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 the State of Qatar. The principal activities of QP 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, aluminium, chartering of helicopters, underwriting, insurance and other services.

QP’s strategy of conducting hydrocarbon exploration and development is 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:

### A. Subsidiaries

<table>
<thead>
<tr>
<th>Company Name</th>
<th>QP Effective Interest %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Al Shaheen Holding Q.S.C.</td>
<td>100.0</td>
</tr>
<tr>
<td>Amwaj Catering Services Company Ltd.</td>
<td>100.0</td>
</tr>
<tr>
<td>Gulf International Services Q.S.C.</td>
<td>30.0</td>
</tr>
<tr>
<td>Industries Qatar Q.S.C.</td>
<td>70.0</td>
</tr>
<tr>
<td>Qatar Holding Intermediate Industries Company Ltd.</td>
<td>100.0</td>
</tr>
<tr>
<td>Qatar Nitrogen Company Q.S.C.</td>
<td>50.0</td>
</tr>
<tr>
<td>Qatar Petroleum Gas Trading (QGII) Ltd.</td>
<td>100.0</td>
</tr>
<tr>
<td>Qatar Petroleum International Ltd.</td>
<td>100.0</td>
</tr>
<tr>
<td>Qatar Petroleum LNG Services (QGII) Ltd.</td>
<td>100.0</td>
</tr>
<tr>
<td>Qatar Petroleum Qatar Gas (3) Ltd.</td>
<td>100.0</td>
</tr>
<tr>
<td>Qatar Petroleum Qatar Gas (4) Company Ltd.</td>
<td>100.0</td>
</tr>
<tr>
<td>Qatar Terminal Company Ltd.</td>
<td>100.0</td>
</tr>
<tr>
<td>QP RasGas III Limited</td>
<td>100.0</td>
</tr>
</tbody>
</table>

### B. Joint Ventures

<table>
<thead>
<tr>
<th>Company Name</th>
<th>QP Effective Interest %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gasal Q.S.C.</td>
<td>30.5</td>
</tr>
<tr>
<td>Laffan Refinery Company Ltd.</td>
<td>51.0</td>
</tr>
<tr>
<td>Onyx GFL Ltd.</td>
<td>51.0</td>
</tr>
<tr>
<td>Qatar Aluminium Company Ltd. (Katalum)</td>
<td>50.0</td>
</tr>
<tr>
<td>Qatar Chemical Company Ltd. Q.S.C.</td>
<td>51.0</td>
</tr>
<tr>
<td>Qatar Chemical Company II Ltd.</td>
<td>51.0</td>
</tr>
<tr>
<td>Qatar Engineering consultancy Company Ltd.</td>
<td>50.0</td>
</tr>
<tr>
<td>Qatar Liquefied Gas Company Ltd. Q.S.C.</td>
<td>65.0</td>
</tr>
<tr>
<td>Qatar Liquefied Gas Company Ltd. (II) (Q.S.C.)</td>
<td>67.5</td>
</tr>
<tr>
<td>Qatar Vinyl Company Ltd. Q.S.C.</td>
<td>73.0</td>
</tr>
<tr>
<td>Qatar Gas Operating Company Ltd.</td>
<td>70.0</td>
</tr>
<tr>
<td>Qatar Gas Upstream Joint Venture (unincorporated)</td>
<td>65.0</td>
</tr>
<tr>
<td>Qatargas Limited</td>
<td>53.0</td>
</tr>
<tr>
<td>Qatofin Company Ltd. (Q.S.C.)</td>
<td>35.6</td>
</tr>
<tr>
<td>Ras Laffan Liquefied Natural Gas Company Ltd.</td>
<td>63.0</td>
</tr>
<tr>
<td>Ras Laffan Liquefied Natural Gas Company Ltd. (II)</td>
<td>69.5</td>
</tr>
<tr>
<td>Ras Laffan Liquefied Natural Gas Company Ltd. (III)</td>
<td>70.0</td>
</tr>
<tr>
<td>Ras Laffan Olefins Company Ltd. (Q.S.C.)</td>
<td>44.5</td>
</tr>
<tr>
<td>RasGas Company Ltd.</td>
<td>70.0</td>
</tr>
<tr>
<td>SEEF Ltd.</td>
<td>80.0</td>
</tr>
</tbody>
</table>

### C. Joint Ventures and Subsidiaries of QP Subsidiaries

<table>
<thead>
<tr>
<th>Company Name</th>
<th>QP Effective Interest %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adriatic LNG Terminal Ltd.</td>
<td>45.0</td>
</tr>
<tr>
<td>Al Koot Insurance and Reinsurance Company SAQ</td>
<td>30.0</td>
</tr>
<tr>
<td>Al Shaheen GE Services</td>
<td>50.0</td>
</tr>
</tbody>
</table>

### D. Other Investments

<table>
<thead>
<tr>
<th>Company Name</th>
<th>QP Effective Interest %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Al Shaheen Well Services</td>
<td>50.0</td>
</tr>
<tr>
<td>Fonex Real Estate Company Q.S.C.</td>
<td>34.0</td>
</tr>
<tr>
<td>Gulf Drilling International Ltd. Q.S.C. (GDR)</td>
<td>21.0</td>
</tr>
<tr>
<td>Gulf Helicopters Company Q.S.C. (GHC)</td>
<td>30.0</td>
</tr>
<tr>
<td>PII Group Ltd.</td>
<td>50.0</td>
</tr>
<tr>
<td>PII North America LLC</td>
<td>50.0</td>
</tr>
<tr>
<td>Qatar Fertilisers Company SAQ Ltd. (QAFCO)</td>
<td>52.5</td>
</tr>
<tr>
<td>Qatar Fuel Additives Company Ltd. Q.S.C. (QFAC)</td>
<td>35.0</td>
</tr>
<tr>
<td>Qatar Liquefied Gas Company Ltd. (3)</td>
<td>68.5</td>
</tr>
<tr>
<td>Qatar Liquefied Gas Company Ltd. (4)</td>
<td>70.0</td>
</tr>
<tr>
<td>Qatar Petrochemical Company Ltd. (QPCO)</td>
<td>56.0</td>
</tr>
<tr>
<td>Qatar Steel Company Ltd. Q.S.C.</td>
<td>70.0</td>
</tr>
<tr>
<td>QTL Hungary Financing Ltd.</td>
<td>100.0</td>
</tr>
<tr>
<td>QTL U.S. Holding Corporation, Inc.</td>
<td>100.0</td>
</tr>
<tr>
<td>South Hook Gas Company Ltd.</td>
<td>70.0</td>
</tr>
<tr>
<td>South Hook LNG Terminal Company Ltd.</td>
<td>67.5</td>
</tr>
</tbody>
</table>

In the name of GOD
The Most Gracious,
The Most Merciful

Committed to Excellence

*These represent various investments mainly in the Qatar Exchange and the effective QP interest is less than 5%.*
His Highness
Sheikh Hamad Bin Khalifa Al-Thani
Emir of the State of Qatar
His Highness
Sheikh Tamim Bin Hamad Al-Thani
Heir Apparent
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>8</td>
</tr>
<tr>
<td>Message from the Chairman</td>
<td>10</td>
</tr>
<tr>
<td>2010 Highlights</td>
<td>12</td>
</tr>
<tr>
<td>Key Consolidated Financial Information</td>
<td>14</td>
</tr>
<tr>
<td>Administration</td>
<td>15</td>
</tr>
<tr>
<td>Human Resources Services</td>
<td></td>
</tr>
<tr>
<td>Qatization</td>
<td></td>
</tr>
<tr>
<td>Corporate Training Services</td>
<td></td>
</tr>
<tr>
<td>Medical Services</td>
<td></td>
</tr>
<tr>
<td>General Services</td>
<td></td>
</tr>
<tr>
<td>HSE Regulations &amp; Enforcement Directorate</td>
<td>17</td>
</tr>
<tr>
<td>Information and Communication Technology (ICT)</td>
<td>19</td>
</tr>
<tr>
<td>Technical Directorate</td>
<td>21</td>
</tr>
<tr>
<td>Crude Oil and Natural Gas</td>
<td>23</td>
</tr>
<tr>
<td>Dukhan Operations</td>
<td></td>
</tr>
<tr>
<td>Offshore Operations</td>
<td></td>
</tr>
<tr>
<td>Halul Island</td>
<td></td>
</tr>
<tr>
<td>North Field</td>
<td></td>
</tr>
<tr>
<td>Al-Khaleej Gas Project (AKG)</td>
<td></td>
</tr>
<tr>
<td>Barzan Gas Project</td>
<td></td>
</tr>
<tr>
<td>EPSA/DPSA</td>
<td></td>
</tr>
<tr>
<td>Drilling Department</td>
<td></td>
</tr>
<tr>
<td>LNG</td>
<td>32</td>
</tr>
<tr>
<td>Qatargas</td>
<td></td>
</tr>
<tr>
<td>RasGas</td>
<td></td>
</tr>
<tr>
<td>Pipelines</td>
<td>34</td>
</tr>
<tr>
<td>Dolphin Project</td>
<td></td>
</tr>
<tr>
<td>NGL and Local Gas</td>
<td>35</td>
</tr>
<tr>
<td>Refining</td>
<td>37</td>
</tr>
<tr>
<td>QF Refinery</td>
<td></td>
</tr>
<tr>
<td>Laffan Refinery</td>
<td></td>
</tr>
<tr>
<td>Oryx GTL</td>
<td></td>
</tr>
<tr>
<td>Pearl GTL</td>
<td></td>
</tr>
<tr>
<td>Petrochemical Industries</td>
<td>40</td>
</tr>
<tr>
<td>Qatar Fertiliser Company (QAFCO)</td>
<td></td>
</tr>
<tr>
<td>Qatar Petrochemical Company Ltd. (MPCO)</td>
<td></td>
</tr>
<tr>
<td>Qatar Fuel Additives Company (QFAC)</td>
<td></td>
</tr>
<tr>
<td>Qatar Vinyl Company (QVC)</td>
<td></td>
</tr>
<tr>
<td>Qatar Chemical Company (Q-Chem)</td>
<td></td>
</tr>
<tr>
<td>Qatar Chemical Company II Ltd. (Q-Chem II)</td>
<td></td>
</tr>
<tr>
<td>Ras Laffan O&amp;G (RDCC)</td>
<td></td>
</tr>
<tr>
<td>Qatargas Company Ltd.</td>
<td></td>
</tr>
<tr>
<td>Qatar Melamine Company (QMCC)</td>
<td></td>
</tr>
<tr>
<td>SEEF Limited</td>
<td></td>
</tr>
<tr>
<td>Industrial Cities</td>
<td>49</td>
</tr>
<tr>
<td>Mbasheen 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>53</td>
</tr>
<tr>
<td>Gulf Helicopters Company</td>
<td></td>
</tr>
<tr>
<td>Qatar Steel Company</td>
<td></td>
</tr>
<tr>
<td>Qatar Plastic Products Company (QPFC)</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>
<td>61</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## QP Board of Directors

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
<th>Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman and Managing Director</td>
<td>HE Dr. Mohammed Bin Saleh Al-Sada</td>
<td><img src="HE_Dr_Mohammed_Bin_Saleh_Al-Sada.png" alt="" /></td>
</tr>
<tr>
<td></td>
<td>Minister of Energy and Industry</td>
<td></td>
</tr>
<tr>
<td>Deputy Chairman</td>
<td>Hamad Rashid Al-Mohannadi</td>
<td><img src="Hamad_Rashid_Al-Mohannadi.png" alt="" /></td>
</tr>
<tr>
<td></td>
<td>Managing Director, RasGas</td>
<td></td>
</tr>
<tr>
<td>Member</td>
<td>Fahad Hamad Al-Mohannadi</td>
<td><img src="Fahad_Hamad_Al-Mohannadi.png" alt="" /></td>
</tr>
<tr>
<td></td>
<td>General Manager, Qatar Electricity &amp; Water Company (QEWC)</td>
<td></td>
</tr>
<tr>
<td>Member</td>
<td>Khalifa Abdulla Al-Sowaidi</td>
<td><img src="Khalifa_Abdulla_Al-Sowaidi.png" alt="" /></td>
</tr>
<tr>
<td></td>
<td>Managing Director, Qatar Fertiliser Company (QAFCO)</td>
<td></td>
</tr>
<tr>
<td>Member</td>
<td>Nasser Khalil Al-Jaidah</td>
<td><img src="Nasser_Khalil_Al-Jaidah.png" alt="" /></td>
</tr>
<tr>
<td></td>
<td>CEO, Qatar Petroleum International (QPI)</td>
<td></td>
</tr>
<tr>
<td>Member</td>
<td>Saad Sherida Al-Kaabi</td>
<td><img src="Saad_Sherida_Al-Kaabi.png" alt="" /></td>
</tr>
<tr>
<td></td>
<td>Director, Oil &amp; Gas Ventures, Qatar Petroleum</td>
<td></td>
</tr>
<tr>
<td>Member</td>
<td>Essa Bin Hilal Al-Kuwari</td>
<td><img src="Essa_Bin_Hilal_Al-Kuwari.png" alt="" /></td>
</tr>
<tr>
<td></td>
<td>President, Qatar General Electricity &amp; Water Corporation (Kahramaa)</td>
<td></td>
</tr>
</tbody>
</table>

*As per Emiri Decree No.15/ of 2011 issued on 14 February 2011, reforming the Board of Directors of Qatar Petroleum (QP)*
Qatar Petroleum has enjoyed another successful year in 2010, with growth continuing in all areas of our business. We have consolidated our position as the global leader in the LNG market, and continued on the path to realize our ambition to become the GTL capital of the world, while bringing environmental and economic benefits to our customers.

We continue to fulfill our external commitment to meet the world’s energy needs and deliver reliable and affordable energy that improves the lives of millions of people worldwide. In addition, QP continues to play a key role in the development of the energy sector of Qatar’s flourishing economy.

During 2010, the production capacity of LNG from RasGas and Qatargas has reached 77 million tonnes per year, marking a historic milestone achievement and further reconfirming Qatar’s position as the world’s leading producer of LNG. In achieving this goal, we have fulfilled the vision of His Highness, the Emir of the State of Qatar, Sheikh Hamad Bin Khalifa Al Thani. This milestone highlights Qatar’s growing role in delivering LNG to all corners of the globe, safely, reliably, and efficiently. While LNG processing in Qatar expanded rapidly during the past decade, LPG production has dramatically increased along with it. Total production of LPG in Qatar reached 8 million tonnes last year.

As the gas projects based on the North Field come on-stream, the production rate of condensate has markedly increased, creating a window of opportunity to utilize condensate as feedstock for producing refined petroleum products. To capitalize on the massive condensate production and help diversify Qatar’s energy sector, Laffan Refinery one of the largest condensate refineries in the world was constructed. The refinery treats and refines field condensate from the North Field to produce high-value products such as naphtha, jet fuel, gasoil and liquefied petroleum gas.

