

Dear Shareholders,

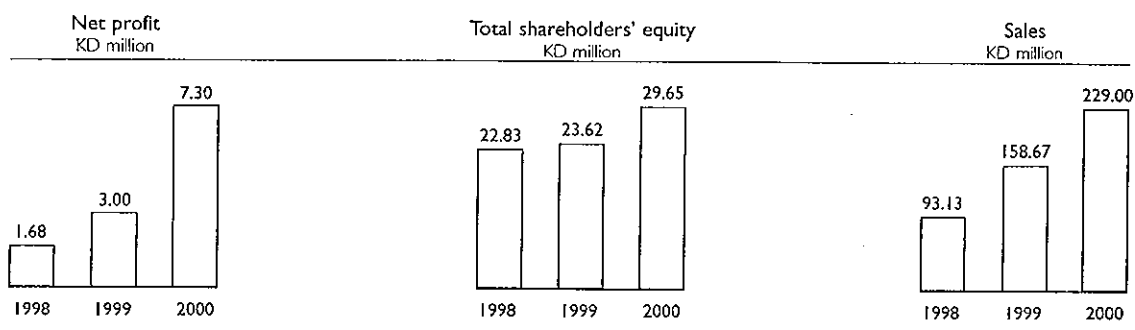
The Board is pleased to present to you the results of our Company's activities for the year 2000.

World oil markets witnessed great fluctuations in prices during the year 2000. At the end of 1999 the Brent Crude oil price was US\$ 25.05 per barrel; it climbed to US\$ 34.59 /bbl at the beginning of 2000 and closed at US\$ 23.87 /bbl at the end of 2000. This huge fluctuation in price, plus the instability of OPEC supply on the one hand and international demand for oil on the other, led to difficulty in marketing, especially in concluding long-term deals amidst the uncertainty.

Despite all these unusual difficulties, the financial results of the Company for 2000 were excellent. Net profit increased to 7.298 million Kuwaiti Dinars, representing an increase of 143 per cent over 1999 profits of KD 3.008 million. The 2000 profit amounted to 67.1 per cent of the capital KD 10.875 million and 24.6 per cent of total shareholders' equity of KD 29.648 million.

As the Company succeeded in opening and developing new markets, its sales of crude oil and petroleum products increased significantly. Sales amounted to KD 229 million during 2000 representing a 44 per cent increase over 1999 sales, which amounted to KD 159 million. Net results of oil marketing operations doubled to KD 9.335 million compared with KD 4.571 million during 1999. Profit from investments including projects and portfolios amounted to KD 1.410 million during 2000 compared with KD 1.524 million in 1999.

The decline in portfolio revenue is mainly attributed to the large drop in International Financial Markets during 2000, where the NASDAQ fell 39.3 per cent and the Dow fell 6.2 percent.



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During the fourth quarter of 1999, we agreed with our Dutch partners 'Petroplus' to exchange our shares in Universal Refinery for shares in Petroplus, a public shareholding company listed on the Amsterdam stock exchange. Petroplus performed extremely well during 2000. It greatly expanded its operations in Europe through the purchase of the 68,000 barrels per day 'Cressier' Refinery in Switzerland and the 133,000 barrels per day 'Teesside' Refinery in the UK.

As a result of Petroplus's good performance, its share price increased to 16.75 Euro per share at the end of 2000 compared with 12.90 Euro per share at the beginning of 2000. Petroplus expects to achieve a 25 per cent increase in return on shares value during 2001.

