Committed to Excellence

Qatar Petroleum (QP), formerly Qatar General Petroleum Corporation, is a state-owned corporation established by Emiri Decree No 10 in 1974. It is responsible for all phases of the oil and gas industry in Qatar, directly and through its joint ventures and subsidiaries. The principal activities of Qatar Petroleum and its subsidiaries and joint ventures are the exploration, production and sale of crude oil, natural gas and gas liquids and refined products, liquefied natural gas (LNG), production and sale of petrochemicals, fuel additives, fertilizers, steel, aluminum, chartering of helicopters, underwriting insurance and other services.

QP’s strategy of conducting hydrocarbon exploration and development are through Exploration and Production Sharing Agreements (EPSA) and Development and Production Sharing Agreements (DPSA) concluded with major international oil and gas companies.

The operations and activities of Qatar Petroleum are conducted at various onshore locations, including Doha, Dukhan and the Mesaieed and Ras Laffan Industrial Cities, as well as offshore areas, including Halul Island, offshore production stations, drilling platforms and the North Gas Field.

In addition to these operations, QP carries out its activities through the following subsidiaries, joint ventures and other investments:

<table>
<thead>
<tr>
<th>A – Subsidiaries</th>
<th>QP Effective Interest %</th>
<th>C - Joint Ventures and Subsidiaries of QP Subsidiaries</th>
<th>QP Effective Interest %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qatar Petroleum Qatar Gas (3) Limited</td>
<td>100.0</td>
<td>Qatar Petrochemical Company Ltd (QAPCO)</td>
<td>56.0</td>
</tr>
<tr>
<td>Qatar Petroleum QGIII Limited</td>
<td>100.0</td>
<td>Qatar Fertiliser Company S.A.Q. Ltd (QAFAC)</td>
<td>52.5</td>
</tr>
<tr>
<td>Qatar Petroleum Gas Trading QGIII Limited</td>
<td>100.0</td>
<td>Qatar Fuel Additives Company Ltd (QAFAC)</td>
<td>35.0</td>
</tr>
<tr>
<td>Qatar Petroleum LNG Services (QGIII) Limited</td>
<td>100.0</td>
<td>Qatar Steel Company Ltd Q.S.C. (Qatar Steel)</td>
<td>70.0</td>
</tr>
<tr>
<td>Qatar Terminal Company Limited</td>
<td>100.0</td>
<td>South Hook Gas Company Limited</td>
<td>70.0</td>
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<tr>
<td>Industries Qatar Q.S.C.</td>
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<td>South Hook LNG Terminal Company Limited</td>
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<tr>
<td>Qatar Nitrogen Company Q.S.C.</td>
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<td>Qatar Liquefied Gas Company Limited (3)</td>
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<tr>
<td>Qatar Holding Intermediate Industries Company Limited</td>
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<td>Adiatic LNG Terminal Limited</td>
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<tr>
<td>Qatar Petroleum International Limited</td>
<td>100.0</td>
<td>Qatar Liquefied Gas Company Limited (4)</td>
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<tr>
<td>Amnaj Catering Services Company Limited</td>
<td>100.0</td>
<td>QTL U.S. Holding Corporation, Inc</td>
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<td>Al Shaheen Energy Services Company Limited</td>
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<td>Gulf Helicopters Q.S.C. (GHC)</td>
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<tr>
<td>Qatar Petroleum Qatar Gas (4) Company Limited</td>
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<td>Al Koot Insurance and Reinsurance Company S.A.Q. (Alkoot)</td>
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</table>

<table>
<thead>
<tr>
<th>B – Joint Ventures</th>
<th>QP Effective Interest %</th>
<th>D – Other Investments</th>
<th>QP Effective Interest %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qatar Liquefied Gas Company Ltd Q.S.C.</td>
<td>65.0</td>
<td>Qatar Fuel Company (WOQOD)</td>
<td>40.0</td>
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<tr>
<td>Qatargas Upstream Joint Venture (unincorporated)</td>
<td>65.0</td>
<td>Qatar Shipping Company (QSHIP)</td>
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<tr>
<td>Ras Laffan Liquefied Natural Gas Company Ltd</td>
<td>63.0</td>
<td>Qatar Metal Coating Company W.L.L.</td>
<td>35.0</td>
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<tr>
<td>RasGas Company Ltd</td>
<td>70.0</td>
<td>Qatar Plastic Production Company (QPPC)</td>
<td>18.7</td>
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<tr>
<td>Ras Laffan Liquefied Natural Gas Company Ltd (II)</td>
<td>69.5</td>
<td>Qatar Electricity and Water Company (QEWCo)</td>
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<tr>
<td>Qatar Chemical Company Ltd Q.S.C.</td>
<td>51.0</td>
<td>Ras Laffan Power Company Limited (RLPC)</td>
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<tr>
<td>Qatar Vinyl Company Ltd Q.S.C.</td>
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<td>Qatar Gas Transportation Company Limited “NAKLAT”</td>
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<tr>
<td>Qatex Limited</td>
<td>51.0</td>
<td>Arab Shipbuilding and Repair Yard Company (ASRY-Bahrain)</td>
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<tr>
<td>Oryx GLL Ltd</td>
<td>51.0</td>
<td>Arab Maritime Petroleum Transport Company (AMPTC-Kuwait)</td>
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</tr>
<tr>
<td>Qatar Liquefied Gas Company Limited (II) (Q.S.C.)</td>
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<td>Arab Petroleum Investment Corp (APICORP-Saudi Arabia)</td>
<td>10.0</td>
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<tr>
<td>SHEP Limited</td>
<td>80.0</td>
<td>Arab Petroleum Services Company (APSCO-Libya)</td>
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<tr>
<td>Ras Laffan Olefins Company Limited (Q.S.C.)</td>
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<td>Arab Petroleum Pipelines Company (SUMED-Egypt)</td>
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<tr>
<td>Ras Laffan O&amp;G Company Limited (Q.S.C.)</td>
<td>44.5</td>
<td>Nakilat Agency Company Limited</td>
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</tr>
<tr>
<td>Qatar Chemical Company II Limited</td>
<td>51.0</td>
<td>United Stainless Steel Company (Bahrain)</td>
<td>17.5</td>
</tr>
<tr>
<td>Qatargas Operating Company Limited</td>
<td>70.0</td>
<td>United Helicharters Private Limited (India)</td>
<td>10.8</td>
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<tr>
<td>Qatarfin Company Limited (Q.S.C.)</td>
<td>36.6</td>
<td>Mesaieed Power Company</td>
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<tr>
<td>Ras Laffan Olefins Company Limited (Q.S.C.)</td>
<td>44.5</td>
<td>Sphere Investments Limited (Australia)</td>
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<td>Gassol Q.S.C.</td>
<td>30.5</td>
<td>Gulf Industrial Investment Company (Bahrain)</td>
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<tr>
<td>Laffan Refinery Company Limited</td>
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<td>Gulf United Steel Company (Bahrain)</td>
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<tr>
<td>Qatar Aluminium Company Limited</td>
<td>50.0</td>
<td>Tacoumis Blocks Mauritania</td>
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<tr>
<td>Qatar Engineering Consultancy Company Limited</td>
<td>50.0</td>
<td>Ras Giritas Power Company</td>
<td>15.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Others</td>
<td>*</td>
</tr>
</tbody>
</table>

* These represent various investments mainly in the Qatar Exchange and the effective QP interest is less than 5%.

QP Effective Interest %
In the name of God, the most Gracious, the most Merciful.
His Highness
Sheikh Hamad Bin Khalifa Al-Thani
Emir of the State of Qatar
His Highness
Sheikh Tamim Bin Hamad Al-Thani
Heir Apparent
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  Drilling Department
  Halul Island
LNG 26
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  RasGas
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<tr>
<td>QP Refinery</td>
<td></td>
</tr>
<tr>
<td>Laffan Refinery</td>
<td></td>
</tr>
<tr>
<td>Oryx GTL</td>
<td></td>
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<tr>
<td>Pearl GTL</td>
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<td>33</td>
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<tr>
<td>Qatar Fertiliser Company (QAFCO)</td>
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<tr>
<td>Qatar Petrochemical Company Ltd (QAPCO)</td>
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<tr>
<td>Qatar Fuel Additives Company (QAFAC)</td>
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<tr>
<td>Qatar Chemical Company (Q-Chem)</td>
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<tr>
<td>Qatar Chemical Company II Ltd (Q-Chem II)</td>
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<tr>
<td>Ras Laffan Ethane Cracker</td>
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</tr>
<tr>
<td>Qatofin</td>
<td></td>
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<tr>
<td>Melamine</td>
<td></td>
</tr>
<tr>
<td>Seef Limited</td>
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</tr>
<tr>
<td>Industrial Cities</td>
<td>39</td>
</tr>
<tr>
<td>Mesaieed Industrial City</td>
<td></td>
</tr>
<tr>
<td>Ras Laffan Industrial City</td>
<td></td>
</tr>
<tr>
<td>Other Industries and Supporting Services</td>
<td>43</td>
</tr>
<tr>
<td>Gulf Helicopters Company</td>
<td></td>
</tr>
<tr>
<td>Qatar Steel Company (QSC)</td>
<td></td>
</tr>
<tr>
<td>Qatar Plastic Products Company (QPPC)</td>
<td></td>
</tr>
<tr>
<td>Qatar Aluminium (Qatalum)</td>
<td></td>
</tr>
<tr>
<td>Qatar Petroleum International (QPI)</td>
<td></td>
</tr>
<tr>
<td>Gulf Drilling International (GDI)</td>
<td></td>
</tr>
<tr>
<td>Financial Statements</td>
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</tr>
</tbody>
</table>
The year 2009 marks the 60th anniversary of first oil shipment from Mesaieed port in December 1949. Since that time the oil and gas industry in Qatar has developed dramatically, and achieved many great success in commercializing our hydrocarbon resources. In 2009 Qatar continued to strengthen its position as one of the leading producers of hydrocarbons in the region.

The global economy, however, in 2009 can be characterized by two words; instability and uncertainty. Like many oil and gas producing countries, Qatar was in the midst of implementing capacity expansion projects to meet the growing world demand for sources of energy when the crises struck the world economy.

Among these projects were mega-LNG trains, downstream gas feed plants, and major infrastructure projects. Construction and engineering contracts were at their highest costs ever. As were prices for raw materials, equipment, and labor.

Many sceptics were anticipating that QP would cancel or at least delay some of its major projects, but thanks to our wise and courageous leadership, QP has proven to be resilient in handling the effects of the recession on the energy industry in Qatar. I can proudly say that despite these difficulties, our investment plans remained largely unchanged and are going according to the schedule of completion. Only a small number of major projects were deferred.

Qatar’s essential role in the global gas supply has been marked by achieving many milestones in 2009. Among these are the inauguration of Qatargas’ Trains 4 and 5, as well as Rasgas’ train 6. They are the largest LNG liquefaction trains in the world, each with nameplate capacity of 7.8 million tons of LNG per annum. They represent a new source of energy diversity and supply for LNG markets around the world.

In a related strategic development for Qatar’s LNG business, two LNG receiving terminals have been commissioned in key customer markets. QP considers these to be an integral part of the State’s commitment to secure the supply of LNG to gas markets around the world in a sustainable manner. The first was South Hook LNG receiving terminal in Milford Haven UK, the largest of its kind in Europe, capable of meeting up to 20% of the UK’s current gas requirements. The second was the Adriatic terminal in Northern Italy.
The successful completion of these projects represents a significant technical and economic achievement between the stakeholders, as well as strengthening the competitiveness position of the gas market in the terminal host country.

The role of Qatar in the gas business was reinforced when Doha became the headquarters for the Secretariat of the Gas Exporting Countries Forum. Selecting Doha as the permanent secretariat for the GECF reflects the level of confidence that all member countries have in Qatar.

The progress in the LNG business has coincided with another equally important development in the diversified gas industry strategy. The construction of phase one of Pearl GTL is due for completion by the end of 2010. This will be the world’s largest Gas-to-Liquids plant, which will produce 140 thousand barrels a day of petroleum products.

A major milestone in our petrochemical industry was crossed in 2009 with the inauguration of the Ras Laffan Olefins Company (RLOC) plant, one of the world’s largest ethane cracking plants. Building upon this success, Qatar is set to become a major exporter of linear low-density polyethylene (LLDPE) with the inauguration of the worldscale LLDPE Qatofin facility at Mesaieed.

Although there are many signs indicating that world economic recession has bottomed out in 2009, I think the road to full global economic recovery is still bumpy with many barriers to overcome.

This fragile recovery of the world economy needs to be protected and strengthened to avert a slowdown in economic activities until we reach a sustainable level of recovery.

In spite of the instability and uncertainty that surrounds the energy market I remain confident that the future will bring further prosperity to the energy industry in Qatar and around the world.

Abdullah Bin Hamad Al-Attiyah
Qatar Petroleum Chairman & Managing Director
2009 HIGHLIGHTS

JANUARY

• 11 Jan - H.E. Abdullah Bin Hamad Al-Attiyah, Deputy Premier and Minister of Energy and Industry opened 1st International Gas Processing Symposium, organized by the Gas Processing Center at Qatar University.

• 25 Jan - H.E. Abdullah Bin Hamad Al-Attiyah, Deputy Premier and Minister of Energy and Industry signed an agreement on behalf of the State of Qatar to become the first Gulf country to join the World Bank’s Global Gas Flaring Reduction partnership (SSFR) to reduce the flaring of gas associated to oil production.

MARCH

• 9 Mar - Under the Patronage of H.H. Sheikh Hamad Bin Khalifa Al-Thani, Emir of the State of Qatar, the 7th Doha Natural Gas Conference & Exhibition took place, organized by Qatar Petroleum.

• 20 Mar - H.E. Abdullah Bin Hamad al-Attiyah, Deputy Premier, Minister of Energy and Industry, and Chairman of Qatar Gas Transport Company "Nakilat", signed a Memorandum of Understanding with Damen Shipyards Group, of the Netherlands, to form a Joint Venture to manage a new state-of-the-art Shipyard in the Port of Ras Laffan.

APRIL

• 6 Apr - His Highness, Sheikh Hamad bin Khalifa Al Thani, The Emir, inaugurated the Qatargas 2 Project in the presence of His Royal Highness The Duke of York, Prince Andrew.

MAY

• 4 May - His Highness Sheikh Tamim Bin Hamad Al-Thani, the Heir Apparent, laid the foundation stone for Ras Girtas Power & Water Project.