Driven by opportunities to add value to existing oil and gas production, the development of our downstream sector continues to progress steadily. Several projects have commenced production, including one of the world’s largest ethane crackers at Ras Laffan Olefins Company.

Another related key addition to the industrial infrastructure in Qatar is the setting-up of Qatar Melamine Company, the largest melamine facility in the Middle East and the second largest in the world.

Building upon the success of the petrochemical sector in Qatar and the global demand that has outstripped the capacity for the first plant of Qatar Chemical Company for producing high-quality products such as polymer, we decided to construct Q-Chem2. The plant was officially opened during the year in 2010 and is expected to increase the overall derivatives product capacity by 140%, making it one of the world’s largest single single-site producers of high density polyethylene and allowing Qatar to tap new opportunities in global markets.

In another development aimed at a new marine industrial sector in Qatar, the Ras Laffan shipyard was inaugurated as part of the comprehensive development of Ras Laffan city. In addition to repairing and maintaining very large LNG carriers and a wide range of other vessels, the shipyard is capable of constructing a variety of ships, including commercial and offshore supply vessels, naval and coastguard vessels and superyachts.

Continued progress in achieving diversity in the industrial sector also saw the opening of one of the largest-ever aluminium smelters to be built in one phase. Qatalum celebrated another ambitious energy project in Qatar, with a state-of-the-art facility that includes a carbon plant and a casthouse, producing value-added aluminium products such as extrusion ingots, foundry alloys and standard ingots that meet the most stringent quality standards of the global market.

Over the past few years, we have undertaken several projects directed towards meeting the long-term local demand for natural gas. In realization of this strategy, the second phase of Al Khaleej Gas project was inaugurated to further develop the State of Qatar’s industrial base, and meet the country’s electricity generation requirements. In addition, Al Khaleej Gas project produces substantial quantities of condensate and natural gas liquids for foreign and domestic consumers.

As is inevitable with our line of business, there are environmental impacts that we always have to take into account. In view of this, we always make it a point to follow rigorous procedures during the construction phase and after startup of any new production plant in order to meet the highest environmental standards. The increase in our hydrocarbon production levels has been achieved while maintaining an unwavering commitment to responsible extraction practices, and working specifically on reducing our environmental impact including emissions, and implementing other safety and environmental parameters. In that regard, QP, together with Qatargas and RasGas, has embarked upon a flare gas recovery project as part of its commitment to ultimately achieving zero-flaring operations and to contribute towards global efforts to reduce greenhouse gas emissions.

With the continued support and the unbending commitment, hard work, and dedication of our professional staff, management team and the Board of Directors, Qatar Petroleum will continue along the path of growth and value creation, unswerving in its efforts to contribute to the prosperity and development of the State of Qatar.

HE Dr. Mohammed Bin Saleh Al-Sada
Chairman and Managing Director
2010 Highlights

21st January H.E. Abdullah Bin Hamad Al-Attiyah, Deputy Premier, Minister of Energy & Industry, and Chairman of Qatar Petroleum, signed a Joint Venture Agreement with Damen Shipyards Group to operate a world-class shipbuilding facility in the Port of Ras Laffan.

23rd February QP together with Qatargas and RasGas embarked on a US$1-billion flare gas recovery project as part of its commitment to ultimately achieve zero-flaring operations and to contribute in global efforts to reduce greenhouse gas emissions.

6th April H.H. Sheikh Hamad Bin Khalifa Al-Thani, Emir of the State of Qatar, inaugurated the Laffan Refinery, which treats and refines field condensate from Qatargas and RasGas and turns it into high-value products such as naphtha, jet fuel, gasoil and liquefied petroleum gas at Ras Laffan Industrial City.

14th April H.H. Sheikh Hamad Bin Khalifa Al-Thani, Emir of the State of Qatar, launched Qatar Aluminium (Qatalum), the world’s most-efficient and environmentally friendly aluminium smelting plant, at Mesaieed Industrial City.

4th May H.H. Sheikh Tamim Bin Hamad Al-Thani, Qatar’s Her Apparent, inaugurated one of the world’s largest ethane crackers at Ras Laffan Olefins Company (RLOC) in Ras Laffan Industrial City.

10th May H.H. Sheikh Hamad Bin Khalifa Al-Thani, Emir of the State of Qatar, inaugurated Al Khaleej Gas 2 (AKG-2), the second and last phase of the Al Khaleej Gas Project, which provides natural gas to the domestic market and continues to help meet the growing demand for clean natural gas.

16th May QP signed an Exploration and Production Sharing Agreement (EPSA) with Shell and China National Petroleum Corporation for Block 3, which is close to Ras Laffan and covers a total area of 8,089 square kilometers.

18th May H.H. Sheikh Hamad Bin Khalifa Al-Thani, Emir of the State of Qatar, inaugurated the Mesaieed Power Plant, which meets one-third of the country’s total electricity demand.

19th July QP and Mærsk Oil, the operator of Al Shahem Field since 1992, recorded a landmark 1 billion barrels of total oil production from the largest and most prolific offshore oil field in the State of Qatar.

12th October H.H. Sheikh Hamad Bin Khalifa Al-Thani, Emir of the State of Qatar, inaugurated at Mesaieed Industrial City the Qatar Melamine Company (QMC), which has the capacity to produce 60,000 metric tonnes of melamine per year, making it the largest melamine facility in the Middle East and the second largest in the world.

8th November QP in partnership with ExxonMobil and the Qatar Foundation organized the first-ever Doha Carbon and Energy Forum, an international event that discussed the range of energy challenges facing the world today.

9th November H.H. Sheikh Hamad Bin Khalifa Al-Thani, Emir of the State of Qatar, inaugurated the Qatar Chemical II plant, which increases the overall derivatives product capacity at the Mesaieed site by 140%.

23rd November H.H. Sheikh Hamad Bin Khalifa Al-Thani, Emir of the State of Qatar, inaugurated a new world-class shipyard in the Port of Ras Laffan, providing for the development and growth of a new marine industrial sector in Qatar.

1st December H.E. Dr. Mohammed Bin Saleh Al-Sada, Minister of State for Energy & Industry, inaugurated Building Integration Systems’ (BIS) Steel factory in the Industrial Area.

2nd December H.E. Abdullah Bin Hamad Al-Attyyah, Deputy Premier, Minister of Energy & Industry, and Chairman of Qatar Petroleum, opened the Gas Exporting Countries Forum (GECF) secretariat offices in Doha’s Torrano Towers.

13th December H.H. Sheikh Hamad Bin Khalifa Al-Thani, Emir of the State of Qatar, led the country’s celebration marking the milestone achievement of 77 million tonnes per annum of liquefied natural gas (LNG) production capacity, at an impressive ceremony at Ras Laffan Industrial City.

21st December QP and Shell signed a Memorandum of Understanding (MOU) for the establishment of a multi-billion dollar petrochemical complex, including a mono-ethylene glycol plant, at Ras Laffan Industrial City.

77 MTA Celebration

QP’s 77 million tonnes per annum (MTA) of liquefied natural gas (LNG) production capacity milestone event was marked in early 2011 with a ceremony attended by dignitaries, who congratulated the company on this achievement.

The event was held at the Qatargas 2 (QG-2) facility in Ras Laffan, which was the first of the Company’s LNG trains to reach this milestone. Since then, all three trains at QG-2 have reached this capacity, bringing the total LNG production capacity of QP to 80 million tonnes per annum.

The milestone achievement is a testament to the hard work and dedication of the Qatar Petroleum team and reflects the country’s commitment to becoming a major player in the global energy market.

The ceremony was attended by government officials, including H.E. Abdullah Bin Hamad Al-Attiyah, Deputy Premier, Minister of Energy & Industry, and Chairman of Qatar Petroleum, and H.E. Dr. Mohammed Bin Saleh Al-Sada, Minister of State for Energy & Industry. Other dignitaries present included H.H. Sheikh Tamim Bin Hamad Al-Thani, the State of Qatar’s Heir Apparent, and H.H. Sheikh Hamad Bin Khalifa Al-Thani, the Emir of the State of Qatar.

The event was also attended by representatives from international partners, including Shell and ExxonMobil, who have been instrumental in Qatar Petroleum’s success in the LNG industry.

The achievement is a significant milestone for Qatar Petroleum and the country as a whole, as it marks a significant step towards meeting the country’s energy goals and securing a secure energy future for generations to come.
The Administration Directorate strives to provide quality service in the areas of Human Resources, Qatarization, Corporate Training, Medical Services and General Services to support QP’s comprehensive operations. A high priority is to achieve QP’s strategic objectives by attracting qualified employees, utilizing their competencies through a performance-driven culture, retaining their services, and training and developing them in the latest technologies and business challenges.

Human Resources Services

The Human Resources Department is continuing its efforts to enhance its service provision by focusing on SAP HR systems. In 2010, the Travel Management On-line System (TMOA), e-Car Loan, SAP Standard Recruitment, Strategic Qatarization Plan Simulation Model for Energy & Industry Sector, and the SAP HR online letters were implemented.

The Performance Management System was enhanced with the introduction of Employee Self-Assessment and the holding of calibration sessions after Supervisors’ Assessments were concluded. The automation of the Merit Review process effectively resulted in shortening the processing time.

An effective and efficient base-pay setting framework and its supporting guidelines were also developed to facilitate the recruitment process.

In 2010, QP recruited 572 expatriates and 88 Qataris. In addition, a total of 316 Qatari high-school graduates were recruited for different vocational training and university scholarship programs.

Qatarization

At the end of 2010, Qataris in permanent positions accounted for 20% of QP’s workforce. If Qataris on training and development were also included, the Qatarization percentage would rise to 35%.

A total of 215 Qataris were confirmed into permanent positions in 2010. QP sponsors over 1,370 Qataris in different programs, such as Staff on Academic Studies, University Program, Technician Preparation Program, Clerical Preparation Program, Tailor-made Program, Fireman Preparation Program and Security Preparation Program.

Corporate Training Services

The Corporate Training Department is in the process of a major restructuring, allowing for a robust strategic approach to train and develop Qatari nationals and QP employees. This approach is focused on good governance and need-based learning solutions. The department has started to deliver short training courses at the new Dukhan Learning Centre, while enhancements to training facilities at Ras Laffan and Mesaieed Industrial Cities are also being carried out.

The number of students in long-term training programs totaled 2,206, out of which 1,184 were in local and overseas universities. The rest of the students were enrolled in various vocational programs.

<table>
<thead>
<tr>
<th>QR Millions</th>
<th>Dec-10</th>
<th>Dec-09</th>
<th>Dec-08</th>
<th>Dec-07</th>
<th>Dec-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Revenue</td>
<td>188,015</td>
<td>118,141</td>
<td>168,488</td>
<td>117,430</td>
<td>100,684</td>
</tr>
<tr>
<td>Net Income</td>
<td>54,567</td>
<td>35,207</td>
<td>55,800</td>
<td>35,049</td>
<td>31,235</td>
</tr>
<tr>
<td>Net Cash Flow from Operations</td>
<td>58,517</td>
<td>40,864</td>
<td>58,560</td>
<td>46,328</td>
<td>33,416</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>24,455</td>
<td>35,350</td>
<td>36,791</td>
<td>46,328</td>
<td>33,416</td>
</tr>
<tr>
<td>Total Assets</td>
<td>308,897</td>
<td>202,308</td>
<td>246,034</td>
<td>188,136</td>
<td>137,846</td>
</tr>
</tbody>
</table>
The Corporate Training Department has also formed a strategic alliance with iQAR, whereby they share a common platform for E-learning. In 2010, a total of 672 courses for professional training were conducted, and with up to 10,505 seats offered to employees of QP and its affiliates, the number of participants was much higher compared to the previous year.

Medical Services
The Medical Services Department continued to provide primary care, occupational health and support medical services for over 200,000 patients from QP’s health care clinics in Doha, Ras Laffan, Mesaieed, Dukhan and Halul Island. In addition, the department also operated 10 fully functional and licensed ‘front-line’ clinics to promote wellness and provide easy access to health services within and beyond the workplace. QP’s Medical Services Department follows the international guidelines of health care provision by focusing not only on the management of chronic diseases but also on disease prevention.

The department successfully relocated its main clinic from Ras Abu Abboud to a new medical facility aptly named “Centre for Health & Wellness”. This title captures the department’s goal to provide quality care to primary and occupational health care patients. In line with this, the Occupational Health Care Service established a Weight Management Clinic and delivered health promotion presentations on obesity, smoking cessation, lifestyle and healthy food habits, breast cancer, diabetes and workplace stress management, thus raising the awareness of participants across all operational areas.

The Medical Services Department underwent a complete restructuring in 2010, dividing its services into four major divisions: Primary Health Services (including EMS), Support Services (Pharmacy, Radiology, Dentistry, Laboratory, and Medical Central Stores), Occupational Health, and Business Services (Administrative, Financial, and Project Management). A Clinical Governance model was successfully put in place, delivering 39 procedures and a clinical audit policy with a functioning database.

General Services
The General Services Department continued to provide services for QP and its affiliates in the areas of office space requirement/furniture, transit accommodation, maintenance, office services (equipment/looters/cleaners/commissary items/utensils, landscaping/pest control), transportation, recreation facilities, and electronic Corporate Non-Technical Records Centre System (e-CNRC).

HSE Regulations & Enforcement Directorate

As mandated by Decision No. 5 of 2005, the role of the HSE Regulations and Enforcement Directorate is to undertake the tasks, functions and responsibilities assigned to QP and the Ministry of Energy & Industry as executive bodies to assure that HSE risks in the oil and gas sector are properly identified and controlled to acceptable levels of HSE risk as well as to monitor operators’ compliance with the provisions of the applicable national legislation in this regard.

During 2010, the following main activities were conducted in support of managing HSE risks across the energy industry:

**Regulations**
- Formulated a Legal Register covering all local laws, decrees and ministerial decisions (Arabic/English) from the HSE and regulatory point of view;
- Developed an HSE Legal Framework for the oil & gas sector in line with the Legal Register so as to guide petroleum operators in being compliant with the provisions of local HSE legislations;
- Drafted many proposed new laws/bills for some permanent national committees wherein DG is an active member;
- Completed the review of 12 international conventions with respect to their impacts, obligations as well as the monitoring and regulatory enforcement actions needed (United Nations Framework Convention on Climate Change (UNFCCC), Kyoto Protocol, United Nations Convention on the Law of the Sea (UNCLOS), International Convention for the Prevention of Pollution from Ships (MARPOL), Intervention on the High Seas in Cases of Oil Pollution Casualties, etc).
- Completed detailed Convention Assessment Reports on new conventions/protocols not yet acceded or ratified by the State of Qatar (Ballast Water Management Convention (BWM), Convention on the Conservation and Management of Highly Migratory Fish Stocks (HMS), and International Convention on Oil Pollution Preparedness, Response and Co-operation (OPRC)).

