EXPANDING GLOBALLY

ANNUAL REVIEW 2017
His Highness
Sheikh Tamim Bin Hamad Al Thani
The Emir of the State of Qatar
His Highness
Sheik Hamad Bin Khalifa Al Thani
The Father Emir
His Highness
Sheikh Abdulla Bin Hamad Al Thani
The Deputy Emir of the State of Qatar
CONTENTS

1. Message from the President & CEO 11
2. Board of Directors 12
3. QP Management 13
4. About QP 14
   – Corporate Governance & Compliance
5. Maximizing Contribution 17
   5.1 Business Development
       – International Footprint
6. Harnessing Resources 20
   6.1 Oil and Gas
   6.2 Gas Field Development & Production
       – North Field
       – North Field Alpha
       – Dolphin Project
       – Pearl GTL
       – Oryx GTL
       – Al-Khaleej Gas
   6.3 Offshore Oil Field Development & Production
       – Bul Hanine
       – Maydan Mahzam
       – Al Rayyan
   6.4 Non-Operated Oil Development
       – Al-Shaheen
       – Idd El-Shargi
       – Al-Karkara & A-Structures
       – Al-Khalij
       – El-Bunduq
   6.5 Dukhan
   6.6 Halul Island
   6.7 Exploration Activities
   6.8 Drilling
7. Adding Value
   7.1 Downstream Development
   7.2 Refining
   7.3 Mesaieed Operations
   7.4 Natural Gas Liquids

8. Bringing Energy to the World
   8.1 Marketing
   8.2 QPSPP

9. Industrial Cities
   9.1 Ras Laffan Industrial City
   9.2 Mesaieed Industrial City
   9.3 Dukhan Concession Area

10. Operating Responsibly
    10.1 Corporate HSE & Quality
    10.2 Promoting Health and Safety
    10.3 The Environment & Climate Change
    10.4 Supporting Our Communities

11. Enabling People
    11.1 Our People
    11.2 QP People Agenda
    11.3 Integrated Talent Management
    11.4 Learning and Development
    11.5 Workers’ Welfare
    11.6 Qatarization

12. Business Support
    12.1 Projects, Engineering & Procurement Services
    12.2 Healthcare
    12.3 ICT & Cyber Information Security
    12.4 Facilities Management
    12.5 Legal

13. 2017 Highlights

14. QP Investment Portfolio

15. Financial Statement
2017 was a very important year for Qatar Petroleum as it witnessed the deepening roots of its reorganization process and a continuing effort to expand and enhance its footprint. In this respect, the year witnessed a host of announcements that included the signing of an exploration and production sharing contract with the Government of the Republic of Cyprus for offshore Block 10, the winning bid for the Alto de Cabo Frio-Oeste block in the prolific Santos hydrocarbon basin offshore Brazil, and a 30% participating interest in the Contractor’s interest under the exploration and production sharing agreement for Block 52 offshore Sultanate of Oman.

Also on the international level, Golden Pass Products, which is owned by affiliates of Qatar Petroleum and ExxonMobil, received authorization from the US Department of Energy to export LNG to Non-Free Trade Agreement countries. This approval marks an important milestone for the project, in which both shareholders have invested significant resources, and sets the stage to help meet the world’s growing need for clean energy.

2017 was also an important year, but for a different and unfortunate reason, namely: the imposition of an unjust blockade by three of Qatar’s neighbors. As sad and painful as this has been, it was a blessing in disguise. Besides enhancing our efforts towards self-reliance, the blockade provided the best stress test for our transformation strategy. It showed us that our continuity and contingency plans were sound and effective. It proved our resilience and ability to stand high levels of pressure; and I am pleased to report that not only did we manage to return to a normal state of “business as usual” in a matter of days, but we also were capable of maintaining a sustained normal operation indefinitely. I am proud to say that Qatar Petroleum and its group of companies and joint ventures have displayed an admirable ability to adapt and adjust, and to stay true to Qatar’s global reputation as a reliable and trustworthy energy producer.