JUNE

• 29 Jun - H.E. Abdullah bin Hamad Al-Attiyah, Deputy Premier and Minister of Energy and Industry, signed with PGNiG, the Polish oil and gas state owned company, a Sales and Purchase Agreement ("SPA") for LNG supply from Qatar to Poland.

DECEMBER

• 7 Dec - The 4th International Petroleum Technology Conference was held under the auspices of H.H. Sheikh Hamad bin Khalifa Al-Thani, Emir of the State of Qatar.

• 9 Dec - The 9th Ministerial Meeting of the Gas Exporting Countries Forum (GECF) was held under the auspices of H.H. Sheikh Hamad bin Khalifa Al-Thani, Emir of the State of Qatar.
KEY CONSOLIDATED FINANCIAL INFORMATION
Year Ended 31 December 2009

<table>
<thead>
<tr>
<th>QR Millions</th>
<th>DEC - 09</th>
<th>DEC - 08</th>
<th>DEC - 07</th>
<th>DEC - 06</th>
<th>DEC - 05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Revenue</td>
<td>118,141</td>
<td>168,488</td>
<td>117,430</td>
<td>100,684</td>
<td>75,826</td>
</tr>
<tr>
<td>Net Income</td>
<td>35,207</td>
<td>55,800</td>
<td>35,049</td>
<td>31,235</td>
<td>21,860</td>
</tr>
<tr>
<td>Net Cash Flow from Operations</td>
<td>40,864</td>
<td>58,560</td>
<td>46,328</td>
<td>33,416</td>
<td>28,296</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>35,350</td>
<td>36,791</td>
<td>47,037</td>
<td>32,990</td>
<td>20,008</td>
</tr>
<tr>
<td>Total assets</td>
<td>282,308</td>
<td>246,034</td>
<td>188,336</td>
<td>137,846</td>
<td>105,545</td>
</tr>
</tbody>
</table>
Administration Directorate continued to provide high-quality customer service to support QP core business in the five key result areas of Human Resources, Qatariization, Corporate Training, Medical Services, and General Services. During the year more focus was laid on strengthening of controls, continuous follow up/review of business plans and improving communication to enhance effectiveness of business.

HUMAN RESOURCES SERVICES

The Performance Management System was enhanced with the introduction of Employee Self-Assessment and holding of calibration sessions after Supervisors’ Assessments were concluded. The automation of the Merit Review process resulted in shortening of processing time. QP recruited 734 expatriates and 92 Qatars. Also 405 Qatari high-school graduates were recruited for different vocational training and university scholarship programs. A replacement plan to ensure that QP continues to operate effectively when individuals in positions retire was developed.

The 2009 customer satisfaction survey results indicate higher customer satisfaction rating in the areas where HR has implemented automated systems and streamlined its processes. Human Resources Department was also successful in sharing information in the form of guidance and support as an integral element to foster improvement via e-feedback. A number of new improvement initiatives were identified and changes to improve customer involvement and satisfaction are being implemented on an ongoing basis.

QATARIIZATION

At the end of 2009 Qatari in permanent positions accounted for 2,060 of QP workforce, or 19% of the establishment. If Qatari on training and development are included, the headcount is 3,792 for a Qatariization percentage of 35%.

A total of 261 Qatari were confirmed into permanent positions in 2009. QP sponsors over 1,700 Qatari in different programs such as Staff on Academic Studies, University Program, TPP, CPP, TMP, FPP and SPP. In 2009, 179 Qatars completed their training/education program and filled development positions.

CORPORATE TRAINING SERVICES

Corporate Training (CT) Department continued to play its crucial role in implementing the energy and industry sector’s Strategic Qatariization Plan through meeting the training requirements in terms of recruiting Qatari trainees, identifying, designing and providing quality training programs. CT is currently operating the Technical Independent School to ensure the supply of appropriately trained Nationals into the various disciplines required by the oil and gas industry.

In 2009, the number of Qatari trainees, who went through Corporate Training long term training programs reached 2,203, out of which 876 were students in local and overseas universities. The rest pursued training programs within Corporate Training and CNAQ.

Also in 2009, professional training courses in business and IT skills benefited 9,220 employees from QP and its affiliates. In addition, e-Learning as a mode of delivery supplemented traditional classroom and on-the-job training.
MEDICAL SERVICES
Medical Services (MS) Department continued to provide primary care medical services for a population of approximately 200,000 patients from health care clinics located at Doha, Dukhan, Mesaieed, Ras Laffan, and on Halul Island. In addition, the Emergency Medical Services (EMS) responded to a total of 2,600 onshore calls (emergency response and patient transfers) and responded to 34 offshore medevacs.

In 2009, MS achieved licensing of all medical personnel and medical facilities through the Supreme Council of Health and implemented standardized Single Male Worker service delivery across all locations through formalized medical service agreements. MS introduced Nurse Lead Specialist chronic disease management in all primary health care clinics (diabetes, hypertension, and asthma) and took up the leadership role in H1N1 pandemic containment across the oil and gas sector. In addition to the main primary care facilities, MS now operates eight fully functional and licensed front-line clinics to promote wellness within, and beyond, the workplace.

GENERAL SERVICES
General Services (GS) Department continued to provide support services for QP, its affiliates and newly established companies. For QP, it continued to provide efficient and effective service in the areas of housing, facilities, maintenance, and transport to support operations in Doha. To ensure quality service, GS introduced the Electronic Corporate Non-Technical Record Centre System (e-CNRC) in all departments, and updated office space requirements.
Corporate Health, Safety & Environment (HSE) encompasses Corporate Environment & Sustainable Development, Corporate HSE Support, Corporate Quality & Management Systems, Oil Spill & Emergency Response, Corporate HSE Strategy, and Doha Safety.

Corporate HSE continued to set QP’s HSE policy and management systems as well as to ensure the technical integrity and HSE compliance of all facilities at Qatar Petroleum starting from the design phase followed by construction and then operation. Corporate HSE provided technical advice on HSE matters to QP operations, regions, projects and engineering directorates as well as to external projects in order to achieve sustainable outcomes in meeting with its HSE obligations.

Following are the main achievements by Corporate HSE departments during 2009:

**Corporate Environment & Sustainable Development**
- Provided support and advice to 106 engineering projects
- Successfully completed the first national communication (INC) report under the UN Framework Convention on Climate Change (UNFCC)
- As part of its major endeavor to reduce emissions from gas flaring, QP has reduced gas flaring from its operations in comparison to 2008 base year
- QP air quality modeling platform for ozone formation and destruction in the lower atmosphere was successfully rendered operational

**Corporate HSE Support**
- Provided major technical support to the petrol station project with respect to safety in design and operation
- Engaged with the taskforce for the pandemic preparedness from the start of the outbreak of (H1N1). Fitness to work standard was finalized. Handing over the delivery of some HSE courses to the operational areas in line with the HSE corporate, regional and operational general mandate
- The development of the new QP HSE regulation for contractors approved by H.E the MD for implementation. One contractor regulation workshop was held
- Corporate HSE Incentive scheme was reviewed and finalized for full implantation in 2010
- Facilitated the approval from MOE to utilize the NORM storage yard at Halul Island.
- The following corporate QP standards and regulations are issued:
  - Corporate Lifting Equipment Regulation Rev.4
  - Corporate Standard for Welding of Onshore Transmission Pipeline, QP-STD-R-006
  - Corporate Standard for Quality Requirements for Projects, QP-STD-Q-004

**Corporate Quality & Management Systems**
- Business Performance Management System (BPM) arranged five workshops for QP’s staff
- 200 QP staff were trained in conducting risk assessment
- Supported Security Directorate to establish the Corporate Security Management System
- Development of seven corporate standards and regulations
- As representative of Qatar Petroleum in Gulf standards committee for oil and gas industries, joint and arranged its events
- Participated in the preparation of Gulf oil and gas standards 2009 plan
- Managed the review of eleven international standards and codes (ISO TC 67, 193 and 176) which have large impact on Qatar petroleum activities
- Established standardization working groups within Qatar Petroleum
Oil Spill & Emergency Response

- Completed the design and installation of a 320-meter protection boom for Al-Sharq hotel.
- Managed Al-Furusia petrol station hydrocarbon contamination assessment.
- Responded to the 46 reported oil spills and conducted clean up operations.
- Developed second edition of the oil spill sensitivity atlas and 40 new oil spill response tactic sheets to ensure a rapid planned response to environmentally sensitive areas as well as high risk areas.
- Concluded three oil spill drilling support packages.
- Acquired essential equipment for offshore oil spill response and upgraded oil spill response base at Mesaieed port and Offshore Halul in addition to the main response centre at Ras Laffan.
- Conducted eleven exercises and drills throughout QP operational areas.
- Deployed a 400-meter permanent boom at Ras Laffan port to protect the water intakes.
- Upgraded software for oil spill modeling system to predict behavior of oil spills.
- The establishment of a strong team of oil spill responders for the State of Qatar trained to internationally recognized IMO (International Maritime Organization) levels 1, 2 & 3.
- Represented the State of Qatar in the international and regional organizations (IOPC, RECSO, MEMAC and ROPME).

Corporate HSE Strategy

- Organized QP road safety campaign during GCC 26 Traffic Week and conducted presentations to Qatar Petroleum staff and trainees.
- Produced special HSE awareness video for Qatar Petroleum Refinery.
- Produced special induction video for Ras Laffan Emergency and Safety Training College.
- Participated in the Youth Communication Camp organized by the traffic department.
- Actively participated in the 5th Annual HSE Forum in Oil, Gas and Petrochemicals Forum by a presentation.
- Organized nine Safe Driving Awareness presentations to QP Refinery and Engineering department.
- Represented QP in Qatar Civil Defense Exhibition.

Doha Safety

- Supported 10 projects by Doha Onshore.
- Completed HSE inspection of 36 Doha locations.
- Investigated 30 accidents to prevent reoccurrence.
- Conduct annual fire/muster drills at each QP building in Doha area.
ICT continues to play a strategic and vital role in QP’s operations by providing timely information and communications services. Scalable technologies offer maximum flexibility in meeting user requirements, with fit-for-purpose solutions utilizing leading edge facilities.

Safety and security of QP’s data is ensured by utilizing the latest data security devices and applications, and resilience on the data-network is provided by the latest high-bandwidth fiber-backbone technology.

The ICT activities can be categorized into two broad areas: business projects, and technology initiatives.

Business Projects
ICT continued to deliver service excellence to QP’s business and operational activities throughout 2009. Multiple projects of diverse nature and size are in various stages of implementation or completion.

The QP enterprise resource planning system (SAP) has a major role in managing data and data-flow in most areas of the organization. During 2009 various projects were initiated to interface with the SAP platform. A few examples are:

✦ Chemical Usage Application – A system to help the QP refinery in Mesaieed to plan, procure and monitor plant-wise consumption of chemicals used in the refinery
✦ Transport Equipment Requisition (TER) System – A system that automates the process to request transport or equipment for QP employees
✦ End of Service Notifications – Online notifications are sent to ICT to immediately revoke system access when employees leave QP. This has greatly enhanced the security controls of QP IT systems

Many other business-related projects were completed or initiated in 2009, including:

✦ e-Ras Laffan Initiative – A program to provide a central point of information and access to internal QP users, external business partners such as RasGas and Qatargas, and the general public. This initiative provides significant improvement to automation of workflows and elimination of paperwork, allowing QP’s partners and customers to request services directly via the portal
✦ Port Management Information Systems – A system to provide sophisticated data management and communication for management of the Halul and Mesaieed ports. This system will provide shipping agents with Internet access to conduct the majority of their business, replacing traditional faxes and emails
✦ Offshore Production Data Transmission to an Onshore Facility – Allowing planning engineers from Oil Development and Production departments to remotely monitor and analyze production data from offshore wells
✦ Pipeline Integrity Management – A system used by the Engineering department, based on GIS (Geographical Information Systems), for the purpose of having an integrated view of the integrity of the QP pipeline network
✦ Process Information Management System – A system that allows plant operations and maintenance personnel to access process data remotely in order to automate the preparation of production reports, perform analysis of the plant’s operating conditions and efficiencies, and to remotely monitor the plant processes
**Technology Initiatives**

ICT constantly researches ways to enhance the application capabilities of systems and information technology infrastructure by utilizing new technology developments.

Some of the technology initiatives completed in 2009 were:

✦ **Expansion of Server Systems** – To accommodate a variety of new projects including e-Ras Laffan and the new SAP portal, servers have been expanded to cope with the extra load.

✦ **Blackberry Enterprise Services** – Smart Phone access for QP Directors, Managers and other senior staff to their corporate email from anywhere in the world.

✦ **Helpdesk Automated Services System** – A comprehensive automated system based on international best practices, for managing user reported requests.

✦ **Network Infrastructure Services** – Departments and Directorates in QP are expanding as the organization becomes a major international player in the energy industry.

With this growth comes the need for infrastructure, and ICT has provided network infrastructure with high availability, reliability and scalability to meet targeted milestones and future business requirements of QP departments.

These initiatives have allowed ICT to keep QP at the forefront of technology through well researched and proven deployment of leading edge infrastructure and services.

ICT moves into 2010 with a solid base of technology, looking forward to deliver world-class information and communication technology and services to the organization.
The Technical Directorate has been at the forefront of project activities in Qatar, managing and implementing capital projects for QP core business, major infrastructure projects for joint venture developments, and state infrastructure projects. The Technical Directorate continued to pursue its mission to provide innovative solutions that consistently surpasses customer expectations, with due regard to safety, environment, health, synergy and human resources development. The main objective remains to be the execution of all capital projects and material management on time, within the agreed budget, in accordance with the agreed technical requirements and inline with the agreed customer expectations.

Over the last 15 years, there has been a gradual major change and growth in the value, type, number and complexity of projects implemented by QP Technical Directorate as well as a significant increase in the number of the Technical Directorate customers.

A major accomplishment has been the ability to move from managing small to medium size rehabilitation type projects with an annual capital budgets of QR200 million to QR400 million to the year 2009 status during which the Technical Directorate managed mega, multi-disciplinary type projects with total annual capital budgets of about QR20 billion (QP projects + external projects). The overall life cycle budget value in year 2009 for QP projects was in the order of QR64 billion and for external projects was in the order of QR42 billion. The total number of projects handled by Technical Directorate in year 2009 was 290 projects comprising both QP and external customers.

Achievements Overview
In all projects executed by the Technical Directorate during 2008 – 2009, project deliverables (e.g. gas, cooling water, state infrastructure, etc.) were provided to project customers on schedule as per end-users’ need.