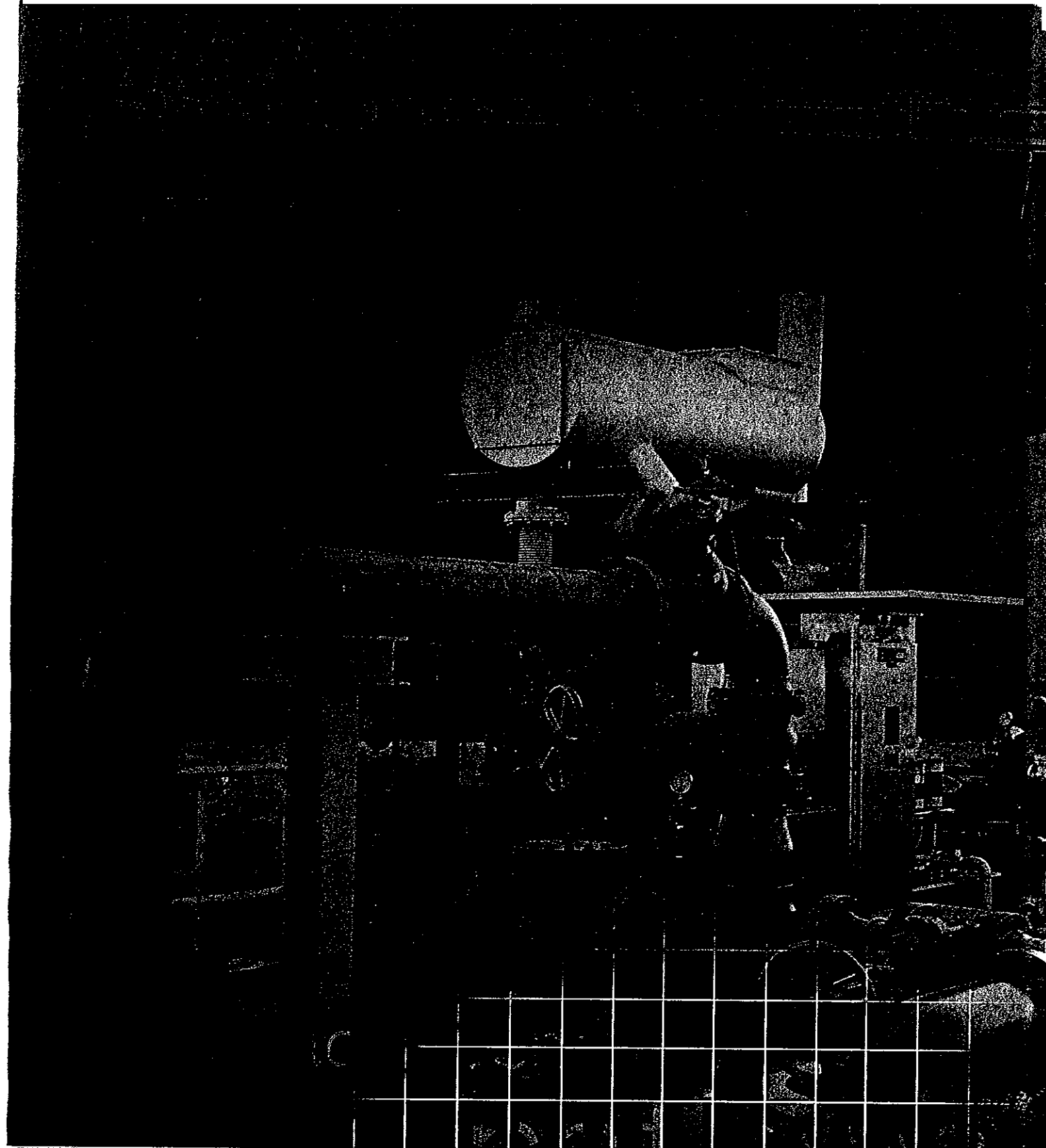
We are proud of our Company's exceptional performance and the achievements of the Company's different departments in purchasing, shipping, storing and delivering Crude and Petroleum Products promptly and in accordance with the terms stipulated in the contracts.

In spite of the great volatility in pricing and supply/demand, our Company continued to supply traditional markets in Yemen, Egypt, Sudan, Mauritius and the Indian Sub-Continent. Moreover, the Company developed new markets and concluded yearly contracts with Zimbabwe, Eritrea and Mozambique. Total sales and purchases turnover amounted to about KD 450 million.