**Technical**
- Conducted HSE risk assessment of the oil & gas sector with the view to establishing a baseline and formulating a longer term remedial plan;
- Drafted Risk Assessment (RA) guidelines for consultation with oil & gas sector to provide consistency among risk assessments, which are part of the requirements for demonstrating that risks have been reduced to As Low As Reasonably Practicable (ALARP) levels. Quantitative RA guidelines introduce the concept of “societal risk” as part of the regulatory role in controlling major risks from the operator’s operations in complement to the existing individual risk criteria.
HSE Regulations & Enforcement Directorate

- Followed up on past HSE audits of 22 stakeholders and prepared compliance inspection plan for 35 additional stakeholders over the next two years.
- Reviewed and improved the HSE management system at Qatar Electricity and Water Company (QEWC).
- Completed the review of related safety procedures in five (5) petrol stations, and then prepared and submitted the investigation report with HSE improvement recommendations;
- Developed an Emergency/Crisis Management Master Resource list/database;
- Launched the 24-hour hotline for reporting of major HSE incidents across the oil & gas sector;
- Inspected 35 healthcare facilities.

HSE Business Strategies

- Initiated the implementation of flare reduction awareness programs via workshops and formation of zonal technical workgroups in partnership with the World Bank’s Global Gas Flaring Reduction (GGFR) public-private partnership, which recorded a significant reduction in flare volumes from 2009 levels in coordination with other relevant national parties;
- Developed the proposed flare regulations for review and endorsement by concerned parties;
- Initiated stakeholder engagement process by interacting with oil & gas industries on HSE-related programs, workshops, forums and road shows on DO activities in order to further the cause of HSE and improve HSE outcomes;
- Engaged with various national, regional, and international HSE organizations in order to develop HSE strategies with the appropriate context;
- Developed a climate change strategy for the oil & gas sector as well as devised long-range plans to assist petroleum operators in coping with the new Climate Change Architecture;
- Hosted various workshops related to HSE in order to promote capacity building, knowledge sharing and the adoption of HSE best practices across the oil & gas sector.

The HSE Regulations & Enforcement Directorate will continue to build upon the above achievements and will maintain a strong vigilance on HSE risks across the oil & gas sector.

Information and Communication Technology

QP effectively utilizes its information and communication technology systems and services to achieve its objectives. From the creation of sub-surface geological and reservoir models to oil and gas production monitoring, all the way to the control of distribution, financial and administrative systems, the Corporate ICT Department is performing an increasingly strategic and critical role within QP.

The ICT Department has worked diligently to optimally manage the corporation’s IT resources and assets in light of the dramatic growth that QP has undergone over the last several years. This has resulted in significantly higher ICT expenditures in support of strategically aligned business needs, numerous new and larger-scale projects as well as controlled staff increases.

In 2010, the department undertook a comprehensive reorganisation to better serve its internal QP clients and the increasing number of QP subsidiaries and joint venture external clients. Further emphasis was also placed on strengthening customer communication channels, facilitating e-Mindset initiatives and implementing continuous improvement leading towards operational excellence.

The past year also saw increased investments made in infrastructure consolidation and resilience, including the establishment of an interim disaster recovery site to ensure reliable and highly available systems and services for the corporation’s customers and partners.

The ICT Department’s ongoing efforts to better align itself with QP’s strategic goals and its work to improve operational excellence have been positively reflected in high customer satisfaction rates. In the 2010 ICT Customer Satisfaction Survey, the department achieved a 25% fully-satisfied rating and a 66% satisfied rating, for a 91% overall satisfaction rating.

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

Business Projects

- SAP

QP uses the market-leading SAP Enterprise Resource Planning (ERP) system to manage most functions, ranging from HR and financial systems to plant maintenance and oil & gas sales and distribution. The ICT Department has successfully engaged with the business to improve the corporation’s processes by making effective and appropriate use of SAP to retire stand-alone legacy systems, automate manual processes, and significantly improve productivity.

As a result of the successful SAP Phase 1 and 2 major projects that achieved improved business processes, there has been an increase in business requirements for ERP-based integrated solutions. To address this demand, the ICT Department has initiated active planning and preparation for SAP Phase 3 consisting of a consolidated program for various business areas, including Administration and Finance, Operations and Logistics, and Business Intelligence reporting. This will lead to many benefits, such as end-to-end integrated Supplier Relationship Management, enhanced e-learning facilities and strategic and operational reporting self-service functions. SAP Phase 3 has been endorsed by all stakeholders for their specific requirements and is currently under consideration for corporate approval.
Port Management Information System

A new Port Management Information System is currently being implemented to address QP’s port management strategic requirements. The system consolidates all related information for each port into a centralized repository while allowing each port to separately manage its port activities to utilize common resources, infrastructure and functionalities. The system further provides a sophisticated workflow to coordinate and effectively integrate port operations, agency services, cargo applications, port state control and port inspection activities.

Technology Initiatives

- Virtual Computing
  By utilizing state-of-the-art virtualization technology, the Corporate ICT Department can improve the business benefits of IT investments by leveraging high availability, agility, and scalability to better serve and secure organizational information assets. The virtualized platform offers additional benefits and financial savings, including reduction of infrastructure costs, simplification of back-end setup, and streamlined provision of corporate-wide IT-enabled initiatives and related services.

- Information, Anytime, Anywhere, Any Device
  Strong demand from company executives on the move throughout the globe led to the introduction of major enhancements to remote access services to provide seamless and secure access to important QP data from multiple devices, including tablets and smartphones. This initiative was successfully completed in 2010, and positive user feedback from senior management proved this technology investment’s value. Various services can now be remotely accessed in a safe and secure manner, including email, critical business systems, the Intranet as well as files stored on the QP network.

With a solid, industry-standard technology platform and strategic business-aligned, IT-enabled solutions, the Corporate ICT Department is fully capable of meeting QP’s rapidly increasing information and communication technology needs.

Information and Communication Technology

Technical Directorate

The Technical Directorate has been at the forefront of project activities in Qatar, managing and implementing capital projects for QP’s core business, major infrastructure projects for joint venture developments, and state infrastructure projects. The Technical Directorate has continued to pursue its mission to provide innovative solutions that consistently surpass customer expectations, with due regard to safety, environment, health, synergy and human capital development. The main objective remains to be the successful execution of all Capital Projects in accordance with their scope, schedule and agreed budget.

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’s Technical Directorate as well as a significant increase in the number of its customers.

Overall life cycle budget value for the 235 projects implemented by the Technical Directorate in year 2010 was worth up to QR 81 billion. Approved engineering budget for the directorate in 2010 was QR 8.6 billion, whereas the total expenditure recorded was QR 9.7 billion against the planned value of QR 10.1 billion. This shows that project performance was 96% against the planned budget and around 113% against the approved budget.

Achievements Overview

For all projects executed by the Technical Directorate in 2009-2010, project deliverables (e.g. gas, cooling water, state infrastructure, etc.) were handed over to project customers on schedule as per end-users’ needs. Some of the important projects handled by the Technical Directorate during the reporting period are listed below:

Oil & Gas-Related Mega Infrastructure Projects

Ras Laffan Port Expansion Project
This major project involves engineering and construction to expand by a factor of 5 the existing Ras Laffan Port, thus allowing it to handle up to 77 million tonnes per year (mmt/a) of LNG and other liquid products by year 2011. This landmark project involves massive dredging and reclamation works and the construction of a 21-kilometer breakwater as well as berths and 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 water to key customers (e.g. Q-Power, RasGas, QatarGas, IPP-3, Pearl GTL and Barzan) within Ras Laffan Industrial City.

Infrastructure Projects

Supporting Qatar’s Construction Industry

- Gabbro Berth Expansion (Package ‘1) at Mesaieed
- Container Terminal (Berth ‘1) at Mesaieed Port
- Design & Construction of QP’s Central Office Building and Refinery Administration Buildings at Mesaieed
- Central Office Building - Mesaieed (Block A to E with Total Area of 65,625 M2)
- Refinery Administration Building (Total Area of 22,310 M2)
- Smokeless Flare and Automatic Blow Down System with New Central Room at FSP
Oil & Gas Offshore Projects

Three Wellhead Platforms
This major offshore project involves engineering, procurement and installation of three new wellhead jackets in Bul Hanine (BH) field and associated pipelines and umbilicals in Maydan Mahzam (MM) and BH fields. The scope also includes hook-up and modifications on 23 existing platforms.

Study for Global Re-Assessment of Offshore Structures in MM and BH Fields

Umbrella Consultancy Contracts for Feasibility Studies and concept Optimization
This aims to reduce project cycle time, leading to better planning and cost reduction.

Pipeline Integrity Review of Selected Offshore Pipelines
The INJAZ Project, which was initiated by the Technical Directorate in 2007 to develop a directorate-wide Project Management System, is scheduled to be completed by March 2011.

Significant cost savings were achieved during 2009-2010 in the area of materials management 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; and
- Review and optimization of user group materials requirements and substitutions.

Technical Directorate

Dukhan Operations

Main Activities at Dukhan
Dukhan is a large oil and gas field extending over an area of approximately 60 kilometers by 8 kilometers and is located about 80 kilometers to the west of Doha. Dukhan Field comprises three sectors from north to south – Khatiyah, Fahahil and Jaleha/Diyah.

Oil and gas produced from the field is separated in four main degassing stations, which are continuously manned. These are Khatiyah North, Khatiyah Main, Fahahil Main and Jaleha. There are also unmanned satellite stations called Fahahil North and Fahahil South, while another satellite station, Khatiyah South, is now a manned station. The Diyah satellite station at the south end of the field has no processing facilities, so the oil produced from there is sent to Jaleha station for processing. Stabilised crude oil is then transported through pipeline to the Mesaieed port, which is about 100 kilometers east of Dukhan.

Dukhan Field has facilities for producing up to 335,000 barrels of oil 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, facilities for the injection of North Field gas into the 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 and Uwainat for pressure maintenance are also operated on a continuous basis in Dukhan.

Dukhan Field has a total of 194 oil-producing wells, 197 water-injection wells and 57 gas-producing and gas-injection wells. According to the latest well status, the total number of wells in Dukhan is 631, and this includes all production, injection, observation, closed-in and abandoned wells.

Dukhan operation has storage and export facilities at Mesaieed Terminal. The terminal and export department receives, stores, schedules and exports crude oil and naphtha.

The production support activities comprise facilities for potable water distribution, a power station, workshop facilities and a communication network covering the Dukhan Field.

In addition to the above production/process facilities, various housing and recreational facilities are available in Dukhan, with clubs, catering and security services also provided to Dukhan residents.

Marketing and Development Plans
The main products for export from the Dukhan Field are crude oil, condensate, NGL and stripped associated gas.

Future plans for facilities expansion include an acid gas recovery plant, produced water re-injection facilities, drilling of new wells and abandonment of old wells.

Many major civil infrastructure development projects are currently being implemented in the area, including the relocation of industrial facilities outside of Dukhan as well as the construction of the Dukhan-5km Bab-Salwa road, a new sewage treatment plant, Dukhan housing projects, and other civil projects.

Future Expansion Plans
A major project for an acid gas removal plant that would supply sweet gas to Dukhan consumers is being planned for Dukhan by year 2011. The project has been awarded to Petrofac, which is based in Sharjah, United Arab Emirates. Detailed engineering and procurement are now in progress.

PWI Phase VII will increase the capacity of PWI PS.3 and PWI PS.6 to 120,000 b/d and 150,000 b/d, respectively.

A sweet fuel gas project will supply NF sweet gas as fuel to all Dukhan consumers.

There will be also the implementation of phase II of the Dukhan Physical Development Plan (DPDP) projects comprising Phase IX and Phase X, Dukhan Housing Projects, Civic Building and supporting infrastructure, utilities and services within the Dukhan township.
Historical Background on Dukhan Field Development

The development of the Dukhan Field has taken place in various stages. The first well was drilled in 1939-1940, confirming the presence of commercial quantities of oil in the area. Further work was suspended due to World War II. The development of the Khuffah sector then began in 1947, and the first shipment of oil from the Dukhan Field was exported from the Mesaieed port on 31st December 1949.

The development of the two other sectors, Fahahil and Jaleha/Diyab, in Dukhan was carried out in stages starting with Fahahil in 1954 and Jaleha in 1955. The 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, the Fahahil stripping plant was commissioned to recover raw NGL from associated gas. In 1976 the first development well in the 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 in 1989, with the last phase eventually completed in 1998.

The pressurization of the Khuff reservoir with surplus North Field gas began in 1992 with the commissioning of a compressor station in the Fahahil area. The Arab D gas cap recycling plant, which processes 800 million standard cubic feet per day (mmscf/d) of Arab D Cap Gas and recovers 38,000 b/d of stabilized condensate and 750 tonnes 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 already been commissioned. A gas lift system to artificially lift the oil for enhancing production and increasing ultimate recovery from the field has likewise been implemented.

Major Achievements up to 2010

| 1. Drilling of first well in Dukhan | 1939/40 |
| 2. Shipment of first crude oil from Dukhan | 1949 |
| 3. Discovery of non-associated gas in the Khuff reservoir | 1959/60 |
| 4. Commencement of power water injection in Dukhan reservoirs for pressure maintenance | 1989 |
| 5. Commissioning of Arab D gas recycling plant to recover condensate and NGL from Arab D reservoir gas cap | 1998 |
| 6. Commissioning of NGL+DKADU to recover 5600 t/d NGL from Arab D Cap Gas | 2003 |
| 7. Commissioning of the gas lift project | 2003 |
| 9. Completion of the central office building for Dukhan operations | 2005 |
| 10. Establishment of a new department of Well Integrity to ensure safe operation of oil and gas wells | 2009 |
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 square kilometers, which is equivalent to about half the land area of the State of Qatar.

The North Field is considered to be the largest single non-associated 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

The first commercial exploration of the North Field gas resource started in late 1991 with initial gas production from the North Field Phase 1 Alpha project (NFA). QP Gas Operations under the Operations Directorate is responsible for operating the NFA.

NFA is an offshore complex comprising of two wellhead platforms and a platform each for riser treatment, utilities, flare and living quarters. NFA gas and unstabilized condensate are transported to the NGL Complex at Mesaieed for further processing and value-addition through separate gas and liquid pipelines. In addition, associated gas from Al-Shaheen offshore crude oil fields and surplus raw gas from Qatargas/RasGas LNG complexes at Ras Laffan are also transferred for processing at Mesaieed through the same 210-kilometer-long pipeline. NFA also supplies its surplus electrical power to Al-Morjan offshore oil fields through a sub-sea power cable.