In April 2007, the Technical Directorate initiated the INJAZ Project to develop a Directorate-wide project management system to improve work practices and to standardize and refine business processes. Ultimately, the outputs of this major improvement program will form an integrated project management system. The tasks are being carried out utilizing QP’s in-house resources. The project is scheduled to be completed by March 2011.

A cost estimating database has been successfully developed in-house, in cooperation with the IT Department. This landmark database incorporated best industry practices and the valuable QP experiences/expertise in this field. This is the first time a centralized cost estimating database has been implemented in QP.

Significant cost saving was achieved in the area of materials management during 2008 – 2009 due to key initiatives including:
- Optimization of inventory stock items
- Inventory sharing and exchange of critical materials within QP subsidiaries and GCC oil/gas companies
- Reviewing and optimizing user group materials requirements and substitutions

Planned Qatariization has increased to 43 % during 2009 (from 40 % in 2008) with a target increase to 45 % (or higher) in 2010.

During this period, a Tatweer committee was established to maximize Qatariization potential in the Technical Directorate. The following are examples of successful strategic projects that have been managed by the Technical Directorate during the reporting period.

Oil & Gas Related Infrastructure Mega Projects
- Ras Laffan Port Expansion Project: This major project involves engineering and construction of significant expansion of the existing Ras Laffan Port (by a factor of 5) in order to handle 77 million tons per year of LNG and other liquid products by year 2011. This landmark project involves massive dredging and reclamation works and construction of 21km of breakwater as well as berths/ port infrastructure
- Ras Laffan Common Cooling Water Project Phase-II: This major project involves engineering and construction of a centralized common cooling water system to provide cooling waters to key customers, (e.g. Q-Power, Ras Gas, Qatar Gas, IPP-3, Shell GTL and Barzan) within Ras Laffan Industrial City
Infrastructure Project Supporting Qatar Construction Industry

- **Gabbro Berth Expansion (Package 1) at Mesaieed:** This major project involves engineering and construction of new berth and supply/installation of 4 Ship unloaders for gabbro imports. This will increase the capacity to unload ships for gabbro trade and release existing facilities for other trades.

State Socio-Cultural Development Project

- **Carnegie Mellon University:** This University was built to provide state of art Business and IT facilities to Qatari nationals and foreign students, thereby adding to the vision of creating a knowledge-based society in Qatar. The project is located within the south campus of Education City in Doha. The building has a gross floor area of 42,000 m².

Oil & Gas Pipeline Project

- **Strategic Gas Transmission Pipeline (SGTP) Project:** This major project involves engineering and construction of twin 36” diameter gas pipeline from Ras Laffan to Mesaieed for transportation of sweet gas. The project also includes the construction of additional gas separation stations and the upgrading of major gas distribution stations.

Oil & Gas Offshore Project

- **Three Wellhead Platforms:** This major offshore project involves engineering, procurement and installation of 3 new wellhead jackets in BH field and associated pipelines and umbilicals in BH and MM fields. The scope also includes hook-up and modifications on 23 existing platforms.
CRUDE OIL AND NATURAL GAS

DUKHAN OPERATIONS
Main Activities of Dukhan

Dukhan is a large oil and gas field extending over an area of approximately 80 kms by 8 kms and is located about 80 kms to the West of Doha. Dukhan Field comprise of three sectors from North to South - Khatiyah, Fahahil and Jaleha/Diyah Oil and gas are separated in four main degassing stations which are continuously manned namely Khatiyah North, Khatiyah Main, Fahahil Main and Jaleha. Unmanned satellite stations are Fahahil North and Fahahil South, while Khatiyah South is now a manned station. The Diyah satellite station at the South end of the field has no process facilities and the total oil production is sent to Jaleha station for processing. Stabilized crude oil is transported through pipeline to Mesaieed port about 100 km East of Dukhan.

Dukhan oil field has production facilities to produce up to 335,000 barrels per day (b/d). However, actual annual production is based on reservoir management requirements. Other production facilities are related to associated gas, non associated gas, raw NGL production from associated gas, Arab D gas cap NGL and Arab D condensate production. In addition to this, facilities for injection of North Field gas into Khuff Reservoir; Injection of lean gas into Arab D gas cap and water injection into the main oil reservoirs of Arab C and Arab D for pressure maintenance are also operated on continuous basis in Dukhan.

Marketing and Development Plan

The main products conditioned for export from Dukhan Fields are crude oil, condensate, NGL and stripped associated gas (SAG).

Future facilities expansion plans in consideration are acid gas recovery plant, produced water re-injection facilities, drilling of new well and abandonment of old wells.

Major civil infrastructure development project are being implemented in Dukhan. Some of the major projects are relocation of industrial facilities outside of Dukhan, Dukhan-Umm Bab-Salwa road, new sewage treatment plant, Dukhan housing projects, and other civil projects.

Major Customers

These products are exported to various internal and external customers:

- Crude oil is exported through terminal operations department at Mesaieed and also supplied to QP refinery at Mesaieed
- Condensates is exported to refinery in Mesaieed
- Arab D NGL is exported to NGL-4 at Mesaieed
- NGL is exported to NGL1 and NGL 2 in Mesaieed
- SAG is exported to QNCC, QAPCO and QAFCO via QP gas distribution system

Historical Background on Dukhan Field Development

Development of Dukhan field has taken place in various stages. The first well was drilled in 1939/40 confirming the presence of commercial quantity of oil. Further work was suspended due to World War II. Development of Khatiyah sector was started from 1947 onwards and first oil was exported from Mesaieed on 31 December 1949.

Development of the other two sectors Fahahil and Jaleha/Diyah in Dukhan was carried out in stages starting from Fahahil in 1954 followed by Jaleha in 1955. Dukhan Power station was commissioned in 1958. Khuff non-associated gas reservoir was discovered in 1959 at an average depth of 10,000 feet. In 1974 Fahahil Stripping plant was also commissioned to recover raw NGL from associated gas. In 1976 first development well in Khuff reservoir was drilled and eight Khuff wellhead treatment plants were commissioned in stages from 1978 to 1982.
Powered water injection to maintain reservoir pressure of both Arab C and Arab D reservoirs was taken up in stages starting from 1989 with the last phase being completed in 1998.

The pressurization of Khuff reservoir with the surplus North Field gas was started from 1992 with the commissioning of compressor station in Fahalil area.

Arab D gas cap recycling plant to process 800 million standard cubic feet per day (mmscf/d) of Arab D cap gas and recover 38,000 b/d of stabilized condensate and 750 tons per day (t/d) of NGL was commissioned in 1998. The residue gas is re-injected back into the same reservoir. A major project to upgrade the Arab D plant facilities to recover C2+ raw NGL (about 5,600 t/d of NGL) and supply to NGL-4 project in Mesaieed has been completed and the plant has been commissioned.

A major project of gas lift system to artificially lift the oil for enhancing production and increasing ultimate recovery from the field has been implemented.

**Major Achievements up to 2009**

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
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<tbody>
<tr>
<td>1939/40</td>
<td>Drilling of first well in Dukhan</td>
</tr>
<tr>
<td>1949</td>
<td>Shipment of first crude oil from Dukhan</td>
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<tr>
<td>1959/60</td>
<td>Discovery of non-associated gas in Khuff reservoir</td>
</tr>
<tr>
<td>1989</td>
<td>Commencement of power water injection in Dukhan reservoirs for pressure maintenance</td>
</tr>
<tr>
<td>1998</td>
<td>Commissioning of gas recycling plant to recover condensate and NGL from Arab D Reservoir Gas Cap</td>
</tr>
<tr>
<td>2003</td>
<td>Commissioning of NGL/DKADU to recover 5,600 t/d NGL from Arab D Cap Gas</td>
</tr>
<tr>
<td>2003</td>
<td>Commissioning of gas lift project</td>
</tr>
<tr>
<td>2004</td>
<td>Attainment of ISO 9001-2000 Quality Certification for Dukhan Operations</td>
</tr>
<tr>
<td>2005</td>
<td>Central office building for Dukhan Operations completed</td>
</tr>
<tr>
<td>2009</td>
<td>New department of Well integrity established to ensure safe Operation of oil and gas wells</td>
</tr>
</tbody>
</table>

**Future Expansion Plans**

A major project of acid gas removal plant to supply sweet gas to Dukhan consumers is being planned to be installed in Dukhan by year 2011. The project is currently in EPIC award stage. Another Major project of full field 3-D seismic survey for Dukhan Field is underway. The project is expected to be completed in 3rd quarter 2011.

New residential, commercial and club facilities are under construction for increased level of staff in Dukhan operations. In addition to this a new Western district hospital construction has been completed.

**OFFSHORE OPERATIONS**

QP operates two offshore production stations located in the North East of Qatar territorial waters, PS-2 and PS-3. These are located in the Maydan Mahzam (MM) and Bul Hanine (BH) fields.

Both PS-2 and PS-3 platforms produce crude oil, associated gas and condensate. Oil with condensate is piped to Halul Island for storage and export. Gas is primarily used to assist in lifting the oil from reservoirs, utilized as station and Halul fuel gas and feed to Mesaieed NGL facilities.

**Major Customers**

Major customers to QP for the purchase of crude oil, gas and condensate include Mitsubishi Corporation, Exxon Mobil, Total, COSMO, Marubeni and Itochu.

**Major Production Achievements**

- **MM Field:**
  - One well, MM-30L/S was sidetracked with the production potential of 1,800 b/d
  - BH Field:
    - Nine new wells BH-122, 129, 133, 134, 136, 137, 138, 141, were drilled with potential of 9,675 b/d
    - Four producing wells, BH-14, 17, 71, 74, and one dumpflooder well (BH-6) were worked-over / side-tracked.
    - Production potential 4,200 b/d
  - Khuff formation appraisal commenced through drilling new well BH-116.
  - One well (BH-18) was killed and planned for work-over / abandonment

**Future Expansion Plans**

Future expansion plans on Production Stations include the following major projects:

- Building new production chemistry laboratory in Doha and upgrading of laboratory in Halul
- Enhance oil removal from disposed water by introducing new technologies
- Implement production optimization by introducing “Shell Smart Field” system - Fieldware, Gas lift and Well Test modules
- Integrity Review of remaining MM/BH and Halul pipelines
- Global structural re-assessment of structures in MM and BH fields

**Recognitions**

PS-2 and PS-3 were recognized by QP management for minimum gas flaring compared to other oil producers in Qatar.
NORTH FIELD

Discovered in 1971, the North Field lies off the northeast shore of the Qatar peninsula and covers an area of some 6,000 sq kms, which is equivalent to about half the land area of the State of Qatar.

The North Field is considered to be the largest single nonassociated gas reservoir in the world with total proven reserves of 900 trillion standard cubic feet (tscf). The development of this vast natural resource is of great strategic significance in Qatar’s overall economic development.

NORTH FIELD ALPHA

First commercial exploration of North Field gas resource started in late 1991 with initial gas production from Phase I (Alpha Project). Gas is mainly used for supply to the local market and condensate for refining or export. A portion of the gas produced from this project is re-injected into the country’s contingency reserve in Dukhan.

During 2009, average production was 788 mmmscf/d of gas and 24,550 b/d of stabilized condensate. Total production was 289 billion standard cubic feet (bscf) of gas and 9 million barrels of stabilized condensate.

During 2009 performance test, it has been observed that enhanced production was not achievable even after full opening of choke valves. The project for enhancing existing choke valve capacity is undertaken with a plan to implement it for all choke valves in a phase wise manner starting from 2010. Additionally, the preliminary study of long term solution for enhancing the production plateau of NFA has been initiated.

AL-KHALEEJ GAS PROJECT (AKG)

The project is designed to develop reserves from the North Field to supply 2.0 billion standard cubic feet per day (bscf/d) of sales gas to domestic consumers in addition to condensate, ethane, LPG and sulfur for export.

The AKG Development and Production Sharing Agreement (DPSA) was signed with ExxonMobil on 2nd May 2000 and ratified on 12th July 2000 by an Emiri Decree. The EPC for Phase-I (AKG-1) was awarded in March 2003 and first commercial gas delivered on 2nd November 2005. This phase is supplying 744 mmmscf/d of sales gas to Ras Laffan Power Company Limited, Oryx GTL, Q-Power and to industries in Mesaieed area.

QP has installed a new 36-inch lean gas pipeline with a design capacity of 1.0 bscf/d to supply Mesaieed industrial area initially with 240 mmmscf/d.

Phase-II development (AKG-2) has a nominal design capacity of 1,250 mmmscf/d for supplying gas to local industries and power generation plants. FEED for AKG-2 onshore facilities was completed by Chiyoda and EPC awarded in June 2006. AKG-2 started up during 3rd Quarter 2009. 855 mmmscf/d gas and 31 thousand barrels condensate per day was the average production during 2009 with total production being 312 bscf and 11.3 million barrels of condensate.

RasGas is operator of the AKG facilities and has project management responsibility.

BARZAN GAS PROJECT

A Heads of Agreement (Hoa) was signed with ExxonMobil on 20th February 2007 to develop approximately 1.7 bscf/d of North Field gas to produce 1.4 bscf/d of sales gas for the domestic market (mainly for power generation) in addition to associated condensate, ethane, LPG and sulfur.

A Joint Venture (JV) company will be established with ExxonMobil holding 10% and QP holding 90% equity. The onshore plant of the project will be situated in Ras Laffan City to the west of Pearl GTL site.

Appraisal drilling has commenced. The three offshore jackets have been installed in 4th quarter of 2009. The offshore Topside & pipeline FEED was awarded to McDermott and has been completed in 1st quarter of 2009. The onshore FEED is progressing by Chiyoda and the current plan for completion is by 3rd quarter of 2010. Both offshore and onshore EPC are planned to be awarded by the end of 4th quarter of 2010. RasGas will manage the development up to the end of project phase and then will be responsible for operation of the facility. Start-up of Train-1 is targeted for mid-2014 and Train-2 approximately 9 months later.

EXPLORATION AND PSA OIL DEVELOPMENT ACTIVITIES

QP continued to adopt the policy of increasing Qatar’s hydrocarbon resources by intensifying the exploration and appraisal activities to cover most of Qatar areas through Exploration and Production Sharing Agreements (EPSA) and Appraisal/Development and Production Sharing Agreements (ADPSA) with major international oil and gas companies.
The following is a summary of 2009 exploration and appraisal activities and achievements:

**Block “BC” Pre-Khuff (CNOOC Middle East (Qatar) Ltd.):**
The EPSA was signed on August 31, 2009. The Emiri Decree to endorse the agreement was issued on 15 December 2009. Exploration activities have already started.