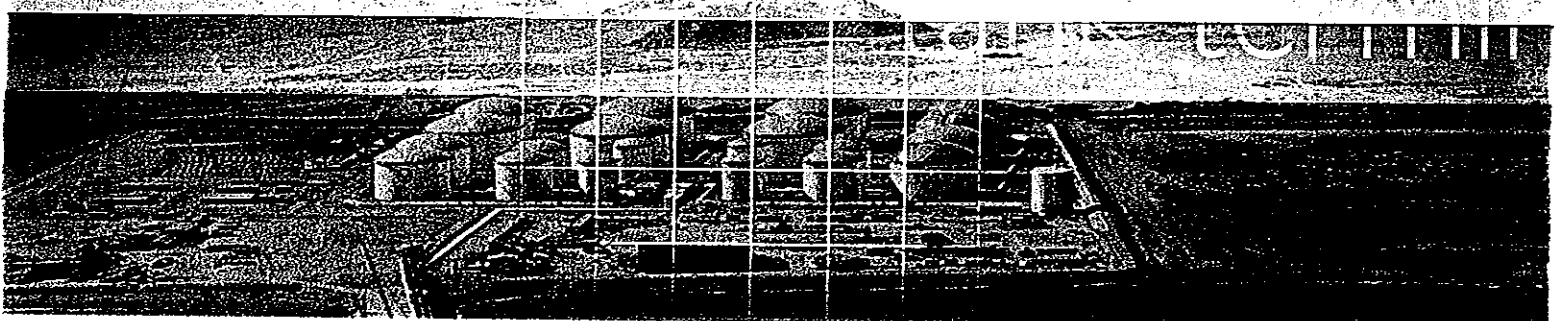
In order to deliver Petroleum Products to our customers, our Company chartered (6) tankers on a yearly basis including the 'Gulf Star', owned jointly with the Emirates National Oil Company, and many other tankers chartered on spot basis. The Joint Company is considering the purchase of two additional tankers in 2001.

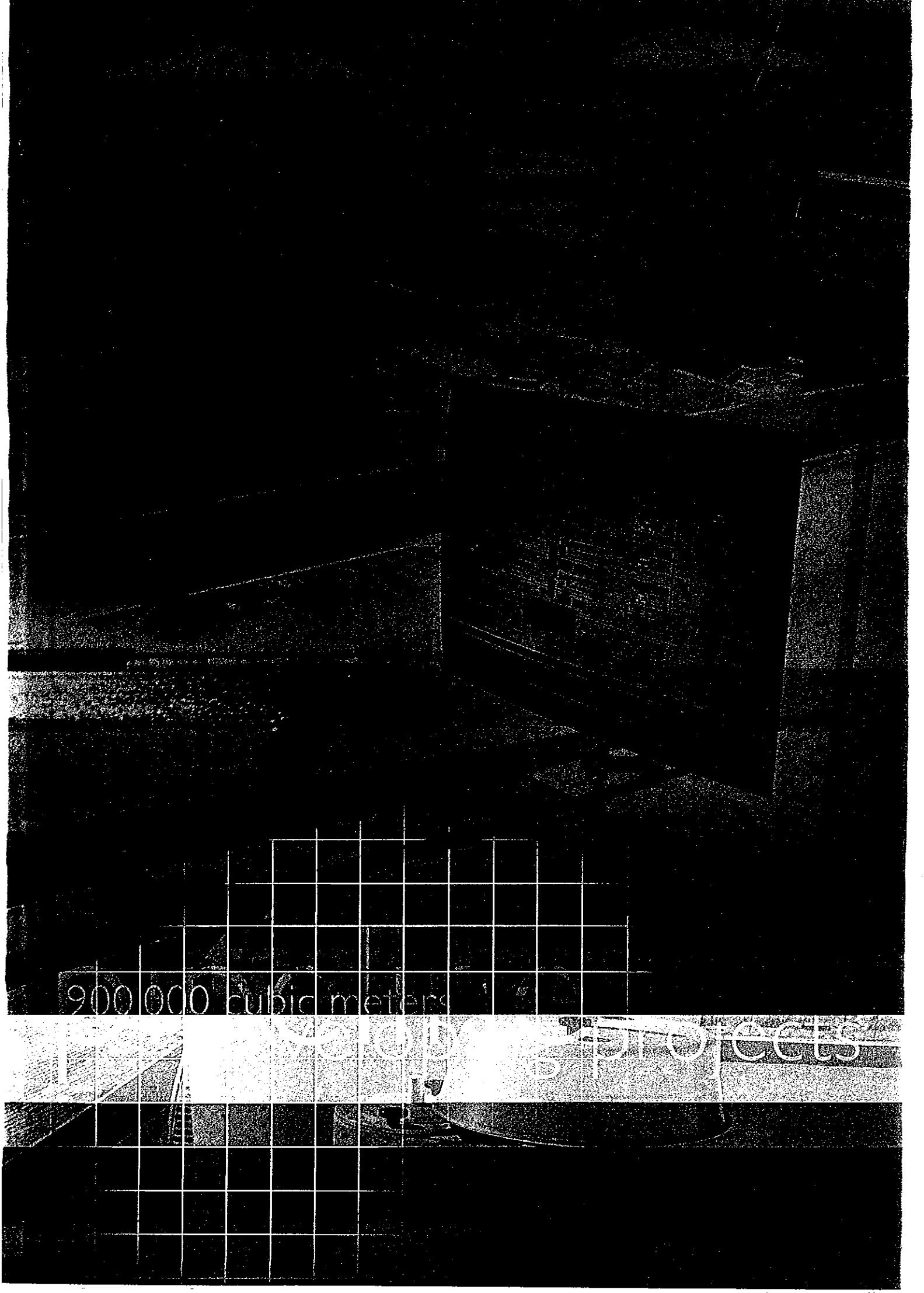
The Company continued to consolidate its exceptionally good relations with the national oil companies in the Gulf such as Aramco, Bahrain National Oil Company and others in Iran, Kuwait, Qatar, Oman, Dubai and Abu Dhabi.

