profit net of tax would not be affected by lower/higher interest rates with all other variables held constant.

Sensitivity analysis for interest rate risk

The Company's profit net of tax would not be affected by lower/higher interest rate with all other variables held constant.

Foreign currency risk

The Company has transactional currency exposures arising from sales that are denominated in a currency other than the functional currency of the company which is the USD. All of the Company's sales are denominated in local currencies of the Company's purchases are denominated in the local currencies. The Company's trade receivable and trade payable balances at the balance sheet date have similar exposures. The foreign currencies in which these transactions are denominated are mainly the U.S Dollar (USD).

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a possible change in the USD exchange rates (against SGD), with all other variables held constant, on the Company's profit net of tax and equity.

			2009 Profit net of tax and Equity US$
USD	-	strengthened 3%	Nil
	-	weakened 3%	Nil

12 CAPITAL MANAGEMENT

The primary objective of the Company's capital management polices are to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust its dividend policy to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2009.

The Company monitors capital using gearing ratio, which is defined as net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio as low as possible. The Company defined net debt as trade and other payables and liabilities, less cash and cash equivalents. Capital is represented by equity attributable to equity holders of the company. During the year, the company's cash and cash equivalents is more than its trade and other payables, and other liabilities.

	2009 us$
Payable to shareholder	5,004,160
Other liabilities	2,248
Less:- Cash and cash equivalents	(3,646)
Net Debt	5,002,762
Equity attributable to the equity holders of the company	(9,432)
Total capital	(9,432)
Capital and net debt	4,993,330
Gearing ratio	100%

N.A — Not applicable

ASIAN OILFIELD SERVICES LTD.

Registered Office: 7th Floor, "B" Wing, Manubhai Tower, Sayajigunj, Vadodara-390 020.

ATTENDANCE SLIP

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meting hall.

I hereby record my presence at the 16th ANNUAL GENERAL MEETING of the Company at the Auditorium of Vanjiyabhavan, Central Gujarat Chamber of Commerce, Race Course, Vadodara-390 007 on Friday, 18th December, 2009 at 3.00 p.m.

Full name of the Member (IN BLOCK LETTERS) ____________________

Folio No. ____________ / DP ID No. ____________ Client ID ____________

No. of Shares held ____________

Full name of Proxy (IN BLOCK LETTERS) ____________

Member's/Proxy's Signature

———————— TEAR HERE ————————

ASIAN OILFIELD SERVICES LTD.

Registered Office: 7th Floor, "B" Wing, Manubhai Tower, Sayajigunj, Vadodara-390 020.

PROXY

I/We ____________________

of ____________________

being a Member/Members of the above named Company, hereby appoint ____________________

of ____________________ or

failing him ____________ of ____________ as my/our proxy to attend and vote for me/us and on my/our behalf at the 16th ANNUAL GENERAL MEETING of the Company, to be held on Friday, 18th December, 2009 at 3.00 p.m. and at any adjournment thereof.

Signed this ____________ day of ____________ 2009.

Folio No. ____________ / DP ID No. ____________ Client ID No. ____________

No. of shares held ____________

Affix
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Revenue
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Note: The Proxy form must be returned so as to reach the Registered office of the Company not less then 48 hours before the time for holding the aforesaid meeting.

NOTES

Performance Highlights 2008-09

FINANCIAL HIGHLIGHTS

KEY FIGURES - CONTINUING OPERATIONS

(In INR lacs, unless indicated otherwise)

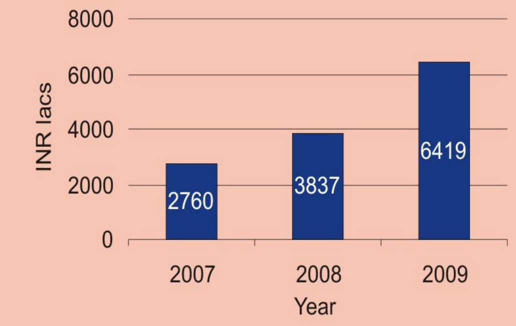
	2006-07	2007-08*	2008-09
Sales	2760	3837	6419
EBITDA	873	1337	1266
Net Profit	509	770	530
Earnings Per Share	7.5	9.3	4.7
Networth	1532	6680	7514
Long Term Debt	375	309	1
Cash	221	421	738
Gross Block	855	2485	3157
Interest Cost	50	82	64
Return on Equity	33.2%	11.5%	7.1%
ROCE	29.3%	12.2%	7.9%
Revenue per Employee	89	49	66

*Previous financial year (2007-08) comprised of 15 months, figures have been annualized for comparison purpose

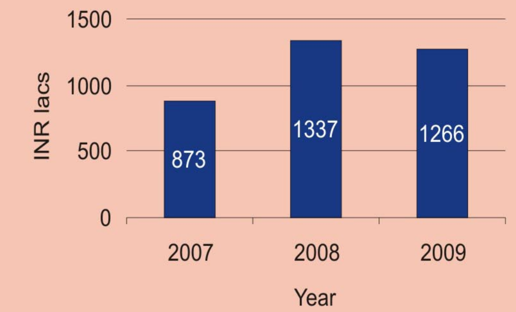
Performance Highlights

- ✓ Revenue Growth for the fifth consecutive year
- ✓ Revenue growing at a CAGR of 69% over the last five years
- ✓ Achieved Record Turnover of Rs. 6419 lacs in 2008-09
- ✓ Net Profit and EBITDA declined despite robust growth in turnover as one of our major projects had to be suspended because of *force majeure* conditions
- ✓ A strong balance sheet - Debt Free and a Robust Cash Position
- ✓ Well-positioned to tap growth opportunities

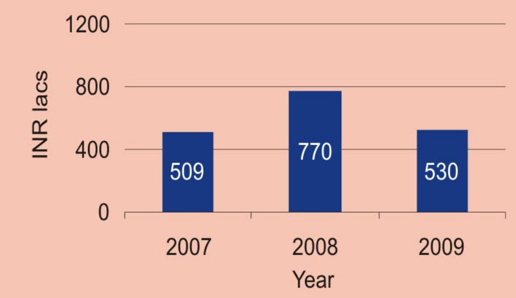
Sales



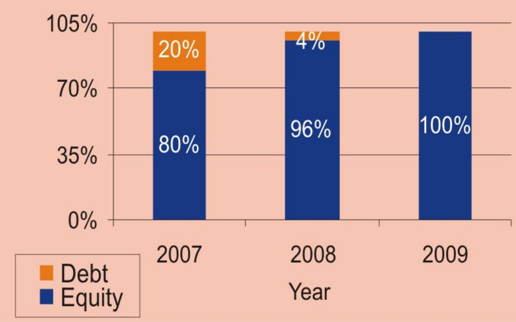
EBITDA



Net Profit



Debt:Equity



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