Exploration and appraisal activities were ongoing in the EPSA blocks as follows:

**Exploration Areas under Bidding:**
- Block "D" (Pre-Khuff)
  - EPSA bidding campaign is progressing as planned.

**Exploration Open Areas:**
- Blocks 1, 2, 7, 8, 10, 13, and 14 are under QP in-house studies.

**EPSA/DPSA Production Fields Activities**
The following offshore fields under seven PSAs are currently in various stages of development by the following operating companies:

**Block** | **Operator**
---|---
Al Shaheen | Maersk Oil Qatar
Al Rayyan | Occidental Qatar Energy Company
Al Khalij | Total E&P Qatar Ltd.
Idd El Shargi North Dome | Occidental Petroleum of Qatar Ltd.
Idd El Shargi South Dome | Occidental Petroleum of Qatar Ltd.
Al Karkara & A-Structures | Qatar Petroleum Development Company
El Bunduq | Bunduq Company Ltd.

**Al Shaheen Field (Maersk Oil Qatar):** Implementation of the approved 2005 Field Development Plan (FDP) continued throughout 2009 initially with six drilling rigs in operation reduced to two rigs currently. Some 40 wells were drilled during the year, bringing the total number of wells drilled to 129 out of the planned 169 FDP 2005 wells. Installation of new jackets, pipelines, and cables as part of FDP 2005 continued in 2009.

Average yearly production for the year 2009 stood at 297,800 b/d, approximately 10% less than 2008 production rate. The decrease was primarily due to surface facilities installation, hook up and commissioning which was active in Q4 2009.

Water injection increased from 390,000 b/d in 2008 to 540,000 b/d in 2009. Some 108.7 million barrels of oil were produced from Al Shaheen in 2009, bringing the total oil produced from the field to 939.7 million barrels at the end of 2009.

About 90% of FDP 2005 facilities were installed by end of 2009. It is expected that by end of April 2010 FDP 2005 facilities will be completed and handed over to MOQ’s operation.

A high-resolution 3D seismic survey covering the entire Al Shaheen Field, which was acquired in 2006/2007, was processed in 2008 and interpretation continued in 2009. The 3D seismic survey consisted of 2,300 sq kms of marine streamer survey and 125 sq kms of seabed cable data.

Study work on the application of enhanced oil recovery (EOR) techniques continued in 2009. An appraisal well, AP-19 was drilled to provide additional data and information for the EOR studies.

**Al Rayyan Field (Occidental Qatar Energy Company):**
In October 2007, Occidental Qatar Energy Company (OQEC) acquired Anadarko’s interest and became the operator of the Al Rayyan field. A total of three wells were drilled in 2008 and 2009. Current field activities continue to focus on improving field operational efficiency and sustaining production through maintenance and ESP change-out workovers.

A new field development plan (FDP) is being formulated that envisages the drilling of 7 new wells with facility upgrades and capacity expansion.

**Al Khalij Field (Total E&P Qatar Ltd.):** Drilling of infill development wells in addition to pending well workovers has been ongoing during 2009 in parallel to various geological and reservoir studies.

Average yearly production for the year 2009 stood at 36,000 b/d and average water injection of about 170,000 b/d. Some 13.2 million barrels of oil were produced from Al Khalij in 2009, bringing the total oil produced from this field to 146.4 million barrels at the end of 2009.

A new field development plan (FDP-v2) is under discussion. Implementation of this FDP is expected to extend the production plateau level and will accordingly lead to an increase in reserves.

**Idd El Shargi North Dome (Occidental Petroleum of Qatar Ltd.):** Drilling activities continued during 2009 as part of the Phase III development plan. As of end-2009, about 80% of Phase III wells have been drilled and completed.

Shuaiba gas injection pilot was successfully implemented to improve oil recovery and for pressure support in the Shuaiba crestal area. The gas injection is continuing as part of the overall reservoir management strategy in the Shuaiba reservoir.
These new wells will be drilled through the existing spare well slots. Engineering and Procurement activities for 20" pipeline (ISND Phase-III) between PS-1K & IS-25 were initiated and installation completion is scheduled for Q4 2010.

Idd El Shargi South Dome (Occidental Petroleum of Qatar Ltd.): As part of the revised full field development plan (RFFDP), four wells were drilled and completed on Idd El Shargi South Dome. New drilling and stimulation techniques were implemented.

A new RFFDP is being formulated. A phased development concept is proposed with Phase 1 development to consist of one 4-slot Minimum Facilities Platform and the drilling of four wells. The existing 18” ISSD main oil line will be replaced with a new 12” pipeline as the existing pipeline is corroded in 2009 and found unfit for prolonged usage.

Al Karkara & A-Structures (Qatar Petroleum Development Company): All three stages of Al KarKara and A-North Full Field Development Plan have been completed.

The Full Field Development Plan for A-South Structure was approved by QP in 2007 and it is currently being executed. The field is anticipated to come on production in 1Q 2011. QPD will continue to achieve zero gas flaring by injecting the excess sour gas back into the reservoir.

El-Bunduq field (Bunduq Company Limited): El-Bunduq field was discovered in 1965 and commercial oil production started in 1975. At offshore, associated gas, oil and water are separated. The associated gas (about 40 mmscf/d) and produced water are re-injected into the reservoirs. The oil is sent through a 27 km long 18” pipeline to Das Island facilities for further processing before exporting. Currently, average 14,000 b/d oil is being produced.

DRILLING DEPARTMENT
Drilling Operations

QP continued its activities in drilling, working over and well servicing operations in its Onshore Field (Dukhan) and Offshore Fields (Maydan Mahzam and Bul Hanine) in 2009 using the best industry practices in an economical, safe and environmentally friendly manner. Drilling operations and related services were conducted in accordance to ISO-9001 and ISO 14001.

Onshore Field (Dukhan)
The land drilling rigs count remained at four and main activities were as follows:
- A total of twenty two (22) developments wells were drilled and completed
- A total of twenty two (22) wells were worked over and reactivated
- A total of three (3) wells were plugged and abandoned

Offshore Fields (Maydan Mahzam and Bul Hanine)
The offshore drilling rig count remained at three and the main activities were as follows:
- A total of nine (9) development wells were newly drilled and one (1) of existing wells was side tracked
- An appraisal Khuff well was drilled in BH Field
- A total of nine (9) wells were worked over and reactivated.
HALUL ISLAND

Halul Island is located around 96 km North-East of Doha, with an area of 1.5 square kilometers. Halul is the main storage and export terminal for Qatar Marine Crude (QMC) oil. It has all the facilities of a major international oil terminal.

The island is equipped with 11 large crude oil storage tanks, with a total capacity of 5 million barrels, crude oil pumping facilities, power generation and water desalination plants. Crude Oil is blended and exported from Halul to customer’s oil tankers moored offshore.

Crude oil from three other offshore fields operated by QP joint venture partners on a production sharing arrangement with QP, is also processed, stored and exported at Halul Island.

Occidental Petroleum of Qatar Ltd (OPQL) operates FS-1 (Idd El-Shargi Field, North and South Domes), TOTAL Exploration & Production Qatar (TEPQ) operates Al-Khalij field, and Qatar Petroleum Development-Japan (QPD) operates Al-Karkara and A-Structure Fields.

Halul Island sustainable environmental management program implemented and recognized at the “Offshore Arabia 2009” for achieving environmental excellence and cultural awareness.
Qatargas was established in 1984 to develop and process natural gas from Qatar's North Field to produce liquefied natural gas (LNG) for export. The first LNG delivery to Japan was made in 1997.

The various expansion projects under Qatargas Operating Company Limited made considerable progress in 2009 towards achieving Qatar's vision to export 77 million tons per annum (mmt/a) of LNG.

**Current Operations**

**Qatargas 1:** Qatargas 1 operates three LNG trains with a total production of about 10 mmt/a of LNG. The key long term customers for Qatargas 1 are Chubu Electric and seven other Japanese power and gas companies. The shareholders in Qatargas 1 are Qatar Petroleum (65%), ExxonMobil (10%), Total (10%), Mitsui (7.5%) and Marubeni (7.5%).

In 2009, Qatargas 1 produced 9.57 mmt of LNG. The total condensate production was 17.1 million barrels. A total of 169 LNG cargoes were delivered by Qatargas 1 in 2009. 2009 was completed without a Lost Time Accident (LTA) both Offshore and Onshore. Offshore and onshore have completed over seven and six years respectively, without LTAs.

**Qatargas 2:** Qatargas 2 consists of two mega LNG trains (Train 4 and Train 5), each with a production capacity of 7.8 mmt/a of LNG. These are the largest LNG trains to be ever built.

Train 4 and Train 5 started production in March and September of 2009 respectively. Qatargas 2 is the world’s first fully integrated value chain LNG venture. In addition to LNG, Qatargas 2 is capable of producing 0.85 mmt/a of Liquefied Petroleum Gas (LPG) and 140,000 b/d of condensate. It has a fleet of 14 new generation Q-Flex and Q-Max LNG vessels with capacities ranging from 210,000 cubic meters to 266,000 cubic meters. A receiving terminal was also constructed as part of the Qatargas 2 project.

The shareholders in Train 4 are Qatar Petroleum (70%) and ExxonMobil (30%) while in Train 5, in addition to Qatar Petroleum (65%) and ExxonMobil (18.3%), Total hold a 16.7% stake.

The main destination for the LNG will be the specially built South Hook terminal located in the deep-water port of Milford Haven, United Kingdom. There the LNG is regasified and fed into the UK’s national grid.

In 2009, Qatargas 2 produced 6.16 mmt of LNG and 18.7 million barrels of condensate and delivered a total of 53 LNG cargoes.

**Qatargas 3:** Qatargas 3 is a joint venture between Qatar Petroleum (66.5%), ConocoPhillips (30%) and Mitsui & Co. Ltd. (1.5%). The project involves the construction of one LNG train (Train 6) with a capacity of 7.8 mmt/a. Ten new generation Q-Flex and Q-Max LNG vessels will be used to transport the LNG to markets primarily in Asia and the United States. Production is expected to commence in 2010.

**Qatargas 4:** Qatargas 4, a joint venture between Qatar Petroleum (70%) and Royal Dutch Shell (30%) involves the construction of one LNG train (Train 7) with a capacity of 7.8 mmt/a. Qatargas 4 will be fully integrated with Qatargas 3 offshore and onshore, engineering and EPC of both trains will also be integrated.

With a dedicated fleet of eight LNG carriers (Q-Flex and Q-Max), the primary markets for Qatargas 4 will be Asia, North America and Europe. Production is expected to commence in 2010.
RasGas Company Limited (RasGas) is a Qatari Joint Stock Company established by Qatar Petroleum and ExxonMobil who are 70% and 30% shareholders respectively.

RasGas is one of the premier integrated liquefied natural gas (LNG) enterprises in the world. Since its creation in 1993, RasGas has developed world-class facilities for the extraction, storage, processing and export of LNG, and has entered into long-term agreements to supply LNG to customers in Korea, India, Italy, Spain, Taiwan, Belgium, and the United States.

RasGas has emerged as a leading player in the global natural gas industry, supplying and delivering LNG to international customers, with a fleet of long term chartered LNG vessels and initiated technology-led projects such as the production and sale of helium. By the end of 2009, RasGas’ LNG production capacity reached 28.5 mmt/a of LNG with six trains in operations. It is expected that this production capacity will be approximately 37 mmt/a by the end of the decade with the completion of seven operational trains.

RasGas acts as the operating company for and on behalf of the project owners noted below. The company’s personnel manage and supervise the design, construction and operation of various facilities under the terms of a services agreement for operation and maintenance signed in 2002.

Project owners are the following companies:

Ras Laffan Liquefied Natural Gas Company Limited (RL): RL was established in 1993 to produce LNG and related products from its two trains; Trains 1 and 2. The two trains have a combined capacity of 6.6 mmt/a as well as about 45,000 b/d of condensate. RL’s key customer is Korea Gas Corporation (KOGAS).

Ras Laffan Liquefied Natural Gas Company Limited (II) (RL (II)): Established in 2001 to produce LNG and related products, RL (II) owns Trains 3, 4 and 5. Each of these trains has a capacity to produce 4.7 mmt/a and about 28,000 b/d of associated condensate. RL (II)’s key customers are Petronet LNG of India, Edison of Italy, Distrigas of Belgium, EDF of Belgium, CPC of Taiwan, and Endesa of Spain.

Ras Laffan Liquefied Natural Gas Company Limited (3) (RL (3)): RL (3) was formed in 2005 to produce LNG and related products. RL (3) owns Trains 6 and 7, which are currently being constructed. Train 6 and 7 will each have a capacity to produce 7.8 mmt/a and approximately 50,000 b/d of condensate. RL (3)’s customers include the United States (Train 6) and Asian market (Train 7).

Main Operations

Train 1 and 2: In June 1999, the first spot cargo loaded onto the LNG tanker GIMI marked a major milestone for RasGas. Train 1 and 2 were RasGas’ first onshore LNG trains, capable of producing a combined 6.6 mmt/a. This facility includes inlet gas reception and treatment facilities, condensate stabilization, gas liquefaction, sulfur recovery and loading facilities, and all necessary utility and off-site systems and infrastructure.

Train 3 and 4: In February 2004, a third RasGas LNG train began exporting LNG to India. Train 3 was built to fulfill the major part of the agreement with India’s Petronet LNG to supply 5.0 million tons of LNG per annum for a period of 25 years. In August 2005, Train 4 was commissioned within budget and ahead of schedule. The lean LNG produced by Train 4 fulfills RasGas’ European sales commitments. Trains 3 and 4 each have a capacity of 4.7 mmt/a, representing a 20% increase over Train 1 and 2.

Train 5: The inauguration of Train 5 in March 2007 took Qatar’s total LNG production capacity to approximately 30.7 mmt/a, establishing Qatar at the top of the list of global LNG producers. Similar to Train 3 and 4, Train 5 has a production capacity of 4.7 million tons of LNG per annum. Train 5 also produces 13,000 b/d of propane and butane and approximately 33,000 b/d of gas condensate. The LNG from Train 5 is largely exported to a growing portfolio of customers in Europe. Together, Train 3, 4 and 5 formed part of the first RasGas Expansion (RGX) project.