We are proud of our Company's exceptional performance and the achievements of the different departments.



Herdenking van de Slag bij de





900,000 cubic meters

THE GREAT DAM PROJECTS

The Company continued to develop projects during 2000 and the following is a brief overview:

Operating projects

Vopac/Enoc Tank Terminal – Fujairah

(IPG Share 10 per cent)

The Fujairah Terminal had another excellent year in 2000 as profits amounted to US\$ 2.3 million. The first 220,000 cubic meters of new capacity, which is being added as part of the second phase expansion project, came on stream in August 2000, with the remaining 140,000 cubic meters expected to be completed on schedule in March 2001, thus bringing the total capacity to 900,000 cubic meters with a total cost of US\$ 110 million.

ArabTank Terminal – Saudi Arabia

(IPG Share 23 per cent)

The first phase of the project (17,000 cubic meters) came on stream in December 2000. The first customers for these Petrochemical Tanks have been secured for 2001. Work on the second phase (320,000 cubic meters) is due to start in 2001.

APL Pipeline – Pakistan

(IPG Share 12.5 per cent)

This pipeline continued to operate satisfactorily during 2000 when it pumped 1.5 million tons of Fuel Oil from Karachi to the Hub Power Plant, 85 Kilometers away in Baluchistan. During 2000, our Company received KD199,000 dividends from this project. APL is expected to continue to operate satisfactorily during 2001.

Al-Manar Plastic Plant – Saudi Arabia

(IPG Share 10 per cent)

Construction work on this plant was completed at the end of 2000. The plant will commence operation at the beginning of 2001.

During 2000, our Company received KD 199,000 dividends from the APL Pipeline project.

Projects under development

Terminal and Distribution Facilities – Lebanon

Negotiations continued to acquire a share in an Oil Company active in the storage and distribution of oil products in Lebanon. A final decision is expected to be reached in the first quarter of 2001.

Beira Petroleum Products Terminal – Mozambique

In view of the expansion of the Company's marketing activities in East Africa and especially in Zimbabwe and Mozambique, a technical and commercial study was performed which confirmed the feasibility of this project. IPG's Board has recently agreed to proceed to develop this project during 2001 in partnership with Mozambique National Oil Company and the National Oil Company of Zimbabwe.

The Company will continue to concentrate on developing industrial projects in the field of Petroleum and Petrochemicals, especially those which would complement its commercial activities.

Organization

The Company continued to develop its organization and manpower to cope with its expanded activities. The Company was successful in maintaining a good level of Kuwaitis in the organization and is currently implementing an ambitious plan approved by the Board to develop a second line of Kuwaiti Management to be able to perform in future the duties of the current Top Management and to participate in the Board.

Finally, we wish to take this opportunity to thank our shareholders and the Company staff for their trust and support.

Board of Directors

The Company will continue to concentrate on developing industrial projects in the field of Petroleum and Petrochemicals.