In 2010, average NFA production was 763 mmscf/d of gas and 30,400 b/d of field condensate.

During a performance test conducted in 2010, it was observed that enhanced production was not achievable even after the full opening of choke valves. The project for enhancing existing choke valve capacity was initiated with the replacement of choke valves trim for two wells during the 2010 shutdown, resulting in increased production in each well. There is a plan to implement the choke valve trim replacement for the rest of 13 wells progressively. Additionally, the preliminary study of a long-term solution for enhancing the production plateau of NFA continued in 2010.

Khuff Facilities

Khuff gas is non-associated gas produced from onshore Khuff reservoirs in the Dukhan area. At present, there are eight wellhead treatment plants with a total production capacity of 600 mmscf/d. Khuff gas facilities are operated mainly as back-up during gas supply shortages. Up to 30 mmcf/d of Khuff gas was produced in 2010.
The following is a summary of exploration and appraisal activities and achievements in 2010:

The ARK 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 (ARK-1) was awarded in March 2003 and the first commercial gas was delivered on 2nd November 2005. This phase is now supplying 744 mmstdcfd of sales gas to Ras Laffan Power Company Ltd., Orascom, OPL, Power, Laffan Refinery, Ras Laffan Olfins Company and to other industries in the Mesaieed area.

QP has installed a new 36-inch lean gas pipeline with a designed capacity of 1.0 bscfd to supply the Mesaieed industrial area with 240 mmstdcfd initially.

Phase-II development (ARK-2) has a nominal design capacity of 1,250 mmstdcfd for supplying gas to local industries and power generation plants. The front end engineering and design (FEED) for ARK-2 onshore facilities was completed by Chiyoda and the contract for engineering, procurement, construction and commissioning (EPC) was awarded in June 2006. ARK-2 started up on the third quarter of 2009. In 2010, ARK-1 and ARK-2's combined average production was 1,787 mmstdcfd of gas and 61,000 bbl/d of condensate. Total annual production in 2010 was 653 bscf and 22.2 million barrels of condensate.

RsGas is the operator of all ARK facilities.

Barzan Gas Project

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

A joint venture (JV) company has been established with ExxonMobil holding 7% and QP holding 93% equity. The onshore plant of the project will be situated in Ras Laffan Industrial City to the west of the Pearl GTL site.

Appraisal drilling has already commenced. Three offshore jackets were installed in the fourth quarter of 2009. The offshore topside and pipeline FEED was awarded to McDermott and was completed in the first quarter of 2009. The onshore FEED was completed by Chiyoda in the third quarter of 2010. Both offshore and onshore EPCs are expected to be awarded in early 2011. RasGas will manage the development up to the end of project phase and it will then be responsible for operating the facility. Start-up of Train-1 is targeted for the third quarter of 2014 and Train-2 in the second quarter of 2015.

Exploration and PSA Oil Development Activities

Exploration / Appraisal Activities

QP continues to adopt the policy of further increasing Qatar’s hydrocarbon resources by intensifying the exploration and appraisal activities to cover exploration and PSA Oil Development Activities

Exploration Activities in Blocks under PSA and Open Areas

The following is a summary of exploration and appraisal activities and achievements in 2010:

- Block “D” Pre-Khuff (Shell and PetroChina): The EPSA was signed on 15th May 2010. The Emiri Decree ratifying this EPSA is expected to be issued on 14th February 2011 to effectively commence the exploration activities in the block.

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

<table>
<thead>
<tr>
<th>Block</th>
<th>Operator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Block-3</td>
<td>Winterhall Consortium</td>
</tr>
<tr>
<td>Block-4</td>
<td>GDF Suez Block-4 (Qatar) Company</td>
</tr>
<tr>
<td>Block-4 North</td>
<td>Winterhall Holding AG</td>
</tr>
<tr>
<td>Block-11</td>
<td>(Re relinquished in mid-2010) Winterhall Holding AG</td>
</tr>
<tr>
<td>Block BC</td>
<td>CNOC Middle East</td>
</tr>
</tbody>
</table>

- Exploration Areas under Bidding: Block “A” 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. Also, post appraisal study for Block-11 is ongoing to evaluate the exploration results and assess the remaining hydrocarbon potential. The NR Structure Assessment Study was successfully completed.

- Exploration Activities in Blocks under PSA and Open Areas

- Exploration Activities in Blocks under PSA and Open Areas

- Exploration Areas under Bidding: Block “A” 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. Also, post appraisal study for Block-11 is ongoing to evaluate the exploration results and assess the remaining hydrocarbon potential. The NR Structure Assessment Study was successfully completed.

- Exploration Areas under Bidding: Block “A” 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. Also, post appraisal study for Block-11 is ongoing to evaluate the exploration results and assess the remaining hydrocarbon potential. The NR Structure Assessment Study was successfully completed.

- EPSA/PSA Production Fields Activities

The following offshore fields under seven PSAs are currently in various stages of development by the following companies:

<table>
<thead>
<tr>
<th>Field</th>
<th>Operator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Al Shaheen</td>
<td>Maersk Oil Qatar</td>
</tr>
<tr>
<td>Al Rayyan</td>
<td>Occidental Qatar Energy Company</td>
</tr>
<tr>
<td>Al Khalid</td>
<td>Total E&amp;P Qatar Ltd</td>
</tr>
<tr>
<td>Idd El Shargi North Dome</td>
<td>Occidental Petroleum of Qatar Ltd</td>
</tr>
<tr>
<td>Idd El Shargi South Dome</td>
<td>Occidental Petroleum of Qatar Ltd</td>
</tr>
<tr>
<td>Al Kurkara &amp; A-Structures</td>
<td>Qatar Petroleum Development Company</td>
</tr>
<tr>
<td>El Bunduq</td>
<td>Bunduq Company Ltd</td>
</tr>
</tbody>
</table>

- Al Shaheen Field (Maersk Oil Qatar): The implementation of the approved 2005 Field Development Plan (FDP) continued throughout 2010, initially with two drilling rigs in operation and four rigs towards the end of the year. A total of 23 wells were drilled during the year, bringing the total number of wells drilled to 152 out of the planned 169 wells under FDP 2005. The installation of new jackets, pipelines and cables as part of FDP 2005 continued in 2010.

- Average annual production for the year 2010 stood at 307,300 b/d, which was approximately 3% more than the 2009 production output. The increase was due to the installation of new surface facilities as well as the hook up and commissioning during 2010. Water injection increased from 540,000 b/d in 2009 to 640,000 b/d in 2010 as a result of the commissioning of new water injection facilities. A total of 113.1 million barrels of oil were produced from Al Shaheen in 2010, bringing the total oil produced from the field to 1,652 billion barrels at the end of 2010.

- By utilizing the produced gas, pilot low pressure (LP) gas injection was carried out in 15 wells in Kharab and Shuaiba reservoirs for pressure support and to determine its effectiveness in increasing oil recovery.

- 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 new FDP was submitted and approved in 2010. The scope of the FDP entails the drilling/ re-drilling of seven new wells with facility upgrades and capacity expansion.

- Two wells were drilled in 2010 as part of the new FDP, while field activities have continued to focus on monitoring and improving operational efficiencies to sustain production through maintenance and ESP change-out workovers.
**Crude Oil and Natural Gas**

Al Khalij Field (Total E&P Qatar Ltd.): The drilling of infill development wells in addition to the workover of some pending wells was conducted in 2010 in parallel with various geosciences and reservoir studies. Also, a plan for increasing water handling capacity through de-bottlenecking of the process platform PP1 was completed.

Average annual production for the year 2010 stood at 29,000 b/d, and average water injection reached about 190,000 b/d. A total of 10.4 million barrels of oil was produced from Al Khalij in 2010, bringing the total oil produced from this field to 156.8 million barrels at the end of 2010.

Idd El Shargi North Dome (Occidental Petroleum of Qatar Ltd.): Rig activities continued during 2010 to conclude the drilling of the 66 wells proposed in the Phase III Development Plan. Installation work for the 26” pipeline between PS-1K and IS-25 platform was completed, and a total of 10 post-Phase III well projects were also implemented in 2010, including one well conversion to ESP artificial lift.

Phase IV FDP had been submitted and is currently under review. The scope entails drilling 30 new wells, 15 capital workovers, two minimum facilities platforms (MFPs), a fourth power generator and the de-bottlenecking of the water handling/disposal systems at PS1 and Halul Island.

Idd El Shargi South Dome (Occidental Petroleum of Qatar Ltd.): The installation of the new 12” pipeline, as a replacement for the 18” main oil line, was carried out in 2010. The tie-in of the pipeline and commissioning works will be implemented in 2011.

A new phased full FDP was proposed and reviewed. Phases 1 and 2 each consist of the installation of a minimum facilities platform for the drilling of four and five wells, respectively. The remaining Phases 3-5 entail the installation of two large wellhead jackets, and implementation will be decided based on the results of Phases 1 and 2. Prior seismic data reprocessing will also be carried out to better guide the planning and drilling of the wells.

Al Karkara & A-Structures (Qatar Petroleum Development Company): All three stages of Al Karkara and A-North Full FDP were completed. In 2010, average production was 6,230 b/d and net yearly production was 2.274 million barrels. By end of 2010, total field cumulative oil production was 10.554 million barrels.

The full FDP for A-South structure was approved in 2007 and is currently being executed. A-South drilling commenced in early 2010 and the field is anticipated to come into production in 2011.

The 2010 crude oil production output from QP-operated and EPSA / DPSA fields is shown below:

**Drilling Department**

The Drilling Operations for Offshore Fields (Maydan Mahzam and Bul Hanine) and Onshore Field (Dukhan) continued its activities in drilling and workover operations in year 2010 using best industry practices in an economical, safe and environmentally friendly manner. Drilling operations and all related services were conducted in accordance with ISO 9001 and ISO 14001.

**Offshore Fields: Maydan Mahzam and Bul Hanine**

The offshore drilling rig count was three until February 2010 when Rig Gulf-2 was released from operations, and the total rig count remained at two for the rest of the year.

The main activities and accomplishments were as follows:

- Drilling of six new development wells
- Drilling of two new Khuff gas appraisal wells, with production tests successfully completed
- Workover and reactivation of six old wells
- Routine maintenance on offshore wells as per the yearly plan

**Onshore Fields: Dukhan**

The onshore drilling rigs count remained at four and the main activities were as follows:

- Completed drilling of 25 new development wells;
- Workover and reactivation of 26 old wells;
- Plugging and abandonment of one well
LNG

Qatargas Operating Company Ltd.

Qatargas Operating Company Ltd. was formed to operate the LNG processing, storage and loading facilities owned by Qatargas 1, Qatargas 2, Qatargas 3 and Qatargas 4 as well as the condensate refinery owned by Laffan Refinery.

The various expansions projects under Qatargas Operating Company Ltd. made considerable progress in 2010 towards achieving Qatar’s vision to export 77 mmt/a of LNG.

Current Operations

Qatargas 1:

Qatargas 1 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 was made in October 1996 to a customer in Japan. The shareholders of Qatargas 1 are OP (65%), ExxonMobil (10%), Total (10%), Mitsui (7.5%) and Marubeni (7.5%).

Qatargas 1 consists of three LNG trains (Trains 1, 2, and 3) 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 portfolio of customers also includes European customers, apart from Japanese firms.

In 2010, Qatargas 1 produced 9.8 mmt of LNG, while the total condensate production was 17.8 million barrels. A total of 166 LNG cargoes were delivered by Qatargas 1 in 2010. The year 2010 was completed without any Lost Time Accident (LTA) both offshore and onshore. Offshore and onshore operations have now completed over eight and seven 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 have ever been built in the whole world. Train 4 and Train 5 started production in March and September 2009, respectively. The shareholders of Train 4 are OP (70%) and ExxonMobil (30%), while for Train 5, Total holds a 16.7% stake, in addition to OP’s 65% and ExxonMobil’s 18.3%.

Qatargas 2 is the world’s first fully integrated value chain LNG venture. In addition to LNG, Qatargas 2 also produces 650,000 t/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 whose capacities range from 210,000 cubic metres to 266,000 cubic metres, respectively. A receiving terminal was also constructed as part of the Qatargas 2 project.

The main destination for the LNG produced by Qatargas 2 is the specially built South Hook terminal, which is located in the deep-water port of Milford Haven, Wales, in the UK. There, the LNG is regasified and fed into the UK’s national grid.

In 2010, Qatargas 2 produced 14.7 mmt of LNG, 36.9 million barrels of condensate and 1.4 mmt of LPG, and it delivered a total of 135 LNG cargoes.

Qatargas 3:

Qatargas 3 is a joint venture of OP (68.5%), 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 are used to transport the LNG to international markets, primarily in Asia and the United States.

Train 6 was safely started up and the first LNG was produced in November 2010. In 2010, Qatargas 3 produced 0.7 mmt of LNG, 2.5 million barrels of condensate and 0.1 mmt of LPG, and it successfully delivered one LNG cargo.

Qatargas 4:

Qatargas 4, a joint venture between OP (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. The engineering and EPC of both trains will also be integrated.

With a dedicated fleet of eight Q-Flex and Q-Max LNG carriers, the primary markets for Qatargas 4 will be Asia, North America and Europe. Production is expected to commence in February 2011.

LNG

RasGas Company Ltd.

RasGas Company Ltd. (RasGas) is a Qatari joint stock company established in 1993 by OP and ExxonMobil (with 70% and 30% shareholdings, respectively). It is also an affiliate of ExxonMobil. It has become one of the most successful global energy suppliers.

RasGas oversees and manages all the operations associated with seven LNG trains, two sales gas production facilities, helium production facilities, as well as major shipping contracts and global commercial partnerships. The company has developed world-class offshore and onshore facilities for the extraction, processing and storage of gas from Qatar’s North Field, with the primary end-products being LNG for overseas export, for which it has a total production capacity of approximately 37 mmt/a, and sales gas for the local market with a total production capacity of approximately 2,000 scfd.

The company is currently adding to its production capacity by building two new facilities—the Qatar Helium 2 project, which is designed to produce approximately 17.3 tonnes per day of pure helium, and the Barzan Gas Project, which is designed to supply approximately 1.8 bcm/d of sales gas to the local Qatar market. The latter will also supply ethane to the local petrochemicals industries and produce liquid hydrocarbons for sale in the local and international markets.

RasGas has long-term agreements to supply LNG to customers in South Korea, India, Italy, Spain, Taiwan, Belgium and the Americas. It employs more than 3,000 staff and acts as the operating and project development company for and on behalf of the following:

1. Ras Laffan Liquefied Natural Gas Company Ltd. - (RL)

The first of the RasGas family of companies, RL was established in 1993 to produce 3.3 mmt/a of LNG from each of its LNG trains 1 and 2 as well as liquids and other related products.