Qatar Petroleum continued with major achievements throughout the year. In July, we announced the intention to raise Qatar’s LNG production from 77 million to 100 million tons per year. The new additional gas volumes will be secured from a new gas project to be developed in the southern sector of the North Field. This will increase the North Field’s production of natural gas, condensate and other associated products by about 1 million barrels of oil equivalent per day.

Soon afterwards, we inaugurated North Oil Company, a joint venture with our partner Total, as the new operator and developer of Al-Shaheen offshore oil field following the expiry of the exploration and production sharing agreement signed with the field’s former operator, Maersk Oil.

In an effort to maximize benefit from our natural resources, we inaugurated Laffan Refinery 2, marking another milestone in the strategic expansion of the world-class facilities in Ras Laffan Industrial City. We have also signed agreements to supply additional quantities of ethane to QAPCO, Q-Chem 1, Q-Chem 2, and Qatofin to enable them reach to maximize the capacity of their respective facilities.

In addition, we announced the successful completion of the integration of Qatar Vinyl Company (QVC) into Qatar Petrochemical Company (QAPCO), (which already operates Qatofin) in another step to enhance the competitiveness, financial performance, and resilience of Qatar Petroleum and its group of companies. With QAPCO operating the facilities of both companies, the shareholders of Industries Qatar and Mesaieed Petrochemical will directly benefit from this integration as it reduces the operating cost and enhances the profitability of both companies.

During the year, we continued the work to complete the integration of RasGas and Qatargas operating companies under a single entity, named Qatargas. Great efforts took place throughout the year to merge the distinctive resources and capabilities of Qatargas and RasGas to create even higher value for all stakeholders, and enhance Qatar’s competitive position in LNG with a truly unique global energy operator in terms of size, service and reliability. Throughout 2017, we have continued to place the highest importance on training opportunities and career development for Qatari talent from across Qatar’s educational and technical spectrums. We have enhanced our human capital policies to focus on developing the personal and professional capabilities of Qataris across the entire corporation. To this end, we held “Mustaqbalna”, the first event of its kind designed to align Qataris under development with QP’s corporate strategy, business plan, and future direction.

Our commitment to building world-class Qatari talent continued to be part and parcel of our vision “to become one of the best national oil companies in the world, with roots in Qatar and a strong international presence,” and our commitment to deliver on our strategic objectives of enhancing and growing our financial performance and competitive position.

We look forward to more achievements and more successes under the guidance and wise leadership of His Highness Sheikh Tamim bin Hamad Al Thani, the Emir of the State of Qatar.
BOARD OF DIRECTORS

H.E. DR. MOHAMMED BIN SALEH AL-SADA
Minister of Energy & Industry, Chairman

H.E. SHEIKH AHMED BIN JASSIM AL-THANI
Minister of Economy and Commerce, Vice Chairman

H.E. ALI SHAREEF AL-EMADI
Minister of Finance, Member

H.E. DR. IBRAHIM AL-IBRAHIM
Member

HAMAD RASHID AL-MOHANNADI
Member

NASSER KHALIL AL-JAIDAH
Member

SAAD SHERIDA AL-KAABI
QP President & CEO, Member
QP MANAGEMENT

SAAD SHERIDA AL-KAABI
President & CEO

AHMAD SAIF AL-SULAITI
Executive VP, Operations

KHALID SAID AL-RUMAIHI
Executive VP, Field Development & Exploration

MOHAMED SALEM AL-MARRI
Executive VP, Projects, Engineering & Procurement Services