Trains 6: Represent a major new chain of production for RasGas. It belongs to a new breed of LNG train, operated by RasGas and its sister company Qatargas, with each train capable of producing 7.8 mmt/a of LNG. The new train was formally inaugurated in October 2009. The start-up of Train 6 boosted RasGas’ LNG production capacity to 28.5 mmt/a. It forms part of RasGas Expansion Phase 2 Project (RGX2).

Train 7: Train 7 is scheduled to come on stream in 2010. Together, Trains 6 and 7 will greatly extend the global RasGas’ global reach. Train 7 is part of RGX2. Upon completion Train 7 will bring the company’s LNG production capacity up to approximately 37 mmt/a.
DOLPHIN PROJECT

The Dolphin project entails development of reserves from the North Field for the production of wellhead gas sufficient to export 2.0 bsct/d lean gas to the United Arab Emirates. The project processes gas at Ras Laffan where condensate, ethane, LPG and sulfur are stripped out and sweet lean gas is delivered to the UAE through a sub-sea pipeline.

The Development and Production Sharing Agreement (DPSA) was signed between QP and the contractor (comprising Dolphin Investment Company 51% and Total of France & Occidental Petroleum of the USA 24.5% each) on 23rd December 2001. The development plan was signed on 11th December 2003. The main EPC contract for the onshore plant at Ras Laffan was awarded to JGC on 12th January 2004. The delivery of export gas from first stream commenced in 3rd Quarter 2007, the second stream began in February 2008 and full lean gas export to UAE continues steadily.

In 2009, the average production was 2,330 mmscf/d of gas and 97,210 b/d of condensate.
QP GAS OPERATIONS

QP Gas Operations under the Operations Directorate is responsible for managing the complete value chain for non-associated gas production, associated gas and NGL liquids processing, local transmission and distribution and export of liquefied petroleum gas (LPG) and condensates.

Key Operational Objectives of Gas Operations

- Operate the plants with highest possible levels of personnel and plant safety while meeting all QP and State HSE regulations and guidelines
- Optimize processing of various feed streams so as to maximize plant utilization and consequently maximize State revenues and income
- Meet fuel gas demands of State power plants
- Meet export targets for LPG and NGL condensate
- Meet fuel gas/feedstock requirements for local Industry
- Coordinate with various upstream and downstream entities within the State of Qatar to prepare year-wise integrated shutdown plan so as to minimize aggregate industries downtime and consequently maximize State revenues and income

Assets Under the Gas Operations

- Non-associated gas production facilities at North Field Alpha (NFA) offshore and Khuff Gas (KG) onshore fields
- Gas/NGL processing facilities at NGL complex in Mesaieed
- Storage tanks for LPG and condensates in Mesaieed
- Transmission and distribution pipeline network for distributing various hydrocarbon gases and liquids within the State of Qatar

NGL Complex

NGL complex in Mesaieed comprises of the following major plants and facilities for gas and NGL processing, treatment, storage and exports:

- NGL-3 gas plant and gas sweetening unit (AGR/SRU)
- NGL-3 condensate plant
- NGL-2 stripping plant
- NGL-1, NGL-2, NGL-4 Trains 1 & 2 fractionation plants
- Tank farm for storage of LPG and condensates
- NGL jetty for export of LPG and condensates

NGL complex receives feed streams from various offshore and onshore facilities and produces eight sales products. The feed streams are:

- NF gas/condensate liquid from NFA
- Raw associated gas from Al-Shaheen offshore crude oil fields
- Raw gas from Qatargas/RasGas LNG plants at Ras Laffan
- Raw associated gas from PS – 1/2/3 offshore oil facilities
- NGL liquids from Fahalil stripping plant and gas recycling plants in Dukhan
- LPG/pentane waste streams from Mesaieed area industries
- QP Refinery, QAPCO, Q-Chem and QAFAC

<table>
<thead>
<tr>
<th>Product</th>
<th>Year 2009 Production</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>NF Lean Gas</td>
<td>834 MMSCFD</td>
<td>Supplied to State power plants and industries all over Qatar as fuel and feedstock</td>
</tr>
<tr>
<td>Offshore Stripped Associated Gas (OFSAG)</td>
<td>170 MMSCFD</td>
<td>Supplied as feedstock to QAPCO Ethane Recovery Unit (ERU) in Mesaieed</td>
</tr>
<tr>
<td>Ethane Rich Gas (ERG)</td>
<td>4,757 MTD</td>
<td>Supplied as feedstock to petrochemical complexes of QAPCO and Q-Chem in Mesaieed</td>
</tr>
<tr>
<td>Propane</td>
<td>4,486 MTD</td>
<td>Exported through NGL jetty in Mesaieed</td>
</tr>
<tr>
<td>Butane</td>
<td>3,236 MTD</td>
<td>Exported through NGL jetty and supplied as feedstock to QAPCO MTBE plant in Mesaieed</td>
</tr>
<tr>
<td>NGL Condensate</td>
<td>1,649 MTD</td>
<td>Exported through NGL jetty in Mesaieed</td>
</tr>
<tr>
<td>North Field Stabilized Condensate (NFC)</td>
<td>24.6 MBT</td>
<td>Supplied as feedstock to QP refinery NFC Unit in Mesaieed</td>
</tr>
<tr>
<td>Liquid Sulfur</td>
<td>169 MTD</td>
<td>Exported via QAPCO facilities in Mesaieed</td>
</tr>
</tbody>
</table>

Units: MMSCFD = Million Standard Cubic Feet per day
MTD = Metric Tons per day
MBT = Thousand Barrels per day
NGL AND LOCAL GAS

Transmission and Distribution Pipelines Network

The Transmission and Distribution Network comprises an interconnected hydrocarbon pipeline network of over 3,100 kms of pipelines, associated manifolds and 52 distribution stations located throughout the State of Qatar.

Fuel / feedstock gases are received from QP Gas Operations as well as from QP Dukhan Operations, Al-Khaleej Gas (AKG-1/2), Dolphin (DEL), Qatargas and QAPCO plants.

This network caters to the fuel gas needs of Qatar State power plants for power generation and desalination. Additionally fuel / feedstock gas is supplied to various industries within Qatar, viz. Q-Chem, QAPCO, QVC, QACO, QAFAC, QASCO, QP Refinery, Qatalum, QNCC, Gulf Cement Company, Dolphin (DEL), RLOC, Shell Qatar GTL (Pearl GTL), etc. Flexibility in operations is maintained to meet the key objective of supplying contracted gas quantities within specifications to consumers without any interruptions.

Gas Operations, through its Transmission and Distribution Department, acts as integrated shutdown coordinator for all the hydrocarbon industries operating in Qatar. Advance planning, coordination and flexibility in operations are utilized to minimize the aggregate downtime ensuring that production losses are minimized and revenue is maximized.

Transmission and Distribution Department also acts as the coordinator and facilitator for all pipeline road crossings and construction road openings throughout the State of Qatar. The necessary coordination is conducted with State agencies and organizations like Q-Tel, UPDA (Urban Planning & Development Authority), Armed Forces, NDIA (New Doha International Airport), Kahrama, Ashghal, etc.

2009 Highlights for Gas Operations

- 131 million barrels per day (mmb/d) equivalent LPG and condensates, 834 mmstdc/d NF lean gas, 120 mmstdc/d OFFSAG, 4,757 t/d of ethane rich gas and 169 mmmt/d sulfur were produced during the year 2009 by Gas Operations.
- 92 mmb/d equivalent LPG + condensate were exported.
- 1,215 mmstdc/d fuel/ feedstock gases were supplied to State power plants and local industries. Local deliveries were made for butane to QAPAC (1,271 t/d), ERG to QChem/ QAPCO (2,628/2015 t/d), North Field condensates to QP Refinery (23,000 b/d), sulfur to QAPCO (169 t/d) and stripped associated gas to QAPCO ethane recovery unit (180 mmstdc/d).
- Off-spec processing system in NGL plants was fully operationalized and Al-Shaheen gas processing capacity increase in NGL-3 was achieved with major revenue and HSE gains.
- Fuel gas deliveries were commissioned for new consumers, viz. M Power and Ras Girtas Power Plants, Qatalum aluminum plant and QNCC-4 cement plant. New gas distribution stations and pipelines were commissioned in Ras Laffan, Mesaieed and Doha areas. Transmission and distribution pipeline network (sales gas grid) in Ras Laffan has been set up for fuel gas and ERG involving QP stations, pipelines, multiple suppliers and multiple consumers. Arrangements are completed for ethylene supplies from RLOC plant at Ras Laffan to Q-Chem-2/ Qatofin plants in Mesaieed.

Gas Operations is ISO 9001 (QMS) certified. As part of QP Integrated Management System implementation plan, actions are initiated towards obtaining ISO 18001 (OHSAS) and ISO 14001 (EMS) certifications. Gas Operations facilities are fully compliant with the Consent-to-Operate conditions of the Qatar Ministry of Environment.
QP REFINERY

Qatar Petroleum Refinery started as a small topping plant in 1958, which has grown over the years into a giant refinery organization, successfully making the State of Qatar self-sufficient and export-oriented in refined oil and petroleum products by providing added value to part of country’s natural wealth, improving refining economics and providing citizens with the necessary expertise in the areas of management, operations, engineering, maintenance and marketing.

Year 2009 Overview

The main activity of the refinery is to process crude oil and condensate into various finished products, which are intended to meet both domestic (totally/partially) and export. The main finished products are liquefied petroleum gas (LPG), petrochemical naphtha, the surplus (if available) premium gasoline, super gasoline, jet fuel, diesel, decant oil and fuel oil.

The planned intakes and processing capacities for 2009, in barrels per stream day (bps/d) were as follows:

<table>
<thead>
<tr>
<th></th>
<th>80,000</th>
<th>26,000</th>
<th>31,000</th>
<th>137,000</th>
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<tbody>
<tr>
<td>Crude</td>
<td></td>
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<td>NFC</td>
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<tr>
<td>DSC</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
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</tr>
</tbody>
</table>

The total refined products exported during the year amounted to 1,866,637 metric tons against the planned export volume of 1,745,000 metric tons. Refinery imported 683,020 metric tons of LGO, 49,978 metric tons of Jet A-1 to meet the high increase in local demand and 137,122 metric tons of vacuum gasoil to operate/run fluidized catalyst cracking unit during the crude unit #2 shutdown for regular routine maintenance.

Marketing of Refinery Products

The marketing and commercial aspects for export sales of refinery products are being undertaken by Qatar Petroleum Marketing Directorate (Tasweeq) in close coordination with Production Planning, Scheduling and Export Division. The Production Planning, Scheduling and Export Division is responsible for working out the annual, quarterly and monthly planning and products export schedule.

Major Customers and Destinations

The major customers for export sales are Shell, FAL Oil, Bakri Trading Company, Enoc Supply & Trading, Total Oil Trading SA (TOTSA), BP and Marubeni. QP Refinery also supplied refined products locally to Woqod, SEEF, Qafco, Qapco and NGL.

The Arab Gulf was the major destination for refined products such as gasoline, DCO, SRFO and Jet A-1. Naphtha was mainly exported to petrochemical plants in Far East and South East Asia. Some of the refined products were also exported to Australia and Africa.

LAFFAN REFINERY

The Laffan Refinery project is jointly owned by Qatar Petroleum, ExxonMobil, TOTAL, Idemitsu, Cosmo, Mitsui & Marubeni companies with Qatargas Operating Company as the operator. The plant is a 146,000 b/d facility and it was commissioned during the third quarter of 2009. The main products produced including hydrotreated naphtha, hydrotreated kerosene and gasoil.
Future expansion plans
The focus for 2010 will be to further improve the reliability of the plant and as such continue to increase the average production volumes. In addition, Oryx GTL plans to grow the production volume capacity through a debottlenecking project, which is supported by an agreement signed with Gasal during 2009 for the supply of additional oxygen.

PEARL GTL
In July 2004, a Development & Production Sharing Agreement (DPSA) was signed between QP and Qatar Shell GTL to develop the Pearl GTL project. Pearl GTL is an integrated project which will develop about 1600 mmstd/d of North Field Gas to produce approximately 140,000 b/d of synthetic fuels including base oils for manufacturing lubricating oils.

In 2008, the production of kerosene was added to the product slate. This will support the agreement between Airbus, Qatar Airways, Qatar Petroleum, Rolls Royce and Shell signed in late 2007 to investigate fuel-related benefits of synthetic jet fuels in aviation turbine engines.

The offshore drilling campaign continued at an exceptional pace during the 2009 and will deliver drilled and completed wells in Q1 or early Q2 2010. Surface construction is progressing and startup is scheduled for Q4, 2010.

The development of the permanent organization to manage the completed GTL plant progressing as planned to ensure that adequately qualified and trained staff are available at plant startup, which is scheduled for Q4 2010.
QAFCO was founded in 1969.
The company is now owned by Industries Qatar (IQ) as 75% shareholder and Yara Nederland B. V. as 25% shareholder.

Since its inception QAFCO has steered its way successfully responding adequately to the world market demand for fertilizer. Through scientific strategic plans and integration of the latest technologies steadily developed over the years, QAFCO has lifted its production capacity to of 2 mmt/a of ammonia and 3 mmt/a of urea. Accordingly, QAFCO has become one of the main producers and exporters of ammonia and urea in the world.

QAFCO’s Performance in 2009
In the year 2009 QAFCO posted record figures in the areas of production, sales and profits.

Quality, Environment and Safety
Giving high priority to excellence, QAFCO has scrupulously adhered to international standards of quality, safety, occupational health and environmental protection.


Future Prospects
QAFCO-5 & QAFCO-6 Projects: Counting upon its successful business experience in the course of the last 4 decades, and encouraged by the national vast reserve of natural gas, QAFCO has taken upon itself the task of drawing up an ambitious future vision to ensure further development of the company. In this context, in 2007 QAFCO started the practical steps in executing the (QAFCO-5) expansion project which is expected to come on stream in early 2011 and in 2009 started the construction of QAFCO-6 expansion project. The QAFCO-5 expansion project, will raise QAFCO’s annual production capacity to 3.8 mmt/a of ammonia and 4.3 mmt/a of urea making QAFCO the world’s largest single-site producer of both ammonia and urea. Thus far, QAFCO has become the world’s largest single site urea producer after the inauguration of its 4th expansion (QAFCO-4) in April 2004. While the QAFCO-6 project will increase the company’s annual production capacity of urea to 5.6 mmt/a. Consequently the project will strengthen the company’s position as a key player in the global fertilizer market.
QATAR PETROCHEMICAL COMPANY

Qatar Petrochemical Company Ltd. (QAPCO) is one of the Middle East’s leading producers of ethylene and low-density polyethylene (LDPE), which is marketed under the ‘Lotrene’ brand name.