2. Ras Laffan Liquefied Natural Gas Company Ltd. (II) - (RL(II)

RL (II) was established in 2001 to produce 4.7 mmt/a of LNG from each of its Trains 3, 4 and 5 as well as liquids and other related products.

3. Ras Laffan Liquefied Natural Gas Company Ltd. (III) - (RL(III)

RL(III) was established in 2005 to produce 7.8 mmt/a of LNG from each of Trains 6 and 7 as well as liquids and other related products. Train 6 became operational in 2009, while Train 7 came on stream in early 2010.

4. Ras Laffan Helium

This was established in 2003 to extract, purify and liquefy helium resources from the North Field. The first plant, Ras Laffan Helium 1, has a production capacity of approximately 9.2 tonnes per day of pure helium. It started production in August 2005 and develops resources on behalf of the owners of RL, RL(II), and Qatargas 1 gas streams. The second plant, Ras Laffan Helium 2, is scheduled to start production in 2013 and it will have a production capacity of approximately 17.3 tonnes per day of pure helium, which will be shared with other users in Ras Laffan Industrial City.

RasGas Company Ltd.

RasGas Company Ltd. (RasGas) is a Qatari joint stock company established in 1993 by OP and ExxonMobil (with 70% and 30% shareholdings, respectively). It is also an affiliate of ExxonMobil. It has become one of the most successful global energy suppliers.

RasGas oversees and manages all the operations associated with seven LNG trains, two sales gas production facilities, helium production facilities, as well as major shipping contracts and global commercial partnerships. The company has developed world-class offshore and onshore facilities for the extraction, processing and storage of gas from Qatar’s North Field, with the primary end-products being LNG for overseas export, for which it has a total production capacity of approximately 37 mmt/a, and sales gas for the local market with a total production capacity of approximately 2,000 scfd.

The company is currently adding to its production capacity by building two new facilities—the Qatar Helium 2 project, which is designed to produce approximately 17.3 tonnes per day of pure helium, and the Barzan Gas Project, which is designed to supply approximately 1.8 bcm/d of sales gas to the local Qatar market. The latter will also supply ethane to the local petrochemicals industries and produce liquid hydrocarbons for sale in the local and international markets.

RasGas has long-term agreements to supply LNG to customers in South Korea, India, Italy, Spain, Taiwan, Belgium and the Americas. It employs more than 3,000 staff and acts as the operating and project development company for and on behalf of the following:

1. Ras Laffan Liquefied Natural Gas Company Ltd. - (RL)

The first of the RasGas family of companies, RL was established in 1993 to produce 3.3 mmt/a of LNG from each of its LNG trains 1 and 2 as well as liquids and other related products.

2. Ras Laffan Liquefied Natural Gas Company Ltd. (II) - (RL(II)

RL (II) was established in 2001 to produce 4.7 mmt/a of LNG from each of its Trains 3, 4 and 5 as well as liquids and other related products.

3. Ras Laffan Liquefied Natural Gas Company Ltd. (III) - (RL(III)

RL(III) was established in 2005 to produce 7.8 mmt/a of LNG from each of Trains 6 and 7 as well as liquids and other related products. Train 6 became operational in 2009, while Train 7 came on stream in early 2010.

4. Ras Laffan Helium

This was established in 2003 to extract, purify and liquefy helium resources from the North Field. The first plant, Ras Laffan Helium 1, has a production capacity of approximately 9.2 tonnes per day of pure helium. It started production in August 2005 and develops resources on behalf of the owners of RL, RL(II), and Qatargas 1 gas streams. The second plant, Ras Laffan Helium 2, is scheduled to start production in 2013 and it will have a production capacity of approximately 17.3 tonnes per day of pure helium, which will be shared with other users in Ras Laffan Industrial City.
Pipelines

Dolphin Project

The Dolphin Project entails the development of reserves from the North Field for the production of wellhead gas sufficient to export 2.0 bscf/d of 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 then 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 with 51% interest and Total of France and Occidental Petroleum of the USA, holding 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 of Japan on 12th January 2004.

The delivery of export gas from the first stream commenced in the third quarter of 2007; the second stream began in February 2008, and full lean gas export to the UAE has been continuing steadily since then. In 2010, the average production was 2,319 bscf/d of gas and 96,000 b/d of condensate.

NGL and Local Gas

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 natural gas liquids (NGL) processing, local transmission and distribution as well as export of liquefied petroleum gas (LPG) and condensates.

Key Operational Objectives of Gas Operations

- Operate the plants with the highest possible levels of personnel and plant safety while meeting all HSE regulations and guidelines of QP and the State of Qatar.
- Optimize the processing of various feed streams so as to maximize plant utilization and consequently maximize State revenues and income.
- Meet the fuel gas demands of State power plants.
- Meet the export targets for LPG and NGL condensate.
- Meet the fuel gas/feedback requirements of local industries.
- 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 Gas Operations

- North Field Alpha – offshore gas production in Qatar’s North Field
- Khuff Facilities – on-shore gas production in Dukhan
- North Field Injection Station (NFIS) – gas rejection facilities at Fafahil, Dukhan
- NGL Complex – gas processing plants in Mesaieed
- LPG and condensate storage tanks in Mesaieed
- NGL jetty in Mesaieed for exporting LPG and condensates
- Transmission and distribution pipeline network throughout the State of Qatar for distributing various hydrocarbon gases and liquids within the country

NGL Complex

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

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

The 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 Fafahil stripping plant and gas recycling plants in Dukhan
- LPG/oligomers by-product streams from Mesaieed area industries – QP Refinery, QAPCO, Q-Chem and QAFAC
**2010 Highlights for Gas Operations:**

- **Production Highlights:** 117 thousand barrels per day (mbd) of LPG + condensates, 694 million standard cubic feet per day (mmscfd) of North Field lean gas, 98 mmscfd of offshore stripped associated gas (OFFSAG), 4,572 million tons per day (mtd) of ethane rich gas (ERG) and 173 mtd of sulfur.

- **Exports and Local Deliveries Highlights:** 84 mbd of LPG + condensate exported, fuel/feedstock (C1) supplied @ 701 mmscfd to State power plants (Ras Qirtas, MPower, RAF, Satellite) and @ 829 mmscfd to local industries. Local deliveries of butane to QAFAC (1,021 mbd), ERG to Q-Chem/QAPCO, sulfur to QAPCO (173 mtd), ethane to RLOC (46 mmscfd), ethane to QAPCO EP-2 (24 mmscfd), SAG to QAPCO ERU (176 mmscfd) and electricity to Al Murjan (6.4 MW).

- **Raw NGL yield at NGL-2 stripping plant was improved by blending NGL condensate in the feed stream. ALS gas recycling was implemented at NFA to improve condensate yield.**

- **Ethane distribution network was commissioned with ethane receipts from DEL and ANG in Ras Laffan and delivering the same to RLOC in Ras Laffan and QAPCO-EP-2 in Mesaieed. Ethylene supplies commenced from QG-2, Qatar Shell GTL, QG-2, QAPCO-5, GCC, SAMI, etc. Third-party pipeline operations services are being provided to QATEX, Q-Chem, Qatofin and RLOC.**

All Gas Operations plants and facilities are fully compliant with the Consent-to-Operate conditions of Qatar’s Ministry of Environment. EMS implementation (ISO 14001) in Gas Operations is ongoing. Safety & Health Risk Assessment and Risk Registers completed for plants and facilities towards implementation of Occupational Health and Safety Assessment Series (OHSAS 18001).

---

**QP Refinery**

The QP Refinery started as a small topping plant in 1958 and 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. It has provided added value to the country’s natural wealth, improved the refining economics in the State, and provided citizens with the necessary expertise in the areas of management, operations, engineering, maintenance and marketing.

**Year 2010 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 demands. The main finished products are liquefied petroleum gas (LPG), petrochemical naphtha, premium gasoline, super gasoline, jet fuel, diesel, decant oil and fuel oil.

The planned intakes and processing capacities for 2010, in barrels per stream day (bps/d), were as follows:

<table>
<thead>
<tr>
<th>Feed</th>
<th>Design</th>
<th>Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crude</td>
<td>80,000</td>
<td>80,000</td>
</tr>
<tr>
<td>NFC</td>
<td>26,000</td>
<td>24,500 (based on feedstock availability)</td>
</tr>
<tr>
<td>DSC</td>
<td>31,000</td>
<td>26,000 (based on feedstock availability)</td>
</tr>
<tr>
<td>Total</td>
<td>137,000</td>
<td>131,500</td>
</tr>
</tbody>
</table>

The total refined products exported during the year amounted to 1,924,448 metric tons against the planned export volume of 1,818,370 metric tons. The refinery imported 466,181 metric tons of liquefied gas oil (LGO) and 148,956 metric tons of Jet A-1 to meet the high increase in local demand.
Marketing of Refinery Products

The marketing and other commercial aspects of refinery products sales are being undertaken by Qatar International Petroleum Marketing Company Ltd. (Tasweeq), working in close coordination with the 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 international customers for the company’s products are Glencore, Mercuria, FAL Oil, Bakri Trading Company, Enoc Supply & Trading, Total Oil Trading SA (TOTSA) and Marubeni. The QP Refinery also supplies refined products locally to WOQOD, SEEF, QAFAC, QAPCO and NGL.

In 2010, countries in the Arabian Gulf were the major destinations for gasoline, DCO, SRFO and Jet A-1, while naphtha was exported to petrochemical plants in Japan as well as in Singapore.

Refined Products Exports Destinations - 2010

- Japan - 42%
- UAE - 47%
- Singapore - 2%
- Oman - 1%
- Kuwait - 3%
- Yemen - 5%
- Other - 3%

Laffan Refinery

Laffan Refinery has a designed capacity of 146,000 b/d and was established to process condensate into refined products such as naphtha, jet fuel, gas oil, propane and butane.

The shareholders of Laffan Refinery are QP (51%), ExxonMobil (10%), Total (10%), Idemitsu (10%), Cosmo Oil (10%), Mitsui (4.5%) and Marubeni (4.5%).

In 2010, Laffan Refinery produced a total of 23.7 million barrels of naphtha, 17.7 million barrels of jet fuel, 8.8 million barrels of gas oil and 3.4 million barrels of LPG.

Oryx GTL

Oryx GTL Ltd. is a large-scale, gas-to-liquids (GTL) plant in Qatar, converting natural gas into high-quality GTL products (GTL diesel and GTL naphtha). The plant has been operating since April 2007 with a design capacity of 14.000 b/d. In 2010, the business has exceeded forecasts in the areas of safety performance, environmental compliance, production volumes, operating cost, Qatarization and net profit.

Marketing & Customers

Oryx GTL has already sold 2.96 million tons (24.83 million barrels) of premium GTL products to the market and has received a very positive feedback from its customers. Its premium GTL diesel (which has low sulfur, low aromatic and high cetane number) is being used as a diesel blending stock to produce low sulfur diesel mainly in Western Europe, while its GTL naphtha is utilized for the production of ethylene east of Suez. The company’s customers include oil company majors, steam-cracker owners and traders of these products.

Achievements in 2010

Oryx GTL achieved world-class safety performance for the year. It was awarded certification to ISO 17025 and it also received lab accreditation from the Dutch Accreditation Council. The company also achieved a significant improvement in the volume of saleable products, with the final average daily production in 2010 up to 7.6% higher compared to 2009. The plant likewise attained a maximum proven rate of around 32,500 b/d, including its LGP product. Positive progress was also made to improve the plant’s reliability, which will lead to further benefits in the coming years. The FT catalyst life also continued to perform significantly better than the budgeted plan for 2010, which resulted in a reduction in operating expenditures. In addition, Oryx GTL commenced in December 2010 the import of additional quantities of oxygen from Qasal from a purpose-built plant on the Oryx GTL site.

Future Expansion Plans

The focus for 2011 will be to further improve the reliability of the plant as well as to continue to increase average production volumes. In addition, Oryx GTL plans to boost production volume capacity through a debottlenecking project. In cooperation with Qasal, the additional oxygen output will support higher production in 2011.

Pearl GTL

In July 2004, a Development and Production Sharing Agreement (DPSA) was signed by QP and Qatar Shell GTL to develop the Pearl GTL project. Pearl GTL is an integrated project which will process about 1,600 mmscf/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 signed in late 2007 by Airbus, Qatar Airways, QP, Rolls Royce and Shell to investigate the fuel-related benefits of synthetic jet fuels in aviation turbine engines.

Drilling and completion activities on Pearl 1 and Pearl 2 were completed in the third quarter of 2009 and March 2010, respectively. The Pearl 1 topside was installed on 17th March 2010 and the platform achieved RFSU (Ready for Start-Up) status in December 2010, with Pearl GTL Asset then accepting the care, control and custody of the platform. The first gas from the Pearl 1 wellhead platform is expected in the first quarter of 2011. The first GTL production from Phase-1 is set to begin by the second quarter of 2011 and then from Phase-2 by the fourth quarter of the same year. The Pearl 2 topside was installed in November 2010 and offshore hook-up and pre-commissioning work is progressing. Hydrotreated Pearl 2 pipeline was completed in December 2010.

The development of the permanent organization to manage the completed GTL plant is progressing as planned to ensure that adequately qualified and trained staff will be available at plant startup.
Petrochemical Industries

Qatar Fertiliser Company (QAFCO)

Founded in 1969, Qatar Fertiliser Company (QAFCO) 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 by responding adequately to the rising global market demand for fertilizers. Through scientific strategic plans and the integration of the latest technologies steadily developed over the years, QAFCO has raised its production capacity to 3.8 mmt/a of ammonia and 3.5 mmt/a of urea. Accordingly, QAFCO has become one of the main producers and exporters of ammonia and urea in the whole world.

QAFCO’s Performance in 2010

In 2010, QAFCO posted record figures in the areas of production, sales and profits.

### 2010 Production & Exports

<table>
<thead>
<tr>
<th>Product</th>
<th>Production in Metric Tons</th>
<th>Exports in Metric Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ammonia</td>
<td>2,269,512</td>
<td>538,785</td>
</tr>
<tr>
<td>Urea</td>
<td>3,089,951</td>
<td>2,891,862</td>
</tr>
</tbody>
</table>

Ammonia markets: India was the main market with a 57% share, followed by Jordan (23%), South Africa (14%), and Morocco, Indonesia and South Korea (2% each).

Urea markets: Australia served as the primary market with a 19% share, followed by Thailand and the USA (14% each), Bangladesh (12%), South Africa (9%), South Korea and the Philippines (7% each), Brazil and Sri Lanka (4% each), Sudan (3%), New Zealand and Ethiopia (2% each), and the remaining quantities were delivered to different destinations.

Marketing

Some of the factors that have propelled QAFCO to its current leading position in the international fertilizer market include high-quality products, a strategic geographical location, efficient logistic facilities, and reliability in supply.