JASSIM MOHAMMED AL-MARZOUQI
Executive VP, Commercial & Business Development

ABDULRAHMAN AHMAD AL-SHAIBI
Executive VP, Finance & Planning

ABDULAZIZ MOHAMMED AL-MANNAI
Executive VP, Human Capital

MOHAMED NASSER AL-HAJRI
Executive VP, Downstream Development

ABDULAZIZ JASSIM AL-MUFTAH
VP, Industrial Cities

ABDULLA AHMAD AL-HUSSAINI
Executive VP, Marketing

NABEEL MOHAMMED AL-BUENAIN
VP, HSE & Business Services

MOHAMMED ABDUL-QADER AL-KHORI
Director General, Industrial Security

MOHAMED ESSA AL-MANNAI
General Counsel and Board Secretary

ADEL ABDULLA AL-BAKER
Corporate Manager, Internal Audit

ALI NASSER TELFAT
Corporate Manager, CEO Office
Qatar Petroleum is an integrated national oil corporation that stands at the forefront of efforts for the long-term sustainable development of oil and gas resources in the State of Qatar and beyond.

In its efforts to become one of the best national oil and gas companies in the world, Qatar Petroleum’s activities and those of its subsidiaries and joint ventures encompass the entire spectrum of the oil and gas value chain locally, regionally, and internationally. They include the exploration, refining, processing and production, as well as the marketing and sales of oil and gas, liquefied natural gas (LNG), natural gas liquids (NGL), gas to liquids (GTL) products, refined products, petrochemicals, fertilizers, steel and aluminum.

QP’s operations and activities are conducted at various onshore locations, including Doha, Dukhan and the Mesaieed and Ras Laffan Industrial Cities, and at various offshore areas, such as offshore production stations, drilling platforms, Halul Island, and the North Field, which is the largest single non-associated gas reservoir in the world. The utilization of this field’s massive reserves has become a primary national goal to continue the development and prosperity of the country.
QP pays the utmost attention to the health and safety of its employees, contractors, visitors and the local communities where it operates. From drilling to construction and from operations to decommissioning, QP’s health, safety and environment policy forms an integral part of the corporation’s daily business and long-term planning.

Qatar Petroleum is committed to contribute to a better future by meeting today’s economic needs, while safeguarding our environment and resources for generations to come. Thriving on innovation and excellence, Qatar Petroleum is bound to the highest levels of sustainable human, socio-economic, and environmental development in Qatar and beyond.

Qatar Petroleum’s Strategy

Following the completion of the Corporate Strategy in 2016, QP developed new long-term strategies and targets for each of its major business areas – Upstream, LNG and Downstream. These were approved by the Board of Directors towards the end of the year and are currently being used to guide QP’s major investments and initiatives.

The QP Business Plan 2018-2023 was approved by the Board towards the end of the year.

The Board’s approval of the full QP Strategy and long-term targets paves the way for QP’s Business Planning Cycle 2019-2023, which will be built around top-down guidance from the President & CEO and which will explicitly reflect the Strategy and targets.

Key Performance Indicators, aligned to the Strategy, were also developed for each QP directorate during the year.
Corporate Governance & Compliance

Corporate governance and compliance is one of the key enablers supporting QP on the path to achieving its vision “to become one of the best national oil companies in the world, with roots in Qatar and a strong international presence.” A significant initiative undertaken by the Corporate Governance and Compliance Department under QP’s Legal Department thus included an in-depth Governance, Regulatory and Compliance (GRC) Gap Analysis. The scope of the initiative was to ensure that adequate GRC controls are in place to support QP’s international growth aspirations.

The GRC Gap Analysis report outlined the associated implications for QP and recommended process improvement initiatives. The report subsequently led to a high-level implementation plan and the creation of a Governance Transformation Office (GTO), whose mandate is to implement the recommendations of the GRC findings. A roadmap or path forward to implement the recommendations is in place and will continue to be a key deliverable for 2018 and beyond.

The Corporate Governance and Compliance Department continued with the implementation of the JV Governance Framework, which was initiated in 2016. In particular, the team developed and rolled out a pilot project for selected entities representing different joint venture prototypes. The project was concluded in late 2017 and recommendations were reviewed and adopted as applicable.

Training is one the main pillars of QP’s Compliance Program. A training program has been developed and implemented to ensure that relevant policies and procedures are effectively communicated throughout QP.