QAPCO was established in 1974 as a joint multinational venture to utilize the associated and non-associated ethane gas from petroleum production in line with the industrialization plan of the State of Qatar. QAPCO commenced commercial production in 1981 and soon became well established in the global market for its commitment to quality and reliability.

QAPCO is jointly owned by Qatar Industries (IQ) with 80% share and TOTAL Petrochemicals of France with 20% share.

Plants, Activities and Line of Production

QAPCO manufacturing facilities consist of an ethylene plant with a capacity of 720,000 t/a following the beginning of commercial production at ethylene plant project EP2 in October 2007, two LDPE plants with a total annual capacity of 400,000 t/a and a sulfur plant with an annual rated capacity of 70,000 t/a, as well as self-sufficient utilities plants and other offsite and auxiliary facilities.

Different LDPE grades are available to satisfy the requirements of most thermoplastics processing techniques and suitable for applications such as films, pipes and other major molded products having wide usage all over the world.

LDPE Plant (3)

The project is now underway, with a capacity of 250,000 t/a (expandable to 300,000 t/a) at its existing operational facilities located at Mesaieed Industrial City (MIC). The LDPE-3 Project is forecasted to be completed by mid-2012. QAPCO’s total LDPE production capacity is hoped to be increased to 650,000 t/a.

Major Achievements in 2009

2009 was another successful year in QAPCO’s history. We set new records in productivity and revenue. Operational and maintenance excellence was the centerpiece of this success and achievement.

The focus in 2009 was to optimize asset performance. Maintenance utilized a preventive maintenance system to identify and correct equipment deficiencies in advance rather than reactive problem solving. The system is checked for optimum deployment of resources vis-à-vis achievement of targeted equipment availability.

After the commissioning of EP2 in the last quarter of 2007, ethylene plant capacity has been increased to 720,000 t/a. Plant performance was exceptional in 2008 and 2009. Ethylene production reached a level of over 800,000 t/a with over 110% capacity utilization. LDPE production has also been extremely good at 413,000 t/a, very close to record figures.

In addition, QAPCO has reinstated its identity as net ethylene supplier, exporting excess quantities to several major international companies worldwide as well as supplying the needs of QVC.

Marketing/Development Plans

QAPCO continued in 2008 to reinforce its global marketing network through the establishment of self operated offices and warehouses in all markets with strategic importance to the company.

QAPCO’s global marketing network has so far embraced 26 self operated offices and five regional warehouses. Office locations: four in China (Hong Kong, Shanghai, Beijing, Guangzhou); four in India (Mumbai, Delhi, Chennai & Ahmadabad); two in Pakistan (Karachi, Lahore); and one each in Egypt (Cairo), Syria (Tartous), the UAE (Dubai), Lebanon (Beirut), Taiwan (Taipei), Bangladesh, Jordan (Amman), Yemen, Thailand, Malaysia, Vietnam, Australia, Indonesia, Sri Lanka, Singapore and The Philippines, as well as an agent network to serve QAPCO’s customers.

Subsequently, and in a strategic drive to become local suppliers in markets of strategic importance, QAPCO has been active in establishing regional warehouses in Syria, Egypt and one each in Guangzhou, Shanghai and Qingdao in China.

New Business Development

In its drive to offer a larger basket of petrochemical products to its worldwide customers, QAPCO is expanding the range of products it markets. This means that QAPCO currently markets 60% of QVC’s production of EDC, VCM and caustic soda, apart from 10% of Q-Chem I HDPE production.

QAPCO is presently marketing the products of Q-Chem II (10%) and QATOFIN (50%).

To showcase its product range and current capabilities to worldwide customers, QAPCO regularly participates in regional and international trade fairs and industry-specific exhibitions.
QATAR FUEL ADDITIVES COMPANY

Qatar Fuel Additives Company (QAFAC), established in 1991, is a joint venture between Industries Qatar (50%), OPIC Middle East Corporation (20%), International Octane Limited (15%), and LCY Middle East Corp. (15%). The company which commenced operations in 1999 aims to optimize the utilization of the country’s vast hydrocarbon resources through the production and export of methanol and methyl tertiary butyl ether (MTBE).

QAFAC produces and supplies methanol and MTBE to the local, regional and international markets. Its methanol plant has an annual production capacity of 982,350 tons, of which 750,000 tons is earmarked for export. The balance is used as feedstock for the MTBE plant which has an annual production capacity of 610,000 tons.

Production
The year 2009 marked the 10th anniversary of commencement of the Company’s operations. It was yet another successful year with many achievements, notable amongst which was the methanol plant’s 100% reliability and availability, recording 447 days of continuous operation without interruption. The plant achieved a methanol production milestone of 1 million tons during the year, the highest ever recorded in a calendar year.

The MTBE plant posted a commendable production figure of 627,000 tons during 2009 and achieved a reliability rate of 97.39%. Included in other successes was the online replacement of the Oleflex Catalyst without requiring a plant shutdown.

Marketing
During 2009 the Company adopted a new marketing strategy, acquiring new customers and widening the customer base in various markets internationally. It is worth noting that the Company’s entire 2010 production has already been contracted for sale.

Health, Safety and Environment
The Company is undergoing the first surveillance third party audits for the OHSAS 18001 Occupational Health & Safety Quality Management System accreditation. During 2009 QAFAC chaired the MIC Health, Safety & Environment Industrial Forum and spearheaded the 2nd Annual MIC Industry Traffic Safety Campaign. Significant progress has been achieved in the Greenbelt Project, which aims to utilize the wastewater for irrigation purposes. In order to ensure co-existence of both industry and environment, QAFAC has initiated the Leak Detection and Repair (LDAR) Environment Program that will assist in identifying fugitive emissions, pollutant gases and other substances, thereby reducing any negative environmental effects.
QATAR VINYL COMPANY (QVC)

Qatar Vinyl Company was established in 1997 as a limited Qatari shareholding company. The company was inaugurated in 2001 by HH the Emir. Its shareholders are Qatar Petroleum (55.2%), QAPCO (31.9%) and Arkema (12.9%).

Operations Highlights

Operations have shown that the plant may be operated consistently at loads 27% above hourly design on the chloralkali side, while 50% above the design is possible for the VCM plant.

Marketing

QVC continues to pursue its market strategy to sell most of its products on a long-term contract basis. Close to 75% of EDC and caustic soda sales are made on a long-term contract basis and more than 85% of VCM is sold on a similar basis.

During 2009 a total of 134 vessels were shipped with QVC products. Destinations included South Africa, South East Asia and Australia for caustic soda; India and South East Asia for EDC; and Pakistan, India and Australia for VCM.

Health, Safety and Environment

QVC operations have passed 4 million safe man-hours since start up and continue with no lost time injuries and no occupational illness. QVC is meeting the standards as defined in the Environmental Protection Law and the Consent to Operate as issued by the Ministry of Environment.

Production (in metric tons)

<table>
<thead>
<tr>
<th>Product</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethylene dichloride (EDC)</td>
<td>138,500</td>
</tr>
<tr>
<td>Vinyl chloride monomer (VCM)</td>
<td>326,700</td>
</tr>
<tr>
<td>Caustic Soda (CS)</td>
<td>366,200</td>
</tr>
</tbody>
</table>
QATAR CHEMICAL COMPANY (Q-CHEM)

Q-Chem was established on 16th November 1997 as a joint venture between QP (51%) and Chevron Phillips Chemica Company International Qatar Holding LLC (CPCIQ) (49%). Q-Chem’s world-class petrochemical plant produces high density polyethylene (HDPE) and 1-hexene (alpha olefin) using Chevron Phillips Chemical’s proprietary technologies. The Q-Chem facility began operations in 2003.

The Q-Chem complex in Mesaieed Industrial City is comprised of an ethylene unit, a polyethylene facility, and a 1-hexene unit having a capacity to produce in excess of 500,000 t/a of saleable products. Q-Chem assets also include a sulfur recovery and solidification plant, a bagging and storage warehouse, a nitrogen plant, a water treatment plant, a seawater cooling system, dock facilities and various administrative buildings.

Marketing

Q-Chem’s Marketing Strategy and goal is to be the preferred supplier in its target markets. Q-Chem has come a long way since it began production of its first branded Marlex resins, and has established a strong foothold in international markets, including Asia, Africa, Europe and the Middle East.

In addition to its strategic location and easy access to export markets, Q-Chem Marketing enjoys the benefits of an extensive marketing network, widespread market recognition, and an established, long-standing client base. Q-Chem is now recognized as a leading PE and hexene supplier with consistent product quality and services which have been well accepted by users in all regions. In 2006, Q-Chem continued to achieve a sold-out position for its entire production volume.

QATAR CHEMICAL COMPANY II LTD. (Q-CHEM II)

Q-Chem II is a Qatari company owned by QP (51%) and CPCIQ (49%). The new Q-Chem II facility is adjacent to the existing Q-Chem plant in Mesaieed. The site will include a 350,000 t/a single train high-density polyethylene (HDPE) plant and a 345,000 t/a normal alpha olefin (NAO) plant. The Q-Chem II facility will produce polyethylene products used to manufacture bottles and blow-molded parts and films, as well as NAO products used in plastic co-monomers, detergents, lubricants, synthetics, drilling fluids, plasticizers and specialty waxes.

RAS LAFFAN OLEFINS COMPANY LTD. (RLOC)

Ras Laffan Olefins Company Ltd (RLOC) is a Qatari company, 53.31% owned by Qatar Chemical Company II Ltd (Q-Chem II), 45.69% owned by Qatofin Company Limited (Q.S.C.) (Qatofin) and 1% owned by Qatar Petroleum (QP). RLOC is currently constructing a world-class 1.3 mt/a ethylene cracker unit which will be operated by Q-Chem II on behalf of Q-Chem II and Qatofin.

Ethylene produced by RLOC will be transported from Ras Laffan to Q-Chem II and Qatofin derivatives units in Mesaieed via a 135-kilometer pipeline. In Mesaieed, 700,000 t/a of ethylene will be allocated to Q-Chem II and 600,000 t/a will be allocated to Qatofin.

QATOFIN PROJECT

Qatofin, a joint venture between QAPCO (63.5%), TOTAL Petrochemicals of France (35.5%) and Qatar Petroleum (1%), has constructed a low linear density polyethylene (LLDPE) facility of 450,000 t/a (expandable to 600,000 t/a) in Mesaieed, adjacent to QAPCO’s plant.

The project was officially inaugurated under the auspices of H.H Sheikh Hamad Bin Khalifa Al-Thani, the Emir of Qatar. The ethylene feed will be supplied from the Ras Laffan Cracker (in which Qatofin owns 46% share) through a pipeline from Ras Laffan to Mesaieed. The total project cost to Qatofin of the LLDPE plant and its share in RLOC Cracker is estimated at US$1.35 billion.

The project will utilize the ethane gas feedstock that will be made available as a result of further development of the country’s gas resources, combining the interests of the existing petrochemical investors in Qatar to develop synergies with other ventures at MIC. Qatofin will export the surplus ethylene and LLDPE to world markets.
MELAMINE PROJECT

In addition to its focus on boosting fertilizer production, QAFCO has gone into new product areas and joint ventures. In September 2004 a new urea formaldehyde plant went into production, while in 2007 QAFCO commenced the construction of a US$320 million melamine plant. With a production capacity of 60,000 tons per annum the plant takeover is expected in the third quarter of 2010. This will be the largest melamine plant in the Middle East as well as one of the largest in the world.

The project is expected to add extra value for the urea produced by QAFCO and is expected to boost QAFCO’s profitability. The melamine project is owned by QAFCO (60%) and Qatar Intermediate Industries Holding Company (QIH) (40%).

SEEF LIMITED

Seef Limited Company has been established in April 2004 as a joint venture with 80% shares held by Qatar Petroleum (QP) and 20% by United Development Company (UDC) to deliver the vision of His Highness Sheikh Hamad Bin Khalifa Al Thani, the Emir of the State of Qatar in terms of involving the private sector in such projects. The plant is located in Mesaieed.

Products

The main product is Linear Alkyl Benzene (LAB) which is an ingredient in the manufacture of environmentally-friendly detergents. It is produced at a rate of 100,000 MT per year. Also, Heavy Alkyl Benzene (HAB) is produced as a by product at a rate of 3,600 MT per year in addition to Normal Paraffin and Benzene.

Marketing

The Company has consolidated its position across the world through a marketing strategy that is based on short/long term contracts as per the requirement of each case. Our current customers are spread across South East Asia, Far East, GCC, South Africa, Mediterranean, Europe and USA. We are strategically exploring new geographical as well as end use segments. This has been enhanced by our superior product quality that has been accepted and appreciated by the leading detergent producers in the world.

Important Achievements

Despite the difficulties and challenges that the company has faced due to the world recession, SEEF has managed to achieve important milestones such as the following:

1) Qatari occupy most of the managerial positions and Qatariization is supported by senior management. This year the company has achieved a Qatariization percentage that is higher that what has been planned.
2) The Company has achieved 2 million hour of work without accidents as no accident was recorded. The monitoring of industrial operations and its impact on the environment is a priority that we undertake with due care and respect to the ecosystem.
3) The provision of high quality products for customers.
4) A marked reduction in the importation of Benzene has been achieved.
5) The completion of the turnaround shutdown and overall maintenance for the plant according to a predetermined timetable and a lesser cost than what has been estimated.
6) The Company has been able to expand the database of buyers and increase the number of importing countries in addition to offer the direct delivery service to customers. All of the above has contributed significantly to the avoidance of the implications of the world recession.
MIC’s Vision is to:
- Be a world class industrial city with a major focus for Hydrocarbon industrial development in southern Qatar
- Be a self-sufficient community providing a high quality of life for all its residents and workers, with modern facilities, a full range of services and well maintained, modern infrastructure
- Provide a vibrant, healthy, clean and safe environment in which to live and work

MIC’s Mission is to:
- Promote Mesaieed both locally and internationally as an excellent wide spectrum investment location
- Modernize and develop utilities, services and infrastructure
- Manage the municipal role in Mesaieed to ensure clean, orderly, and hygienic public facilities, including restaurants, parks, recreation facilities, commercial districts, beaches, etc
- Develop a cohesive multi-national community in Mesaieed
- Collaborate with local industries to plan and develop growth within the MIC Community and Industrial Area
- Cooperate with businesses to develop and upgrade the heavy and light industrial and port areas and the adjacent community

Reasons to Invest in Mesaieed
- Large, well established, 24-hour serviced modern port
- Proximity to Asian and European markets
- Abundance of energy resources at competitive prices
- Open exchange regulations
- MIC Management encourages and supports joint venture initiatives with competitive land lease rates
MIC Strategic Master Plan
MIC has developed a strategic master plan to guide the industrial, community and port development of Mesaieed over the next 25 years. This plan is being used in the expansion and development of the industrial and port areas in MIC as well as the town. It provides guidelines for development of these areas based on new market studies to maximize the utilization of Qatar’s natural resources, land and interfaces between industries.