Deliveries have been made throughout the world, with India, Jordan, and South Africa of particular major importance in terms of QAFCO’s ammonia exports while Australia, Thailand, USA, Bangladesh, South Africa and the Far East dominate the company’s urea exports.

Quality, Environment and Safety

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

The company boasts two ISO management system certifications: ISO 9001: 2008 and ISO 14001: 2004, and it has also achieved certification to OHSAS 18001: 2007 standards. With these certifications, QAFCO enjoys the prestige of being a globally recognized manufacturer in the chemical process industry.

Future Prospects

QAFCO’s and QAFCO-6 Projects

Building on its successful business experience over the last four decades, and encouraged by the State of Qatar’s vast reserves of natural gas, QAFCO has taken upon itself the task of drawing up an ambitious future vision to ensure the continued development of the company. In this context, QAFCO started in 2007 the practical steps in executing the QAFCO-5 expansion project, which is expected to come on stream in late 2011, and in 2009, it also started the construction of the QAFCO-6 expansion project. The QAFCO-5 expansion project will raise the company’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 the distinction of being the world’s largest single-site producer after the inauguration of its fourth expansion (QAFCO-4) in April 2004. With the QAFCO-6 project, the company will increase its annual production capacity of urea to 5.6 mmt/a. Consequently, the project will further strengthen the company’s position as a key player in the global fertilizer market.

QAFCO-5 and QAFCO-6 Projects

Building on its successful business experience over the last four decades, and encouraged by the State of Qatar’s vast reserves of natural gas, QAFCO has taken upon itself the task of drawing up an ambitious future vision to ensure the continued development of the company. In this context, QAFCO started in 2007 the practical steps in executing the QAFCO-5 expansion project, which is expected to come on stream in late 2011, and in 2009, it also started the construction of the QAFCO-6 expansion project. The QAFCO-5 expansion project will raise the company’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 the distinction of being the world’s largest single-site producer after the inauguration of its fourth expansion (QAFCO-4) in April 2004. With the QAFCO-6 project, the company will increase its annual production capacity of urea to 5.6 mmt/a. Consequently, the project will further strengthen the company’s position as a key player in the global fertilizer market.
Qatar Fuel Additives Company (QAFAC)

Established in 1991, Qatar Fuel Additives Company (QAFAC) is a joint venture involving Industries Qatar (50%), OPIC Middle East Corporation (20%), International Octane L.L.C. (15%), and LCY Middle-East Corporation (15%). The company commenced operations in 1999 and it 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 a production capacity of 926,350 tons annually, of which 750,000 tons is earmarked for export. The balance is used as feedstock for the MTBE plant, which is designed to produce 610,000 tons annually.

Production

The year 2010 was yet another successful year for QAFAC. Total methanol production for the year reached 879,000 tons, and the methanol plant had recorded 552 days of continuous operation before it was shut down for scheduled maintenance. The MTBE plant also posted a commendable production figure of 513,000 tons in 2010. A re-HAZOP and QRA exercise was successfully completed to ensure better and safer operation of the MTBE plant. The de-bottlenecking and revamping study for both the methanol and MTBE plants will commence in 2011.

The 2010 scheduled maintenance turnaround was completed successfully without any lost time accident. Major items of equipment were involved in complex overhauls and modifications. After the successful completion of the 2010 turnaround, QAFAC is now planning to increase the maintenance turnaround cycle to four years.

QAFAC and UOP co-hosted the UOP Oleflex Users’ Conference 2010 in Doha. This was the first event of its kind to be held in the Middle East.

Marketing

In 2010, QAFAC continued to implement the marketing strategy it adopted in 2009 and it has successfully identified and added new customers to its growing portfolio of clients. This has reduced the risk of dependence on a few customers taking major quantities of both products. The major markets for methanol were the Far East and Southeast Asia, while the main markets for MTBE were the Far East, the Middle East and Europe. The planned production in 2011 for both MTBE and methanol has already been contracted for sale.

Health, Safety and Environment

QAFAC celebrated significant safety milestones in 2010, recording 3.6 million continuous contractor man-hours and 1.6 million continuous combined staff and contractor man-hours without any lost time accident. These were achieved under very challenging circumstances, involving a lengthy maintenance turnaround. The company is currently developing a Health and Safety Management System that conforms with OHSAS 18001 specifications. The Leak Detection and Repair (LDAR) program for MTBE is likewise ongoing, and the first phase of LDAR program in the methanol and utilities plant has already been implemented. A project to utilize treated water to greatly increase the areas of grass and trees planted around the plant is also being implemented.

Qatar Vinyl Company (QVC)

Qatar Vinyl Company (QVC) was established in 1997 as a limited Qatari shareholding company. The company was inaugurated on 21st June 2001 by His Highness the Emir Sheikh Hamad Bin Khalifa Al-Thani. The company’s shareholders are QP (55.2%), QAPCO (31.9%) and Arkema (12.9%).

<table>
<thead>
<tr>
<th>Production (in metric tons)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethylene dichloride (EDC)</td>
<td>198,200</td>
</tr>
<tr>
<td>Vinyl chloride monomer (VCM)</td>
<td>355,200</td>
</tr>
<tr>
<td>Caustic Soda (CS)</td>
<td>357,300</td>
</tr>
</tbody>
</table>

Operations Highlights

QVC’s production of both VCM and caustic soda reached their highest-ever levels in 2010. The company’s chloralkali plant was operated at 28% above its initial capacity, while 60% above the designed production capacity was reached for the VCM plant.

Marketing

QVC continues to pursue its marketing strategy, which is 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 90% of VCM is sold on a similar arrangement.

In 2010, QVC products were shipped worldwide in around 150 vessels. The destinations included Australia, South Africa, Southeast Asia and India for caustic soda; India and Southeast Asia for EDC; and Pakistan, India and Australia for VCM.

Health, Safety and Environment

QVC’s operations have passed over 4.5 million safe man-hours since start up and have continued 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 of the State of Qatar.
Qatar Chemical Company Ltd. (Q-Chem)

Q-Chem was established in 1997 as a joint venture between QP with 51% interest and Chevron Phillips Chemical Company International Qatar Holdings LLC (CPCIQ) with 49% interest. Q-Chem’s world-class petrochemical plant produces high-density polyethylene (HDPE) sulphur 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 consists of an ethylene unit, a polyethylene facility and a 1-hexene unit with a capacity to produce in excess of 500,000 t/a of ethylene derivative products. Q-Chem’s assets also include a sulfur recovery and solidification plant, an HDPE bagging and storage warehouse, a nitrogen plant, a water treatment plant, a seawater cooling system, dock facilities, a laboratory and various administrative buildings.

Marketing

Q-Chem’s marketing strategy and goal is to be the preferred supplier in its target markets. Q-Chem’s “Marlex” brand HDPE resins are known in the international markets for their quality and consistency. Q-Chem has established a strong foothold in many international markets, including Asia, Europe, Africa, and the Middle East.

In addition to its strategic location and easy access to export markets, Q-Chem enjoys the benefits of an extensive marketing network, widespread market recognition, and an established, long-standing client base. The company 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 2010, Q-Chem continued to achieve a sold-out position for its entire production volume, which is currently more than 20% above its original capacity.

Qatar Chemical Company II Ltd. (Q-Chem II)

Q-Chem II is another joint venture of QP (51%) and CPCIQ (49%). The new Q-Chem II facility is adjacent to the existing Q-Chem plant in Mesaieed. The site includes a 350,000 t/a single-train high-density polyethylene (HDPE) plant and a 345,000 t/a normal alpha olefins (NAO) plant. The project was officially inaugurated by His Highness the Emir Sheikh Hamad Bin Khalifa Al-Thani in November 2010.

The Q-Chem II facility produces polyethylene products (which are used to manufacture bottles and blow-molded parts and films) and NAO products (which are widely used in plastics co-monomers, detergents, synthetic lubricants, lubricant additives, drilling fluids, plasticizers and specialty waxes). The Q-Chem II plant started production in late 2010 and reached full design capacity very quickly. The technology used in the manufacture of HDPE and NAO products came from Chevron Phillips Chemical Company. The ethylene feedstock for the Q-Chem II plant is provided by the Ras Laffan Olefins Company Ltd. partnership.
Ras Laffan Olefins Company Ltd. (RLOC)

Ras Laffan Olefins Company Ltd. (RLOC) is a Qatari company, which is 53.31% owned by Qatar Chemical Company II Ltd. (Q-Chem II), 45.69% owned by Qatofin Company Ltd. Q.S.C. (Qatofin) and 1% owned by QP. RLOC started up a world-class 1.3 million ton per annum (mmt/a) ethane cracker plant in early 2010. Q-Chem operates RLOC on behalf of Q-Chem II and Qatofin partners. The plant was officially inaugurated in May 2010 by His Highness Sheikh Tamim Bin Hamad Al-Thani, the Heir Apparent for the State of Qatar.

The ethylene produced by RLOC is transported from Ras Laffan to Q-Chem II and Qatofin derivative units in Mesaieed via a 135-kilometer-long pipeline. A total of 700,000 t/a of ethylene is allocated to Q-Chem II, while 600,000 t/a is allocated to Qatofin for use in its production operations.

Q-Chem operates Q-Chem, Q-Chem II and RLOC following the same demanding standards for quality, safety, environmental protection and Qatarization. In 2010, the Q-Chem II and RLOC start-ups were completed without a single injury requiring treatment beyond first aid. Q-Chem is committed to achieve Responsible Care certification under the guidance of the Gulf Petrochemicals Association.

New product quality from Q-Chem II has been proven to meet the same high standards of Q-Chem’s operations, which were already recognized as a leader in the industry. Q-Chem and Q-Chem II projects have won a number of safety and environmental awards. Q-Chem also won the first-ever industry award for the training and development of Qatari nationals in 2009 and the company further improved these processes in 2010. The years 2009 and 2010 have produced new records for the hiring and retention of Qataris in Q-Chem.

Qatofin Company Ltd.

Qatofin is a joint venture involving Qapco (63%), Total Petrochemicals of France (36%) and QP (1%). Qatofin is designed to produce 450,000 metric tons of linear low density polyethylene (LLDPE) per year. The ethylene feedstock required for the LLDPE unit is supplied by Ras Laffan Olefins Company (RLOC), a joint venture of Qatofin, Q-Chem II and QP. The produced ethylene is sent through a pipeline from RLOC to Qatofin and Q-Chem II.

The Qatofin plant was inaugurated by His Highness The Emir Sheikh Hamad Bin Khalifa Al-Thani on 24th November 2009. Commercial operation and export of LLDPE subsequently started in May 2010. Qatofin’s LLDPE products are marketed worldwide under the “Lotrene” brand name using the strong marketing network of the company’s shareholders.
Petrochemical Industries

With a production capacity of 60,000 t/a, the Qatar Melamine Company plant was inaugurated by His Highness Sheikh Hamad Bin Khalifa Al-Thani, the Emir of the State of Qatar, on 12th October 2010. The plant is the largest melamine plant in the Middle East and one of the largest melamine plants in the world. The plant will add extra value for the urea produced by QAFCO and boost QAFCO’s profitability.

SEEF Limited

SEEF Limited was established in April 2004 as a joint venture with 80% of the shares held by QP and the remaining 20% by United Development Company (UDC). It aims to deliver on the vision of His Highness Sheikh Hamad Bin Khalifa Al-Thani, the Emir of the State of Qatar, for the private sector to be strongly involved in the country’s petrochemical projects.

Products

The main product of SEEF Limited is linear alkyl benzene (LAB), which is an important ingredient in the manufacturing of environment-friendly detergents. The company’s plant at Mesaieed Industrial City has a production capacity of 100,000 t/a of LAB, with 3,600 t/a of heavy alkyl benzene (HAB) also produced as a by-product in addition to normal paraffin and benzene.

Qatarization

Qatarization is one of the main strategic priorities of the company, and it is sparing no efforts in its support towards the Qatarization policy in the oil and gas sector. The company's main objective is to ensure that Qatari nationals with the appropriate qualifications are recruited, developed, and retained. The Qatarization Committee, which is chaired by the company’s General Manager, has the responsibility of promoting programs in aid of Qatarization. SEEF Limited's eventual target is to employ Qatari nationals at all key positions within the company.

Marketing

SEEF Limited has consolidated its position across the world through a marketing strategy that is based on short and long-term contracts as per the requirements of its clients. Its current customers are spread across Southeast Asia, the Far East, all over the GCC, South Africa, the Mediterranean, Europe and Mexico. The company continues to strategically explore new geographical areas as well as other end-use segments. This has been facilitated by the superior quality of its product, which has been accepted and appreciated by many leading detergent producers worldwide.

Important Achievements

SEEF Limited is a young Qatari company that, in a short period, has managed to achieve important milestones, including the following:

1) Qatarization currently occupies most of the managerial positions in the company and Qatarization is strongly supported by senior management. In 2010, the company accomplished a Qatarization percentage that was higher than planned.
2) The company has achieved a higher percentage of net profit over the budgeted amount.
3) Seef Limited has recorded 2.5 million safe man-hours without lost time injury. The monitoring of industrial operations and its impact on the environment is a priority that the company undertakes with due care and respect to the natural ecosystem.
4) The company has successfully maintained safe environmental standards and appropriate strategies for waste management, in addition to the regular monitoring of industrial processes.
5) The company has provided high-quality products to its customers.
6) The company’s operations have resulted in a marked reduction in the importation of benzene into the country.
7) The company has been able to expand the spread of its buyers and to increase the number of countries importing its products, in addition to offering delivered supplies to customers.

Industrial Cities

Mesased Industrial City (MIC)

Mesased Industrial City (MIC) is located approximately 40 kilometers south of Doha. In 1996, the MIC management was established as a single-point authority to provide one-stop services to all businesses and industries located in Mesased, to create a strategic land development plan for the Mesased region, and to provide common port, marine, industrial, community and infrastructure facilities for the city. The MIC management is also dedicated to attracting industries to complement existing larger businesses and primary petrochemical industries.

Mesased Industrial City is the leading integrated industrial city in the State of Qatar. It is the major focus for the development of industrial projects in the fields of petrochemicals, chemical fertilizers, oil refining, natural gas derivatives and metallurgical industries, as well as for supporting numerous small and medium-sized industries. MIC is a major economic center and a major contributor to the economy of Qatar, with 60% of the country’s GDP flowing through the Mesased port.

MIC is home to much of Qatar’s building and construction materials industry. The relocation of this industry to MIC is well established and businesses related to it are being accommodated in a new industrial area within Mesased City and provided with common facilities and infrastructure.

The city provides a healthy, clean and safe environment to everyone. Professional systems and staff ensure the safety, security and availability of integrated social services for residents and workers, making MIC highly attractive to its residents and investors.