Risk Management

Managing risk is a key priority for Qatar Petroleum. The success of our business and corporate strategy depends on effective risk management. Enterprise Risk Management (ERM) is a structured approach to managing all business risks and an integral component of our management processes and decision making. It is the foundation for a risk-aware culture across the organization.

QP’s Corporate ERM Policy and Manual, approved at the end of 2016, was successfully rolled out across the corporation in 2017. The QP ERM implementation took a big step forward with the preparation and approval of risk registers for all directorates.

Our ERM framework is composed of eight critical elements, which address strategic, financial, operational and compliance risks across our business. Our approach identifies top risks based on likelihood and impact criteria and establishes appropriate mitigation measures. Significant risks to corporate objectives are monitored and reported on a regular basis. As part of our ERM framework, we have an ERM Policy and Manual that sets out our risk strategy and appetite, and an ERM team that serves as a “center for excellence” to provide risk-related advice, guidance and support.
Qatar Petroleum has continued its efforts to realize better yields from Qatar’s resources, achieve higher monetization levels, and deliver its commercial and growth objectives.

Determined efforts continued to maximize contribution and to position QP as a leading and competitive global energy producer with greater benefits for Qatar and the world.

Maximizing contribution necessitates that we prudently manage the hydrocarbon reserves of the State of Qatar, meet the
domestic oil and gas demand in a cost-effective manner, and develop a highly capable and motivated workforce across the whole of QP with special emphasis on Qatari development.

This will be done by excelling in the safe delivery of our major projects, operational excellence in our assets and functions, the management of our major contractual arrangements with our partners, the achievement of world-class standards of health, safety and environmental protection, and the continued growth of QP’s international upstream and LNG business.
BUSINESS DEVELOPMENT

The Commercial & Business Development Directorate has been tasked with identifying and developing new, large scale upstream, midstream (LNG) and downstream business opportunities, including mergers and acquisitions. Its goal is to work closely with other directorates within Qatar Petroleum to link the corporate strategy, business development/merger and acquisition activities to actively drive QP’s corporate development domestically and internationally, while maintaining and strengthening the company’s relationship with its strategic partners.

Since the implementation of Qatar Petroleum’s restructuring plan in 2013-2014, the Commercial & Business Development Directorate has worked to screen and execute a considerable number of business opportunities in various sectors of the petroleum value chain domestically and throughout the five continents of the globe. Such involvement objective included cost reduction opportunities, enhancing reserves inventory in South Africa and strengthening the company’s position in countries like Brazil.

One important development in 2017, was the integration of RasGas and Qatargas. Dedicated efforts were carried out throughout the year to integrate the activities of both operating companies under a single entity, named Qatargas, which will operate all of the ventures currently being operated by both entities as of the beginning of 2018. The integration will help create a truly unique global energy operator in terms of size, service and reliability by merging their distinctive resources and capabilities to create even higher value for our stakeholders and enhance our competitive position.

A variety of initiatives have been undertaken to deliver profitable growth to our businesses in line with the corporate strategy and in collaboration with major players in the oil and gas industry. The directorate is continuously working to maintain and strengthen QP’s relationship with its long-term commercial and strategic partners.

In this effort, Qatar Petroleum has pursued and executed business opportunities in various business sectors. Multiple opportunities were screened in collaboration with QP’s functional teams, and several of the opportunities were progressed into the stages of detailed evaluation and execution.

Extensive work has aimed at the restructuring and renewal of commercial and fiscal agreements, the development of QP’s business strategy and the completion of merger and acquisition projects, and the support of corporate initiatives for cost reduction and organizational change. One such important projects was the successful integration of Qatar Vinyl Company (QVC) into Qatar Petrochemical Company (QAPCO), (which already operates Qatofin) through the integration of all operations under a single operating company, QAPCO. The objective of this operational integration was to enhance the competitiveness, financial performance, and resilience of both companies by creating a single world-class petrochemical operator achieving synergies in size, service and reliability.
International Footprint

Qatar Petroleum manages an expanding international upstream presence comprising of a portfolio of exploration and production assets and licenses, and it continuously evaluates new business and growth opportunities.