Major Achievements up to the End of 2009
- Expansion of permanent labor accommodation and related recreation facilities
- Completion of Phase One of the MIC housing project (Over 1,500 accommodation units)
- Completion of the construction of MIC International and Community schools
- Maximum utilization of the hazardous waste and domestic waste treatment centers to serve MIC and the country
- Allocation of land for many new industrial projects in the metal, engineering, plastics, chemicals and construction materials sectors
- Completion of the QP office complex
- Constructing of gabbro berth No. 3 and Qatalum berths number 7A and 7 B

Marketing and Development Plans
- Development of the light industries area for downstream manufacturing and construction material
- Expansion and development of the northern, central and southern areas of MIC port

Major Customers
Wide range of products are produced within MIC including: base petrochemicals, plastic resins, refined petroleum products and steel, as well as finished manufactured products. These are supplied to the local, regional and international markets.

Future Development Plans
MIC is continuously considering expansion plans to meet the rapid growth and development of its community, industrial and port areas as well as related facilities. Major infrastructure projects are under design to upgrade the roads, ports, and other infrastructure within the city and both the heavy and light industrial areas:
- Roads and infrastructure upgrades and expansion throughout the town
- Completion of road and infrastructure development and upgrades in the industrial area
- Beautification and infrastructure upgrades of all residential area roads
- Creation of the Ecological Park
- Construction of additional new labor accommodation to support the new general industries expansion
- Allocation of land for many new industrial projects in the metal, engineering, plastics, chemicals and construction materials sectors
- Development of additional commercial, residential, office and recreational facilities to serve the growing community, including the private sector
- Construction of New Sealine Highway to serve the public leading to Sealine Resort
RAS LAFFAN INDUSTRIAL CITY
Ras Laffan Industrial City (RLIC) was inaugurated in February 1997 by HH the Emir Sheikh Hamad Bin Khalifa Al Thani with the mandate to govern and administer the city on behalf of Qatar Petroleum. Ras Laffan Industrial City is the 294 sq km base (including the area enclosed by the port) for the onshore activities of most of the current and future industries based on extraction from the North Field with its proven reserves of 900 trillion cubic feet of natural gas. These industries include liquefied natural gas (LNG), gas-to-liquids (GTL) projects, gas processing facilities, their derivative and supporting projects, and future downstream projects. RLIC is one of the State of Qatar’s most strategic developments and it is fast becoming the energy capital of the world. Within a decade, RLIC has become one of the world’s biggest producers and exporters of LNG. Due to its location on the international maritime shipping route, energy products from RLIC can without difficulty reach markets all over the world.

Main Activities
The Qatar Petroleum Directorate, Ras Laffan City (RLC) is responsible for developing, operating and regulating the industrial city. It provides infrastructure and services to enable its resident industries and other customers to operate effectively. The deep-water port and the Common Seawater Facility (CSF) are good examples of the major common infrastructure facilities provided. Other essential services and facilities provided by RLC include: emergency response, medical, fire, safety, environmental services, utilities, waste management and sewage treatment.

Major Customers
RLIC hosts a variety of industries.
- LNG plants include Qatargas I, II and III (6 trains) and RasGas I, II and III (6 trains). Qatargas IV (Train 7) and RasGas III (train 7) are scheduled for completion in 2010.
- GTL plants include Oryx GTL which is already operational and Pearl GTL, a Shell Corporation project, which is under construction and expected to come on stream in 2011.
- Petrochemicals and refinery plants include Ras Laffan Olefins Company Ltd (RLOC) and Laffan Refinery. Both are expected to become operational early 2010.
- Gas projects: Al-Khaleej Gas Project (AKG I) and Dolphin are operational. AKG II is expected to become operational in early 2010 while the start-up date for Barzan Gas has been set for 2014.
- Desalinated water and electricity projects: Ras Laffan Power Company (RLPC) produces 750 megawatts of electricity and 40 million gallons of potable water per day. QPower has a capacity to produce 1,025 megawatts of electricity and 60 million gallons of water per day. Ras Girtas Power Company is expected to produce 2,730 megawatts of electricity and 63 million gallons of water per day upon completion in 2011.
- Related green industries: Qatar Solar Technologies’ new polysilicon plant is in the planning and design phase.
Major Achievements

There were some extraordinary contributions in all spheres of RLC activities during the past year. Listed below are a few examples:

- Our role as enabler is appreciated and acknowledged by end-users at various forums and we are increasingly receiving international recognition. For example, on 8 October 2009 RLC received three Seatrade awards in Dubai, more than any other participating organization, namely: The Port Authority Award (also in 2007), The Environment Protection Award, and The Energy: Oil and Gas Award (also in 2008). RLC also received the Lloyd’s List Port Infrastructure award during 2009.
- RLC was recertified as ISO 9001:2008 and ISO 14001:2004 compliant by Bureau Veritas.
- Dredging, land reclamation and the construction of breakwaters of the new port expansion project were completed.
- RLC maintained an overall facility availability of 99.94 during 2009.
- The terms of reference of the RLIC Community charter, based on the Qatar 2030 vision, has been finalized and signed by all concerned directors. In line with one of RLC’s strategic objectives, RLC managed to reduce the percentage vacancies in RLC by a further 5.7 percentage points to 11.2% during 2009. The West Support Service and Industrial Area Master Plan has been completed.

Development Plans

More proven gas reserves, increased LNG train capacity, the commercial viability of GTL products, and opportunities to increase efficiency by providing more shared services and utilities necessitated a review of the Master Plan in 2004. The revised plan identified a mix of gas-based and downstream industries and projected infrastructure and logistics requirements. RLC is currently implementing the updated Master Plan.

Future Expansion Plans

- The mega port expansion project is on schedule. The next milestone is the completion of berths and port infrastructure, due to be completed in 2011.
- Development of the ship repair yard (Nakilat) at RLC Port is scheduled for completion in 2010.
- CSF expansion: The CSF capacity has increased from 308,000 to 833,000 cubic meters of seawater per hour after completion of Phase II Category I of this project. Phase II Category II is expected to be completed in 2010.
- The Ras Laffan Emergency and Safety College, which is a joint project with Texas Engineering Extension Service (TEEX) of Texas A & M University, is scheduled for completion in 2011.
- Site development for the Westside Support Industries and Support Services (WSSA) Phase II and development of utilities for WSSA Phases I and II has commenced.
- Expansion of the RLIC road network and Landscaping Phases II and III will continue until 2012.
GULF HELICOPTERS COMPANY

Gulf Helicopters Company (GHC) is owned 100% by Gulf International Services (GIS), a Qatar Joint Stock Company of which QP is the largest shareholder. The Company, incorporated in 1970, has grown tremendously since its acquisition by QP in 1998 and currently is one of the leading Helicopter Operators in the Middle East region with operations extending to India, Yemen and Libya. GHC operates under QCAR Ops 3 and JAR 145 regulations, EASA and FAA and is an ISO 9001-2008 certified Company.

Company History:
The following chronological summary enumerates the history of the Company since its inception:

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1970</td>
<td>Established and Incorporate in the U.K. (Gulf Aviation 51%; BOAC 32%; BAA 15%)</td>
</tr>
<tr>
<td>March 1977</td>
<td>Gulf Air 100%</td>
</tr>
<tr>
<td>June 1993</td>
<td>De-registered in the U.K. (Division of Gulf Air)</td>
</tr>
<tr>
<td>June 1998</td>
<td>Taken over by QP 100%; Purchase of Assets / Business</td>
</tr>
<tr>
<td>December 1998</td>
<td>Emiri Decree establishing Gulf Helicopters</td>
</tr>
<tr>
<td>January 1999</td>
<td>Gulf Helicopters incorporated as a Qatari Company</td>
</tr>
<tr>
<td>May 2008</td>
<td>Taken over by Gulf International Services (GIS) 100%</td>
</tr>
</tbody>
</table>

The business growth of the Company is as follows:

Company Operations
Gulf Helicopters has a fleet of thirty one helicopters including two S-92, seven AW 139, sixteen Bell 412s, five Bell 212s, and one Bell 206. GHC offers services such as VIP Transport, Offshore support, Onshore Transport, Seismic support, VFR & IFR, Load lifting, Photo flights and Helicopter Emergency Medical Services.

Future Plans
GHC is one of the stakeholders in the development of Al Khor Airfield as ‘Aerospace City’ and will be moving into the new facility in a few years’ time.

GHC’s operations are expected to increase manifold with the booming development in Qatar with the Oil & Gas project expansions.

GHC confirms to modernize its fleet by adding more AW 139s, to have more than 10 AW 139 by year 2010.

GHC is pursuing more international contracts due to its fleet expansion.

GHC is exploring opportunities to expand its operational baseto new geographical areas and also to expand its scope of services.

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970 to Date</td>
<td>Providing Helicopter services in Qatar for offshore operations of all the petroleum companies including QP, RasGas, Oxy, QatarGas, Total, Maersk, Delbani, Anadarko, Shell, QP, Wintershall Taksman</td>
</tr>
<tr>
<td>1987 to 1999</td>
<td>Operated in Oman</td>
</tr>
<tr>
<td>1989</td>
<td>Operations commenced in Yemen</td>
</tr>
<tr>
<td>1994 (Sept.)</td>
<td>Operations commenced in India</td>
</tr>
<tr>
<td>1998 to 2006</td>
<td>Operated in Iran</td>
</tr>
<tr>
<td>2000 to 2006</td>
<td>Operated in Sudan</td>
</tr>
<tr>
<td>2007</td>
<td>Operations commence in Libya</td>
</tr>
<tr>
<td>2007</td>
<td>Introduced Helicopters Emergency Medical Services (HEMS) in Qatar for the first time in collaboration with National Health Authority and Hamad Medical Corporation.</td>
</tr>
<tr>
<td>2008</td>
<td>Added 3 more AW 139s to the fleet</td>
</tr>
<tr>
<td>2009</td>
<td>Added 3 more AW 139s to the fleet</td>
</tr>
</tbody>
</table>
2009 Highlights
Qatar Steel is fully committed to ensure its growth plans aimed at producing six million tons of steel annually during the next ten years are on track. Growth plans include increasing production capacity and enhancing backward integration through overseas joint venture projects in iron ore pelletization sector for ensuring steady supply of raw materials needed for larger volumes of finished products.

Qatar Steel joint venture projects in Bahrain – United Stainless Steel Company (USCO) and Gulf Industrial Investment Company (GIIC) were completed and commissioning and start up activities were begun. Commercial production of cold rolled stainless steel sheets and pellets from new facility will commence in the first half of 2010.

Qatar Steel's joint venture affiliate United Steel Company (SULB) under Gulf United Steel Holding Company (FOULATH) selected Kobe Steel as the EPC contractor for a new DR Plant and the consortium of SMS and Samsung for a new Melt Shop and Rolling Mill. Contracts will be awarded in the first quarter of 2010.

Additionally, Qatar Steel has signed a Memorandum of Understanding with South Steel Company of Saudi Arabia to sell 930 KMT of DRI/HBI annually. Qatar Steel is also planning to set up a new joint venture with South Steel Company of Saudi Arabia in the near future.
Qatar Plastic Products Company (QPPC) was established on 19th September 1998. Commercial production commenced in August 2000 and was officially inaugurated by His Excellency Abdullah Bin Hamad Al Attiyah on 21 November 2000.

Around 90% of production is being sold to the local market while the balance is marketed in other Gulf countries and in Europe.

The production facility is located at Mesaieed Industrial City, 40 kms south of Doha.

The company is equally shared between Qatar Petrochemical Company (QAPCO), Qatar Industrial Manufacturing Company (QIMCO) and FEBO s.p.a. of Italy.

Main Activities
QPPC is producing plastic film for industrial packaging using blow extrusion process.

All operations are controlled by a sophisticated computerized system that automatically checks the quality of the film. The products can be produced from different kind of polymer to satisfy customer requirements. Printing is done using Flexographic printing lines up to 6-colours, which ensures excellent quality of printing.

Products are tested in QPPC quality control department. An analysis certificate detailing the composition, dimension and mechanical properties of the product is provided with every delivery.

Safety data sheets and Certificate of Conformity are supplied upon request.


Products
The company produces the following products:

- FFS (form, fill and seal) film
- Shrinkable hood
- Shrinkable film
- Construction foil (polythene sheet)
- Polyethylene sleeving
- Greenhouse and agricultural film
- Top open bags
- General purpose film
- Heavy duty trash bags

Expansion News
Keeping the same unparalleled product standard since the inception of QPPC, the company maintains its status as the leading plastic converter in the region.

Concurrent to the opening of Qatofin and Q-Chem 2 as well as in anticipation of QAPCO LDPE 3 project, QPPC upgraded during 2009 its last two mono extrusion lines to co-extrusion lines. This is part of the growth strategy being implemented by the company in meeting the increasing demand of polyethylene bags/films in the region.
QATAR ALUMINIUM (QATALUM)

Qatar Aluminium (Qatalum) is a 50-50 joint venture by Qatar Petroleum and Norwegian company Norsk Hydro. The greenfield aluminum smelter in Mesaieed Industrial City will be fully operational in 2010. It will be the largest aluminum smelter ever to be built in one phase, with the ability to produce 585,000 tons of premium-quality aluminum per annum. Qatalum is a complex facility that includes a carbon plant, a state-of-the-art Casthouse producing value added aluminum products such as extrusion ingots, foundry alloys and standard ingots that meet the most stringent quality standards of the market. Qatalum’s configuration also includes a port and storage facilities to handle the imports of alumina, coke and pitch, as well as a captive power plant with a capacity of 1,350 megawatts supplying all electricity needs. Qatar Petroleum will supply approximately 200 million standard cubic feet of natural gas per day to the Power Plant.