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 Mesased both locally and internationally as an excellent wide-spectrum investment location;
- Modernize and develop utilities, services and infrastructure;
- Manage the municipal role in Mesased to ensure clean, orderly, and hygienic public facilities, including restaurants, parks, recreational facilities, commercial districts, beaches, etc.;
- Develop a cohesive multinational community in Mesased;
- 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 industrial and port areas and the adjacent community.

Reasons to Invest in Mesased

- Well-developed infrastructure and facilities
- 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 private and joint-venture initiatives with competitive land lease rates.
Industrial Cities

MIC’s Strategic Master Plan
MIC has developed a strategic master plan to guide the industrial, community and port development at 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 the 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 in 2010
- Expansion of permanent labor accommodation and related recreational 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 numerous new light and support industrial projects in the metal, engineering, plastics, chemicals and construction materials sectors;
- Completion of the QP central office complex in MIC;
- Construction of gabbro berth No. 3 and container berths number 7A and 7B.

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

Major Products and Customers
A wide range of products are produced within MIC, and these include base petrochemicals, plastic resins, refined petroleum products, aluminum 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 currently under design to upgrade the roads, ports, and other infrastructure within the city and in both the heavy and light industrial areas:
- Roads and infrastructure upgrade and expansion throughout the town;
- Completion of road and infrastructure development and upgrades in the industrial area;
- Beautification and infrastructure upgrades of all roads in residential areas;
- Creation of the MIC Ecological Park;
- Construction of additional new labor accommodation to support the new expansion of general industries;
- 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;
- Upgrading of the existing Seawline Road and construction of a new Seawline Highway to serve the public going to the Seawline Resort.

Ras Laffan Industrial City (RLIC)
Ras Laffan Industrial City (RLIC) was inaugurated in February 1997 by His Highness the Emir Sheikh Hamad Bin Khalifa Al-Thani, and its mandate as a directorate of QP is to govern and administer the city.

Located 80 kilometers northeast of Doha RLIC is the 294-square-kilometer base (including the area enclosed by the port) for the onshore activities of many major industries, which are based on gas 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 derivatives and supporting projects, power plants and other 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 only a decade, RLIC has become the world’s biggest producer and exporter of LNG. Due to its strategic location on the international maritime shipping route, energy products from RLIC can reach markets all over the world without difficulty.

Main Activities
The QP Directorate, Ras Laffan City (RLC), is responsible for developing, operating and regulating the industrial city. It provides common 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 wide variety of industries, including the following:
- LNG plants — Qatargas 1, 2, 3 and 4 (seven trains) and RasGas 1, 2 and 3 (seven trains)
- GTL plants — Oryx GTL and Pearl GTL, a QP and Shell project which is expected to come on stream by the last quarter of 2011
- Petrochemicals — Ras Laffan Olefins Company Ltd. (RLOC)
- Refined condensate — Laffan Refinery (phase 1 operational and phase 2 by 2015)
- Gas processing plants — Al-Khalij Gas (AG1) and AG II, Dolphin Energy, and Barzan Gas Project (by 2014)
- Helium — Ras Laffan Helium and Qatar Helium 2, which is planned to start operations by 2013
- Solar industries — Qatar Solar Technologies (QSTec), a new polysilicon plant with expected operation by 2012
- Industrial gases — Gaseous nitrogen distribution pipeline network (Phase 1) completed and operational
- Power and desalination plants — Ras Laffan Power Company (RLPC), Q-Power and Ras Girtas Power Company
Industrial Cities

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

- A major milestone of 2010 was the achievement of 77 million tonnes per annum (mtpa) of liquefied natural gas (LNG) production capacity, reaffirming the country’s position as the world’s leading producer of LNG with the largest production capacity by far. Ras Laffan played a significant role in realizing the vision of His Highness the Emir Sheikh Hamad bin Khalifa Al-Thani for the State of Qatar to reach an LNG production capacity of 77 mtpa by the end of 2010.
- Petrochemicals and refinery plants commissioned in 2010 include the Ras Laffan Olefins Company Ltd. (ROCL) and the Laffan Refinery.
- In November 2010, RLC celebrated the opening of phases 5, 2, and 6 of the Nakilat shipyard, dry dock, and repair facilities.
- The Al-Khaleej Gas Project II (AGG II) became operational in early 2010.
- RLC’s role as enabler has been appreciated and acknowledged by end-users at various forums and it continues to receive international recognition. For example, on 25th October 2010, RLC received the Seatrade Middle East and Indian Sub-continent Port Authority of the Year Award and the Seatrade Energy Oil and Gas Award.
- RLC was certificated as ISO 9001:2008 and ISO 14001:2004 compliant by the British Standards Institution (BSI).
- The Common Seawater Facility (CSF) completed its expansion projects, and its capacity has been increased from 833,000 to 925,000 cubic meters of seawater per hour.
- RLC achieved an overall facility availability of 100% in 2010.
- Site development for the Ras Laffan Support Services Area (RSSA) Phase II was completed.

Development Plans
The discovery of more proven gas reserves, the increase in 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- and downstream industries and projects, infrastructure and logistics requirements. RLC is currently implementing the updated Master Plan.

Future Expansion Plans
- The port expansion project is due for completion in 2011.
- With the completion of Phases I and II of CSF expansions, the FEED for Phase III will be issued mid-2011.
- The Ras Laffan Emergency and Safety College, which is a joint project with the Texas Engineering Extension Service (TEEX) of Texas A&M University, is scheduled for completion in 2011.
- The Ras Laffan Support Services Area (RSSA) Master Plan was completed in 2009 and, as a result, RLC has initiated various projects to improve the attractiveness of the RSSA (e.g., full scale marketing initiatives, light industrial park project and certain waivers).
- Site development for the RSSA Phase II and development of utilities for RSSA Phases I and II have commenced and will be completed by the end of 2011.
- Expansion of the RILC road network and the landscaping of Phases II and III will continue until 2012.
- The construction of the Government and Joint Forces Service Building is expected to be completed in 2011.
- Expected completion of the new Environmental Laboratory Building is due in 2011.
- The construction of a new Multipurpose Administration Complex is expected to break ground next year and will be completed in 2013.
- New marine waste and industrial hazardous waste facilities are expected to come on line in 2012.
- Qatar Solar Technologies (QSTec) was launched in 2010 and will be the first polysilicon production facility in the Middle East, with expected completion by 2012.
- Laffan Refinery is expected in 2011 to complete its truck gantry for loading fuel oil to service the northern areas of Qatar.
- RLC achieved an overall facility availability of 100% in 2010.
- Site development for the Ras Laffan Support Services Area (RSSA) Phase II was completed.

Other Industries & Supporting Services

GULF HELICOPTERS
Gulf Helicopters Company (GHC)

Gulf Helicopters Company (GHC) is 100% owned by Gulf International Services (GIS), a Qatani joint stock company in which QP is the largest shareholder. Incorporated in 1970, GHC has grown tremendously since its acquisition by QP in 1998 and it is currently one of the leading helicopter operators in the Middle East region with its operations extending to India, Yemen and Libya. The company also operated in the Sultanate of Oman and East Timor during 2010 on short-term contracts.

GHC operates under OCAAR Op 3 and OCAA Part 145 regulations, and is approved and fully aligned with EASA and FAA requirements. GHC is also 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>January 1999</td>
<td>Gulf Helicopters incorporated as a Qatani company</td>
</tr>
<tr>
<td>February 2008</td>
<td>Tans over to Gulf International Services (GIS) 100%</td>
</tr>
<tr>
<td>December 1998</td>
<td>Emiri Decree establishing Gulf Helicopters</td>
</tr>
<tr>
<td>June 1998</td>
<td>Tans over by QP 100%; purchase of assets/business</td>
</tr>
<tr>
<td>June 1993</td>
<td>De-registered in the U.K. (Division of Gulf Air)</td>
</tr>
<tr>
<td>March 1977</td>
<td>Gulf Air 100%</td>
</tr>
<tr>
<td>July 1970</td>
<td>Established and incorporated in the U.K. (Gulf Aviation 51%, BOAC 32%, BEA 15%)</td>
</tr>
<tr>
<td>November 2010</td>
<td>In November 2010, GHC introduced Helicopters Emergency Medical Services (HEMS) in Qatar for offshore operations of all petroleum companies including QP, PetroGas, Oxy, QatarGas, Total, Maersk, Dolphin, Anadarko, Shell, QP, Wintershall and Talisman</td>
</tr>
<tr>
<td>1997</td>
<td>February 2008 Taken over by Gulf International Services (GIS) 100%</td>
</tr>
</tbody>
</table>

The business growth of the company is as follows:

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997 to date</td>
<td>Providing helicopter services in Qatar for offshore operations of all petroleum companies including QP, PetroGas, Oxy, QatarGas, Total, Maersk, Dolphin, Anadarko, Shell, QP, Wintershall and Talisman</td>
</tr>
<tr>
<td>2001 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 commenced in Libya</td>
</tr>
<tr>
<td>2007</td>
<td>Introduced Helicopters Emergency Medical Services (HEMS) in Qatar for the first time in collaboration with the 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>
<tr>
<td>2010</td>
<td>Added 5 more AW 139s to the fleet</td>
</tr>
</tbody>
</table>
Company Operations

GHC has a fleet of 37 helicopters, including two S-92, 12 AW 139, 17 Bell 412, five Bell 212s, and one Bell 206. The company offers services such as VVIP transport, offshore support, onshore transport, seismic support, VFR & IFR, load lifting, photo flights, helicopter emergency medical services and aircraft management.

Future Plans

GHC is one of the first commercial helicopter operators in the world to buy, install and set up a full flight simulator for AW 139 in Doha, and this is set to be commissioned by the end of May 2011.

GHC’s operations continue to expand as the company reaches out to new geographical areas as well as increases its scope of services. The company is targeting new growth areas in the State of Qatar in line with the country’s growing exposure to major cultural, sports and international events, including the FIFA World Cup – Qatar 2022.

GHC strives to keep up the modernization of its fleet in order to bring in the latest technologies available in the market. In addition, it is pursuing other related business opportunities consistent with its growth plan.

Qatar Steel Company

2010 Highlights

Qatar Steel continued to perform successfully in 2010, continuing its excellent performance of earlier years. The company has also begun work on new major projects including the revamping of old electric arc furnaces 1 & 2.

The company’s total production in 2010 reached 2,157 thousand metric tonnes (KMT) of DRI/HBI, 1,975 KMT of molten steel, 1,946 KMT of billets, 1,705 KMT of bars and 117 KMT of coils. Total shipments during the year were 354 KMT DRI/HBI, 1,273 KMT of reinforcing steel bars and 90 KMT of coils.

Qatar Steel has placed orders for the supply of equipment to the EF1R melt shop project with 1.0 mmt/a capacity. However, the company has opted for a new steel melt shop greenfield project at a new location, instead of revamping the EF 1 & 2 furnaces. The company has also proceeded with the development of its Phase II project expansion pre-feasibility study.

During the year, the company acquired a 21% interest in South Steel Company (Solb) and it plans to increase its share to 30% later on. Solb is constructing a new steel melt shop and a rolling mill in Jizan, Saudi Arabia.

Qatar Steel’s joint venture affiliate, United Steel Company (SULB), has awarded EPC contracts for the construction in Bahrain of a new integrated steel complex, consisting of a DR plant, steel melt shop, and heavy/medium sections mill, and it is also in the process of acquiring a medium/light sections mill. The operations of the SULB complex are planned to start in the first half of 2013.

During the year, Qatar Steel signed a long-term industrial gas supply agreement with GASAL, and it also conducted various studies for improving the operations performance of the company and its affiliates.
Other Industries and Supporting Services

Qatar Plastic Products Company (QPPC)

Qatar Plastic Products Company (QPPC) was established on 19th September 1998. Commercial production commenced in August 2000 and its plant at Mesaieed Industrial City was officially inaugurated by His Excellency Abdullah Bin Hamad Al Attiyah on 21st November 2000.

Around 90% of the company’s production is sold in the local market, while the balance is marketed in other Gulf countries and in Europe. The company is equally owned by Qatar Petrochemical Company (QAPCO), Qatar Industrial Manufacturing Company (QIMCO) and FEBIO s.p.a. of Italy.

Main Activities
QPPC manufactures plastic film for industrial packaging using a 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 kinds of polymers to satisfy customers’ requirements. Printing is done using Flexographic printing lines up to 6-colours, which ensure excellent quality of printing.

The company’s products are tested by the 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 also supplied upon request. QPPC’s operations are certified under ISO 9001:2008 Quality Management System, and its products are extruded in modern blow film lines.

Products
QPPC produces the following range of products:
- Construction foil (polythene sheet)
- FFS (form, fill and seal) film
- Greenhouse and agricultural film
- General purpose film
- Heavy-duty trash bags
- Polyethylene sleeving
- Shrinkable hood
- Shrinkable film
- Top-open bags

Environment
The preservation of the natural environment remains one of QPPC’s highest priorities, and the company genuinely understands the fact that our environment is an irreplaceable asset.

Since the establishment of the company, a plastic waste recycling unit has been installed to handle the waste polyethylene and other plastic films being produced as by-products. The recycling unit transforms these production wastes into a usable raw material that is subsequently used for making trash bags and for other applications.

QPPC is fully compliant with all applicable international environmental laws and Qatar environmental regulations to protect the country’s natural resources.

Company News
In line with Qatar’s vision for economic diversification and with the government’s intensified support for the development of small and medium enterprises (SMEs), the management of QPPC looked into different options for diversification and stability.

Subsequently, QPPC management proposed to build in Mesaieed a modern plant named Qatar Wooden Products Company (QWPC), and this proposal had been approved by the company’s shareholders. QWPC would house a fully automated wooden pallet production line along with a heat treatment facility, and it will have the capacity to produce up to 1.6 million wooden pallets per year. QWPC’s production would serve the wooden pallet requirements of QAPCO, Q-Chem I and II, Qatofin and the soon-to-be-built Qatar petrochemical complex. Equity sharing for the QWPC stands at an equal percentage of 33.3% among the three QPPC shareholders: QAPCO, QIMCO and FEBIO. QWPC is expected to commence production by the end of 2011.

Qatar Plastic Products Company (QPPC)

Qatar Aluminium (Qatalum)

Qatar Aluminium (Qatalum) is one of the largest-ever aluminium smelters to be built in one phase, with its capacity to produce up to 585,000 tons of premium-quality aluminium per annum. Qatalum is a complex facility that includes a carbon plant and a state-of-the-art casthouse, producing value-added aluminium products such as extrusion ingots, foundry alloys and standard ingots that meet the most stringent quality standards of the global market.

Qatalum’s configuration also includes a port with storage facilities to handle the imports of alumina, coke and pitch, and it is also equipped with a captive power plant with a capacity of 1,350 megawatts to supply all its electricity needs. QP delivers approximately 200 million standard cubic feet of natural gas per day to Qatalum’s power plant.