Cyprus
In April 2017, QP and ExxonMobil were the successful bidders for the offshore Block 10 in the south-west of Cyprus. The QP-ExxonMobil consortium has signed an exploration and production-sharing contract for the block with the government of Cyprus.

Canada
In June 2017, QP and its partner Centrica sold their Canadian oil and gas exploration and production business to Hong Kong-listed MIE Holdings Corp for a total value of $722 million.

Brazil
In October 2017, QP was part of a winning consortium with Shell and China National Offshore Oil Corporation for exploration in the Alto de Cabo Frio-Oeste block in the Santos hydrocarbon basin in offshore Brazil. The block was offered as part of Brazil’s third production sharing bidding round.

Oman
QP signed a farm-in agreement with Eni to acquire a 30% working interest in offshore Block 52 in the Sultanate of Oman.

South Africa
In December 2017, QP acquired a 25% participating interest from Total in the Exploration Block 11B/12B in offshore South Africa. The other members of the consortium consist of Total (the operator) with 45%, Canadian Natural Resources Limited (CNR) with 20%, and Main Street with a 10% participating interest.
Qatar Petroleum continues to develop innovative ways to harness Qatar’s hydrocarbon resources and to create a genial environment for economic development and growth for the State of Qatar.

QP has continued to enhance its upstream capabilities by implementing enhanced development programs for its oil and gas fields in order to ensure steady and sustained production levels. Major reservoir and field-wide studies have been undertaken – including seismic surveys – in order to reassess the reserves and the long-term production prospects for each field.

This has been carried out using improved oil recovery techniques and Full Field Redevelopment Plans, as well as the latest cutting-edge technology and powerful computer modeling and data processing.
**Crude Oil**

**Qatar Land Crude**  
172,655 bbl/d

**Qatar Marine Crude**  
PS-1  87,443 bbl/d  
PS-2  22,722 bbl/d  
PS-3  32,248 bbl/d  
Al-Khalij  17,838 bbl/d  
Al-Karkara & A-Structures  4,974 bbl/d  
Al Rayyan  4,621 bbl/d  
**Total Qatar Marine Crude**  169,846 bbl/d

---

**Gas & Condensate Production (QP-Operated Fields)**

**Condensate:**

Dukhan AD GCR Condensate  14,492 bbl/d

**Gas**

Dukhan Gas production (AD & Khuff)  347.2 MMscf/d  
PS2 + PS3  50.4 MMscf/d  
PS4  812.0 MMscf/d
The State of Qatar holds huge natural gas resources, ranking it third in the world in terms of proven gas reserves. Covering an area of 6,000 square kilometers off the northeast shore of the Qatari peninsula, the country’s North Field has 900 trillion standard cubic feet of recoverable gas and is the largest single non-associated gas reservoir in the world. Qatar also possesses significant onshore and offshore oil reserves. The harnessing of these resources is the primary mission of Qatar Petroleum and is central to the development and prosperity of the country.

OIL AND GAS

Harnessing Synergies across Offshore Operations:

The Offshore Operators Forum (OOF) was formed by QP with the objective of harnessing synergy, enhancing operational efficiency and sharing the lessons learned by the various operators to achieve excellence in terms of safety, operational expenses, performance efficiency, etc.

Major initiatives undertaken by the forum in 2017:

• To help reduce the offshore logistics costs for the industry, the Joint Aviation Operation Centre (JAOC) has started full operations to realize the better utilization of helicopters and achieve significant cost savings for the operators.

• Similarly, initiatives have been taken for marine logistics with the appointment of a specialized consultant that would undertake a joint industry study to identify opportunities for efficient supply vessel utilization and potential cost savings.
Qatar Petroleum manages the development and production of gas from Qatar’s North Field through a combination of direct operation (in North Field Alpha), oversight of its wholly-owned subsidiaries Qatargas and RasGas, and partnerships with major international oil and gas companies through PSAs and joint ventures in the cases of the Barzan Gas Project, the Dolphin Gas Project, the Al-Khaleej Gas Project, and the Oryx GTL and the Pearl GTL Project.