On December 4, 2009 Qatalum casted its first batch of foundry alloy ingots from re-melt. The first container of foundry alloy ingots were shipped to the customer on 18 December - Qatar’s National Day. Two days later, Qatalum’s first electrolysis cell started production of liquid aluminium metal. This marked the historical beginning of aluminium exports from the State of Qatar, confirming Qatalum’s ability to deliver its product on time, within budget and with an excellent environmental and safety standard. The first extrusion ingot line is expected to start operation in the beginning of January 2010, and the remaining production lines will be completed and handed over to Qatalum Operations in spring 2010. Construction work will continue as testing and training gives way to operations. New cells will come on-line throughout 2010, reaching full aluminium production capacity of 585,000 tonnes when all 704 cells are in operation by fourth quarter 2010.

Environment

Qatalum’s state of the art technology ensures top-class performance, and Qatalum’s technology ensures that the plant is the most productive and operates with the lowest environmental impact in the industry. Hydro’s highly energy-efficient proprietary HAL-300 technology for aluminum reduction boosts productivity and sets new standards in environmental performance by reducing the carbon footprint and spotlighting waste management and emission reduction. Process gasses from the reduction process will go through dry and wet scrubbing in fume treatment plants to ensure that emissions meet world quality standards, making Qatalum one of the most environmentally advanced primary production plants in the world.
QATAR PETROLEUM INTERNATIONAL (QPI)

QPI has been established to make strategic commercial investments across the energy value chain around the world and is currently 100% owned by Qatar Petroleum (QP).

QPI currently manages a multibillion dollar portfolio of investments including, but not limited to: upstream, gas & power, refining/petrochemicals, and other midstream/downstream activities. The Company participates in its investments alongside a group of the most reputable multinational and national energy companies, in both acquisitions and greenfield/brownfield projects.

2009 Activities

- Investment (20%) in two blocks as a non-operator in an exploration project in Mauritania with TOTAL E&P Mauritania as operator. Seismic and drilling studies have been completed, and drilling commenced in 2009;
- Evaluations and pre-feasibility studies supporting a 24.5% equity investment in a potential multi-billion dollar petrochemical and refinery complex in China with PetroChina and Shell China have been completed, and Pre-FEED studies now underway. Also two other Petrochemical Projects.
- Invested in QPI & Shell Petrochemicals (Singapore) Pte. Ltd (QSPS), a joint venture with Shell holding interests in an olefins plant and polymer plant in Singapore;
- Continued to advance the Long Son Petrochemical Project, a petrochemical joint venture with a consortium including SCL, in Vietnam;
- Submitted bids, along with Marubeni Gas & Power, Chubu Electric, and Qatar Electricity and Water Corporation (QEWC), for two independent power projects (IPPs) in Oman;
- Memoranda of Understanding have been signed around the globe particularly with international and national oil companies and governments to ensure development of potential investment opportunities;
- Studies to build power plants - continue to progress in 2009;
- QPI continues to build a team of people who will actively evaluate investment opportunities in oil and gas; and
- Current QP interests in LNG terminals (South Hook, Adriatic and Golden Pass) continue to transition to the QPI portfolio.

Future Plans

QPI will continue to explore, evaluate and invest in strategically aligned projects around the globe and build its team to execute, maintain, and grow its successful investment portfolio.
GULF DRILLING INTERNATIONAL

Established in May 2004 as the first offshore and onshore drilling service provider in Qatar, Gulf Drilling International (GDI) specializes in the provision of contract land and offshore drilling services to oil and gas exploration and production companies.

GDI was originally formed as a joint venture between Qatar Petroleum and Japan Drilling Co. Ltd with a paid-up capital of US$103.2 million. The shares of QP, comprising 70% ownership in GDI, were transferred to Gulf International Services QSC (GIS) effective 12 February 2008.

GDI is a growth-oriented company. From 2004 to 2009, GDI’s rig fleet has grown from one to nine rigs and its workforce from 100 to over 800. Today, its state-of-the-art rig fleet consists of five offshore jack-up rigs and four land rigs.

GDI holds 100% of the onshore rig market share and 29% of the offshore rig market. The company aspires to increase its offshore market share and diversify its business in the future, when opportunities present.

**GDI’s Achievements**

GDI had its most profitable year ever in 2009 posting revenues of QR988.5 million compared to QR839.4 million in 2008 for an increase of 18%. Net income in 2009 also grew to QR423.7 million compared to QR326.5 million in 2008 for an increase of 30%. The profitability of the company is also increasing, with net income amounting to 43% of revenues in 2009 compared to 39% in 2008.

GDI also achieved its target of having full utilization of all its rigs throughout 2009 and had its lowest recordable down time since inception. Client satisfaction with GDI’s performance continues to rise.

GDI is holding multiple ISO certifications, including ISO 9001 and ISO 14001, and has been awarded OHSAS 18001, which is a certification for Quality, the Environment and Health and Safety.

**GDI’s Future**

GDI has laid a solid foundation for future growth and profitability. With improved drilling performance and implementation of numerous system enhancements, GDI has positioned itself to be a successful, long term player in the competitive drilling rig services market, both in Qatar and regionally. GDI is also looking to diversify into complimentary lines of business involving lift boats and jack-up barges, using the same business model that has proven to be successful for its drilling rigs.
INDEPENDENT AUDITOR'S REPORT TO HIS HIGHNESS THE EMIR OF THE STATE OF QATAR ON THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS OF QATAR PETROLEUM

We have audited the consolidated financial statements of Qatar Petroleum (the "Corporation") for the year ended 31 December 2009, from which the summarized financial statements were derived, in accordance with International Standards on Auditing. In our report dated 11 April 2010, we expressed an unqualified opinion on the financial statements from which these summarized financial statements were derived.

The Corporation has prepared its consolidated financial statements in accordance with the basis of preparation and accounting policies described in Note 2 to the consolidated financial statements and the Council of Ministers' Decision No 6 of 1976 as amended.

In our opinion, the accompanying summarized financial statements are consistent, in all material respects, with the financial statements from which they were derived.

For a better understanding of the Corporation’s financial position and the results of its operations for the period and of the scope of our audit, these summarized financial statements should be read in conjunction with the financial statements from which these summarized financial statements were derived and our audit report thereon.

Akram Mekhail
of Ernst & Young
Auditor's Registration No. 59

Date: 11 April 2010
Doha
Qatar Petroleum

CONSOLIDATED INCOME STATEMENT
Year ended 31 December 2009

<table>
<thead>
<tr>
<th></th>
<th>2009 QR'000</th>
<th>2008 QR'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING REVENUE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>118,140,863</td>
<td>168,488,206</td>
</tr>
<tr>
<td>Other operating income</td>
<td>6,447,876</td>
<td>5,901,367</td>
</tr>
<tr>
<td>Total operating revenue</td>
<td>124,588,739</td>
<td>174,389,573</td>
</tr>
</tbody>
</table>

| OPERATING EXPENSES       |             |             |
| Operating, selling and administrative expenses | (22,129,737) | (17,568,811) |
| Depreciation and amortisation | (7,042,196)   | (5,177,510)  |
| Total operating expenses | (29,171,933) | (22,746,321) |

| NET OPERATING INCOME     |             |             |
| Dividend and interest income | 1,326,419   | 1,726,561   |
| Finance charges          | (4,149,317) | (2,790,859) |
| INCOME BEFORE ROYALTIES, TAXES AND MINORITY INTERESTS | 92,592,908 | 150,578,954 |
| Royalties                | (19,771,288) | (28,801,109) |
| Taxes                    | (35,718,642) | (65,571,221) |

| INCOME BEFORE MINORITY INTERESTS |             |             |
| Minority interests            | (1,896,774)  | (2,406,521) |

| NET INCOME FOR THE YEAR      | 35,207,204  | 55,800,103  |

Abdulla Bin Hamad Al-Attiyah  
Deputy Premier and Minister of Energy and Industry  
Chairman and Managing Director

Yousef Hussain Kamal  
Minister of Economy and Finance  
Vice Chairman
Qatar Petroleum

CONSOLIDATED BALANCE SHEET
At 31 December 2009

<table>
<thead>
<tr>
<th>Assets</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>219,464,685</td>
<td>177,367,821</td>
</tr>
<tr>
<td>Deferred expenditure</td>
<td>1,042,103</td>
<td>1,060,418</td>
</tr>
<tr>
<td>Investments, net</td>
<td>4,729,910</td>
<td>3,210,708</td>
</tr>
<tr>
<td>Other long term assets</td>
<td>7,237,481</td>
<td>4,138,803</td>
</tr>
<tr>
<td>Investment properties</td>
<td>130,269</td>
<td>124,347</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>232,604,448</td>
<td>185,902,097</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>25,519,059</td>
<td>41,389,244</td>
</tr>
<tr>
<td>Debtors and prepayments</td>
<td>17,991,020</td>
<td>12,952,833</td>
</tr>
<tr>
<td>Inventories</td>
<td>6,233,466</td>
<td>5,790,108</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>49,703,545</td>
<td>60,132,185</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>282,307,993</td>
<td>246,034,282</td>
</tr>
</tbody>
</table>

| Equity and Liabilities                      |       |       |
| Capital and reserves                        |       |       |
| Contributed capital                         | 25,000,000 | 25,000,000 |
| Retained earnings                           | 8,523,365  | 9,288,610 |
| Other reserves                              | 25,980,739 | 25,410,453 |
| **Total equity**                            | 59,504,104 | 59,699,063 |
| Minority interest                           | 6,929,509  | 6,390,066 |
| **Total Equity**                            | 66,433,613 | 66,089,129 |

| Non-current liabilities                     |       |       |
| Loans                                       | 75,337,853 | 62,447,822 |
| Obligations under finance lease             | 34,596,223 | 21,335,352 |
| Provision for employees' end of service benefits | 990,935   | 885,007 |
| Amounts due to Ministry of Finance          | 76,866,978 | 68,866,873 |
| Deferred income taxes                       | 2,272,321  | 1,811,266 |
| Other liabilities                           | 700,143   | 750,700 |
| **Total Non-current Liabilities**           | 190,464,453 | 156,917,020 |

| Current liabilities                         |       |       |
| Creditors and accruals                      | 21,947,200 | 17,639,987 |
| Loans                                       | 3,462,727  | 5,388,146 |
| **Total Current Liabilities**               | 25,409,927 | 23,028,133 |

| Total liabilities                           |       |       |
| **Total Equity and Liabilities**            | 282,307,993 | 246,034,282 |

Abdulla bin Hamad Al-Attiyah
Deputy Premier and Minister of Energy and Industry
Chairman and Managing Director

Yousef Hussain Kamal
Minister of Economy and Finance
Vice Chairman
Qatar Petroleum  
**Consolidated Cash Flow Statement**  
*Year ended 31 December 2009*

<table>
<thead>
<tr>
<th>Description</th>
<th>2009 QR'000</th>
<th>2008 QR'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income for the year before minority interest</td>
<td>37,103,978</td>
<td>58,206,624</td>
</tr>
<tr>
<td><strong>Adjustments to reconcile net income before minority interest to</strong></td>
<td></td>
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</tr>
<tr>
<td>net cash provided from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Depreciation and amortisation</td>
<td>7,042,196</td>
<td>5,177,510</td>
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<tr>
<td>- Provision for employees' end of service benefits</td>
<td>261,962</td>
<td>254,617</td>
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<tr>
<td>- Deferred income taxes</td>
<td>209,103</td>
<td>122,400</td>
</tr>
<tr>
<td>- Release of investment provision</td>
<td>(42,218)</td>
<td>(57,986)</td>
</tr>
<tr>
<td>- Loss/adjustment on sale/transfer of fixed assets</td>
<td>84,378</td>
<td>94,258</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>44,659,399</td>
<td>63,797,423</td>
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<tr>
<td><strong>Increase in operating assets and liabilities</strong></td>
<td>(3,639,754)</td>
<td>(5,090,576)</td>
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<tr>
<td><strong>Cash flow from operations</strong></td>
<td>41,019,645</td>
<td>58,706,847</td>
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<tr>
<td>Payments and advances against employees' end of service benefits</td>
<td>(156,034)</td>
<td>(146,994)</td>
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<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>40,863,611</td>
<td>58,559,853</td>
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<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments for property, plant and equipment, deferred expenditure and other</td>
<td>(35,349,687)</td>
<td>(36,791,445)</td>
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<tr>
<td>assets</td>
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<tr>
<td>Proceeds from disposal of property, plant and equipment</td>
<td>276,088</td>
<td>443,858</td>
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<td>Deposits maturing after 90 days</td>
<td>2,201,053</td>
<td>(1,001,630)</td>
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<td>Purchase of investments – net</td>
<td>(1,476,984)</td>
<td>(356,304)</td>
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<td><strong>Net cash used in investing activities</strong></td>
<td>(34,349,530)</td>
<td>(37,705,521)</td>
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<tr>
<td><strong>Cash flows from financing activities:</strong></td>
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<td></td>
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<tr>
<td>Proceeds from borrowings</td>
<td>16,330,829</td>
<td>13,494,082</td>
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<tr>
<td>Repayment of loans and obligations under finance leases</td>
<td>(6,907,671)</td>
<td>(3,204,306)</td>
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<tr>
<td>Movement in minority interest</td>
<td>(1,357,331)</td>
<td>66,763</td>
</tr>
<tr>
<td>Net change in account with Ministry of Finance</td>
<td>(28,249,840)</td>
<td>(21,696,685)</td>
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<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td>(20,183,213)</td>
<td>(11,340,146)</td>
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<td><strong>Net change in cash and cash equivalents</strong></td>
<td>(13,669,132)</td>
<td>9,514,186</td>
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<td><strong>Cash and cash equivalents at the beginning of the year</strong></td>
<td>37,880,274</td>
<td>28,366,088</td>
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<tr>
<td><strong>Cash and cash equivalents at the end of the year</strong></td>
<td>24,211,142</td>
<td>37,880,274</td>
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</table>
Qatar Petroleum

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2009

<table>
<thead>
<tr>
<th></th>
<th>Contributed capital</th>
<th>Retained earnings</th>
<th>Foreign currency reserve</th>
<th>General reserve</th>
<th>Legal reserve</th>
<th>Total</th>
<th>Minority interests</th>
<th>Total</th>
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<tr>
<td></td>
<td>QR '000</td>
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<td>Balance at 1 January</td>
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<td>393,669</td>
<td>25,221,299</td>
<td>759,673</td>
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<tr>
<td>Net movement in other</td>
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<td>Balance at 31 December</td>
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<td>(431,975)</td>
<td>(209,462)</td>
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</tr>
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<td>(35,929,145)</td>
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<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(1,357,331)</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>25,000,000</td>
<td>8,523,365</td>
<td>(191,994)</td>
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<td>25,243,654</td>
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