Milestones
On 4th December 2009, Qatalum casted its first batch of foundry alloy ingots from re-melt. The first foundry alloy customer shipment was made on 18th December - Qatar’s National Day. Two days later, Qatalum’s first electrolysis cell started production of liquid aluminium metal. This marked the historic beginning of aluminium exports from the State of Qatar, confirming Qatalum’s ability to deliver its product within budget and with an excellent environmental and safety standard. Full production capability is expected to be reached by July 2011.

Environment
Qatalum’s state-of-the-art technology guarantees top-class performance and also ensures that the plant is the most productive and operating with the lowest environmental impact in the industry. Qatalum’s highly efficient technology for aluminium reduction boosts productivity and sets new standards in environmental performance by reducing the company’s carbon footprint and improving waste management and emission reduction. Process gases from the reduction process go through dry and wet scrubbing in flame treatment plants to ensure that emissions meet international air quality standards, making Qatalum one of the most environmentally advanced primary aluminium production plants in the world.
Qatar Petroleum International Ltd. (QPI)

QPI’s strategy for growth is focused on businesses which have a strong fit with QPI’s objectives of value creation and optimal risk-adjusted returns, and 2010 was an important year in pursuing these objectives.

2010 Activities
- On 31st December 2009, QPI completed the formation of its petrochemical joint venture with Shell (QSPS), thus enhancing its portfolio of world-class petrochemical facilities. This joint venture holds interests in an olefins plant that is integrated with another polymer plant in Singapore. These top quartile facilities occupy a key position in the vital Singapore petrochemical industry, and early financial results have been very promising.
- QPI Upstream has farmed-in to two onshore exploration blocks in Mauritania (blocks Ta7 and Ta8). Total, with a 66% interest, is the operator of the block, with QPI and Sonatrach each holding a 20% interest. During 2010, the Total Mauritania joint venture drilled one exploration well, with the results still currently under assessment. Technical preparations are underway for another exploration well in 2011 or 2012.
- QPI’s Gas and Power Group (G&P) focuses on managing the orderly and efficient transfer of ownership of the three LNG regasification plants from QP (South Hook in the UK, Golden Pass in the USA, and Adria in Italy) to its partners, all of which are collectively known as the “Terminals”). G&P is stewarding these assets to achieve QPI’s strategic goals and to maximize optimal returns to QP and the State of Qatar. G&P will effect this by continuing to handle the duty and maintain the country’s interests as Qatari shareholders in the Terminals in all business aspects. An example of this is the possible South Hook power co-generation project currently under discussion. In addition, G&P is actively pursuing investments in other related opportunities, including those that enhance the value of Qatari LNG through strategic investments in gas power generation projects.
- In addition to its interest in the QPS joint venture above, QPI’s Downstream Directorate is also pursuing and exploring other petrochemical and refinery ventures in Asia and Africa.

Future Plans
- As part of its ongoing growth strategy, QPI will continue to:
  - Build a balanced upstream portfolio of exploration, development and production assets;
  - Monetize future Qatar LNG and gas through investments in power generation and other midstream assets;
  - Investigate opportunities to monetize available crude oil, condensate and LPG production through investments in world-class petrochemical/refinery facilities abroad.
- QPI’s focus in 2011 will be on building its upstream portfolio through the acquisition of production and development-oriented assets, and QPI Upstream is actively pursuing these investments.

Gulf Drilling International Ltd. (GDI)

Gulf Drilling International (GDI) was established in May 2004 as the first offshore and onshore drilling service provider in the State of Qatar. GDI specializes in the provision of contract onshore and offshore drilling services to oil & gas exploration and production companies. Its client base includes QP and other major oil & gas companies.

GDI was originally formed as a joint venture between QP 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 Q.S.C. (GIS) effective 12th February 2008.

GIS is a public shareholding company owned 30% by QP and 70% by individual investors and selected institutions. The company’s shares are listed on the Qatar Exchange. GIS also holds 100% of the shares of Gulf Helicopters and Al-Koot Insurance, and it is Qatar’s premier service group dedicated to serving the oil & gas industry.

GDI is a growth-oriented company. In less than seven years, it has accumulated nine rigs, consisting of five offshore jack-up rigs and four land rigs. It has 839 employees, including 75 Qatari nationals, equivalent to 9% of the total workforce.

GDI strives to be a world-class drilling services provider and the rig contractor of choice for operators in Qatar, providing safe and efficient drilling rig services of the highest quality and class. The company is driven by its pursuit of excellence and to getting stronger by the day.

GDI currently holds 33% of the offshore rig market and 100% of the onshore rig market share in the State of Qatar. It aspires to increase its offshore market share to 50% or more over the next five years while maintaining its 100% share of the onshore market. It also plans to diversify its range of services to include jack-up accommodation and well intervention services, which would be complementary to its existing operations.

GDI’s mission is to work safely and efficiently, promote hi-tech but cost-effective technology, continuously improve and add value wherever possible. GDI’s values are to perform its services with integrity, creativity and teamwork, according to the law and with respect for diversity.

GDI’s Achievements in 2010
- GDI had a very good year in 2010 as reflected by its better-than-expected performance and the achievement of several significant milestones and accomplishments in the following areas:
  - Health and Safety, where GDI had its best safety record since inception;
  - Cost Optimization, where 2010 controllable expenditures were 15.2% below budget;
  - Operational Efficiency, where GDI had the lowest rig downtime since inception;
  - Engineering and Maintenance, where a MAXIMO Asset Management System was implemented and the Al-Rayyan rig was significantly upgraded, refurbished and repaired;
  - Supply Chain, where inventory optimization and the consolidation of warehouse functions were achieved;
  - Business Development & Marketing, where new contracts for Al-Rayyan and Al-Khor were secured while establishing a foundation for diversifying into the jack-up barge accommodation and well intervention markets;
  - Human Resources, where additional Qatari were added to the employment ranks;
  - Administration, where the DSSA Base Camp was renovated and refurbished.
GDI’s Future

GDI has a bright and exciting future ahead, having laid a solid foundation for future growth, expansion and profitability. It is in the process of implementing an expansion strategy that includes diversification into other lines of business that are complementary to its core business. Immediate plans are in place to grow the rig fleet with two new offshore rigs and a jack-up accommodation barge. GDI also stands ready to support QP’s onshore drilling requirements with additional drilling rigs when needed.

In a challenging macroeconomic environment in the year 2010, GDI managed to maintain a high rig-utilization rate at better-than-average day rates, proving that the company’s business model was viable under difficult market conditions. Accordingly, GDI is well positioned to be a successful long-term player in the drilling rig services market of Qatar and it could readily expand into regional markets should the opportunity arise.
INDEPENDENT AUDITORS’ REPORT TO HIS HIGNESS THE EMIR OF THE STATE OF QATAR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS OF QATAR PETROLEUM

The accompanying summary financial statements, which comprise the summarised consolidated balance sheet as at 31 December 2010, the summarised consolidated income statement, summarised consolidated statement of changes in equity and summarised consolidated cash flow statement for the year then ended, and related notes are derived from the audited consolidated financial statements of Qatar Petroleum for the year ended 31 December 2010 prepared by management 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. We expressed an unmodified audit opinion on those financial statements in our auditors’ report dated 31 March 2011.

The summary financial statements do not contain all the disclosures applied in the preparation of the audited consolidated financial statements of Qatar Petroleum.

Management’s responsibility for the summary financial statements
Management is responsible for the preparation of a summary of the audited consolidated financial statements on the basis described in Note 2.

Auditors’ responsibility
Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) §10, “Engagements to Report on Summary Financial Statements.”

Opinion
In our opinion, the summary financial statements derived from the audited consolidated financial statements of Qatar Petroleum for the year ended 31 December 2010 are consistent, in all material respects, with those financial statements, on the basis described in Note 2.

Ziad Nader
of Ernst & Young
Auditor’s Registration No. 258

Date: 31 March 2011
Doha

Qatar Petroleum
CONSOLIDATED INCOME STATEMENT
Year ended 31 December 2010

<table>
<thead>
<tr>
<th></th>
<th>2010 QR 000</th>
<th>2009 QR 000</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING REVENUE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>188,015,696</td>
<td>188,015,696</td>
</tr>
<tr>
<td>Other operating income</td>
<td>9,275,093</td>
<td>6,447,876</td>
</tr>
<tr>
<td>Total operating revenue</td>
<td>197,290,789</td>
<td>194,463,572</td>
</tr>
</tbody>
</table>

| OPERATING EXPENSES   |             |             |
| Operating, selling and administrative expenses | (27,901,847) | (22,129,717) |
| Depreciation and amortisation               | (1,326,044)  | (7,062,193)  |
| Total operating expenses                   | (39,227,891) | (29,191,910) |

| NET OPERATING INCOME   |             |             |
| Dividend and interest income             | 896,143     | 1,226,419   |
| Finance charges                     | (5,627,948)  | (4,196,317)  |
| INCOME BEFORE ROYALTIES, TAXES AND MINORITY INTEREST | 1,549,557,787 | 92,593,904 |
| Royalties                           | (33,021,628) | (19,771,208) |
| Taxes                               | (64,648,584)  | (35,718,642) |
| TOTAL INCOME BEFORE MINORITY INTEREST | 55,424,165  | 37,163,978  |
| Minority interest                   | (1,857,169)  | (1,856,376)  |
| NET INCOME FOR THE YEAR           | 53,566,996   | 35,307,602  |

Dr. Mohammed bin Saleh Al-Sadi
Chairman of Energy and Industry
Chairman and Managing Director

Hamad Rashid Al-Mutairi
Vice Chairman
Qatar Petroleum
CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2010

2010 | QR'000 | 2009 | QR'000
--- | --- | --- | ---
Net income for the year before minority interest | 56,424,165 | 37,103,978 |
Adjustments to reconcile net income before minority interest to net cash provided from operating activities:
- Depreciation and amortisation | 10,126,644 | 7,042,196 |
- Provision for employees’ end of service benefits | 278,214 | 261,962 |
- Deferred income taxes | 608,324 | 209,103 |
- Release of investment provision | (14,867) | (42,218) |
- Loss/adjustment on sale/transfer of fixed assets | (427,894) | 84,378 |
Net cash from operations | 58,665,471 | 41,019,645 |
Payments and advances against employees’ end of service benefits | (148,880) | (156,034) |
Net cash from operations | 58,516,591 | 40,863,611 |
Cash flows from investing activities:
Payments for property, plant and equipment, deferred expenditure and other assets | (24,455,355) | (35,349,687) |
Proceeds from disposal of property, plant and equipment | 39,885 | 276,088 |
Deposits maturing after 90 days | 945,023 | 2,201,053 |
Purchase of investments – net | (368,489) | (1,476,984) |
Net cash used in investing activities | (23,838,936) | (34,349,530) |
Cash flows from financing activities:
Proceeds from borrowings | 5,149,465 | 16,330,829 |
Repayment of loans and obligations under finance leases | (4,564,908) | (6,907,671) |
Movement in minority interest | (1,201,925) | (1,357,331) |
Net change in account with Ministry of Finance | (29,469,767) | (28,249,040) |
Net cash used in financing activities | (30,887,135) | (20,183,213) |
Net change in cash and cash equivalents | (13,669,152) | (13,669,152) |
Cash and cash equivalents at the beginning of the year | 24,211,142 | 37,880,274 |
Cash and cash equivalents at the end of the year | 28,801,662 | 24,211,142 |
### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**Year ended 31 December 2010**

<table>
<thead>
<tr>
<th>Other reserves</th>
<th>QR'000</th>
<th>QR'000</th>
<th>QR'000</th>
<th>QR'000</th>
<th>QR'000</th>
<th>QR'000</th>
<th>QR'000</th>
<th>QR'000</th>
<th>QR'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital</td>
<td>25,000,000</td>
<td>-</td>
<td>25,000,000</td>
<td>-</td>
<td>-</td>
<td>25,000,000</td>
<td>-</td>
<td>25,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Hedging reserve</td>
<td>-</td>
<td>25,388,610</td>
<td>418,579</td>
<td>139,981</td>
<td>4,130</td>
<td>139,541</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td>25,243,654</td>
<td>808,236</td>
<td>59,699,063</td>
<td>6,390,066</td>
<td>66,089,129</td>
<td>66,089,129</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Legal reserve</td>
<td>-</td>
<td>239,981</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>239,981</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total contributions</td>
<td>25,243,654</td>
<td>808,236</td>
<td>59,699,063</td>
<td>6,390,066</td>
<td>66,089,129</td>
<td>66,089,129</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Minority interests</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>25,243,654</td>
<td>808,236</td>
<td>59,699,063</td>
<td>6,390,066</td>
<td>66,089,129</td>
<td>66,089,129</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Net movements**

<table>
<thead>
<tr>
<th>Other reserves</th>
<th>QR'000</th>
<th>QR'000</th>
<th>QR'000</th>
<th>QR'000</th>
<th>QR'000</th>
<th>QR'000</th>
<th>QR'000</th>
<th>QR'000</th>
<th>QR'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer to legal reserve</td>
<td>-</td>
<td>(43,304)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>43,304</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to current account with Ministry of Finance</td>
<td>-</td>
<td>(35,929,145)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>35,929,145</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital contribution</td>
<td>25,000,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25,000,000</td>
<td>-</td>
<td>25,000,000</td>
</tr>
<tr>
<td>Hedging reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Legal reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>25,000,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25,000,000</td>
<td>-</td>
<td>25,000,000</td>
</tr>
</tbody>
</table>

**Balance at 31 December 2010**

<table>
<thead>
<tr>
<th>Other reserves</th>
<th>QR'000</th>
<th>QR'000</th>
<th>QR'000</th>
<th>QR'000</th>
<th>QR'000</th>
<th>QR'000</th>
<th>QR'000</th>
<th>QR'000</th>
<th>QR'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital</td>
<td>50,000,000</td>
<td>12,150,989</td>
<td>(478,214)</td>
<td>(491,022)</td>
<td>50,243,654</td>
<td>963,795</td>
<td>112,389,202</td>
<td>-</td>
<td>119,974,215</td>
</tr>
<tr>
<td>Hedging reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Legal reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>50,000,000</td>
<td>12,150,989</td>
<td>(478,214)</td>
<td>(491,022)</td>
<td>50,243,654</td>
<td>963,795</td>
<td>112,389,202</td>
<td>-</td>
<td>119,974,215</td>
</tr>
</tbody>
</table>

**Note:**

- In accordance with Law No. 13 of 2008, companies' listed in Qatar Exchange are required to appropriate an amount equivalent to 2.5% of the net profit for the year for the support of sports, cultural and charitable activities. In accordance with the clarifications issued, such appropriations are to be recognized in the statement of changes in equity as a distribution of income. The above represents Corporation's share of such contribution relating to its listed subsidiaries.