**North Field**

The North Field is located off the northeast shore of the Qatari peninsula. It was discovered in 1971 and is considered the largest single non-associated gas field in the world. The optimal development of this vast natural resource is of great strategic significance to Qatar’s overall economic development.

On 4 July 2017, Qatar Petroleum announced its intention to raise Qatar’s LNG production from 77 million to 100 million tons per year. The new additional volumes will be secured by doubling the size of the new gas project in the southern sector of the North Field, which Qatar Petroleum had announced in April. This will increase the North Field’s production of natural gas, condensate and other associated products by one million barrels of oil equivalent per day. This project will further strengthen Qatar’s position as the world’s largest LNG producer and exporter.

**North Field Alpha**

The first commercial exploitation of the North Field commenced in late 1991 with the initial gas production from Phase I (Alpha Project). The gas is supplied to the local market, and the condensate is used for refining or for export. A portion of the gas produced from this project is re-injected into the country’s strategic contingency gas reserve in Dukhan.

The average production achieved at NFA in 2017 was 756 mmscf/d of gas and 29,880 bpd of condensate.

**Dolphin Project**

The Dolphin Project entails the development of North Field reserves for the production of wellhead gas that is sufficient to export 2 bcsfd of sales gas to the United Arab Emirates (UAE). 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 48” subsea pipeline.

A Development and Production Sharing Agreement (DPSA) was signed on December 23, 2001 between QP and the contractor (Dolphin Investment Company with 51% interest, Total of France with 24.5% interest, and Occidental Petroleum of the USA with 24.5% interest). The delivery of export gas from the first stream commenced in the third quarter of 2007; the second stream began in February 2008; and the lean gas export to the UAE is currently at full capacity.
Pearl GTL
Qatar Petroleum and Qatar Shell GTL signed a DPSA in July 2004 to develop and operate the Pearl GTL project.

Pearl GTL is a fully integrated upstream-downstream development that is located in Ras Laffan. It captures the full gas value chain from offshore development through to onshore gas processing, the conversion of gas to liquids, and the refining to finished products.

The facility aimed to process up to 1,600 MMSCFD of North Field gas to produce approximately 140,000 BPD of high-performing GTL products using Shell’s proprietary Shell Middle Distillate Synthesis (SMDS) process.

Pearl GTL has been operating since 2011. It is the world’s largest GTL plant and one of the world’s most complex and challenging energy projects ever commissioned.

In 2017, Pearl GTL produced a total of 32.7 MMBBLs of GTL products. This was lower than its typical production as the GTL plant operated at reduced load due to unforeseen maintenance required on some of the plant’s cooler units.

Oryx GTL
Oryx GTL is a gas-to-liquids plant implemented through a JV between Qatar Petroleum (51%) and Sasol (49%) and is the world’s first large-scale GTL plant to use low temperature slurry bed Fischer-Tropsch technology. The plant is located in Ras Laffan and has been in operation since 2007.

Oryx GTL converts natural gas to environmentally friendly low-sulfur diesel, naphtha, and LPG. The plant has a design production capacity of around 32 KBPD.

Total GTL products from Oryx GTL in 2017 were 11.4 MMBBLs.

Al-Khaleej Gas
The Al-Khaleej Gas Company is a DPSA agreement between the State of Qatar, represented by Qatar Petroleum, and ExxonMobil Middle East Gas Marketing Ltd.

The Al-Khaleej Gas (AKG) project was constructed in two phases (AKG-1 and AKG-2), with a combined total production capacity of 2 billion cubic feet of sales gas per day, which makes AKG the largest source of domestic gas supply in the State of Qatar.

AKG also produces condensate, NGL and ethane. The sales gas production from AKG-1 and AKG-2 meets almost 65% of the domestic gas demand of Qatar. AKG-1 started production in November 2005 while, AKG-2 commenced production in December 2009. In 2017, the average sales gas production from AKG was 1,803 MMSCFD.
OIL FIELD DEVELOPMENT AND PRODUCTION

Qatar Petroleum is the custodian of Qatar’s oil reserves, both onshore and offshore. It manages them through a combination of direct operation as well as partnerships with major international oil and gas companies through production sharing agreements (PSAs) or joint operations. PSAs have been key to the successful development of the more difficult reservoirs in Qatar by bringing in investments and the latest technologies. The production from these fields has provided a significant boost to the country’s crude oil production.

QP’s actual annual production of crude oil and natural gas is based on reservoir management requirements. Some of the oil and by-products extracted are supplied as feedstock for domestic downstream companies; the remainder is sent to Mesaieed Terminal (onshore) or Halul Island (offshore) for export.

The Operated Offshore Oil Field Development Department, which is under QP’s Field Development & Exploration Directorate, manages the field development and reservoir management activities of all QP-operated offshore oil fields, namely, Bul Hanine (BH), Maydan Mahzam (MM) and Al Rayyan (ALR). Where applicable, the department also identifies and implements field appraisal opportunities within ‘near field’ boundaries.

Key to managing the offshore fields are a well-defined Field Development Plan (FDP) and a regularly updated Reservoir Management Plan (RMP). These form the basis for monitoring field performance on a continuous basis and identifying actions for further resource recovery optimization. Identified resource optimization opportunities can lead to significant re-development plans, which are captured by the department’s business plan (e.g. MM’s Minimum CAPEX and Life Extension Project).

Within the department, there is also the Petroleum Technology Division (UOP), which provides production technology services, core laboratory and storage services, and petroleum laboratory services to all departments under the Field Development & Exploration Directorate. Core management and petroleum laboratory services are also extended to all other operators within the State of Qatar.
The Field Development & Exploration Directorate continued to set clear priorities in support of Qatar Petroleum’s corporate strategy. It continued to actively manage a quality portfolio by achieving operational excellence in both offshore and onshore operations in terms of production and HSE performance, operating costs, as well as the availability and reliability of upstream assets.

During 2017, the directorate carried out a number of key activities and built important milestones on the way. Despite several unplanned shutdowns (S/Ds) throughout 2017 and the late hook-up of wells, the production targets were met in 2017 with + 2% extra margin.

It successfully drilled a total of 15 wells, 11 of which were part of Phase 1 of Bul Hanine (BH) Field redevelopment. It work-vented/repaired four wells and abandoned two wells; optimized offshore gas lift rates; successfully and safely conducted 2017 Production Logging Campaign (PLC), which included logging 10 producer wells and 15 dumpflooder wells; achieved greater cost optimization savings on logs acquisition; and successfully shut-in high water cut wells to optimize gas-lift rates.

Working under the Operations Directorate, the Offshore Operations Department is committed to attain and maintain the highest standard of excellence and professionalism in the field of marine crude production and export to the different parts of the world from Qatar’s offshore fields. It upholds the same commitment to QP’s joint venture partners that utilize the Halul Terminal’s facilities and services for the storage and export of crude oil produced from the offshore fields they operate.

As Qatar Petroleum continuously aims to enhance the national crude oil production from existing offshore fields, a number of new projects have been launched.

These are:
- Bul-Hanine Redevelopment Project – Phase 1 with “first oil” targeted by 2020.
- Pre-FEED for Maydan Mahzam Redevelopment and PS-2/3 Life Extension – These projects will ensure that production from these fields would continue for another 30 years.
Bul Hanine Field

Bul Hanine (BH) was discovered in 1965 through well BH-1 (Arab D), and first production followed in 1972. The BH field consists of a series of oil and gas-bearing heterogeneous carbonate reservoirs of the Jurassic, Triassic and Permian. The Arab A and B are small gas reservoirs that are not developed, while the Arab C is an important oil rim capped by rich gas, which has been produced and shut-in for reservoir management. Two wells have been drilled recently in different parts of the field to assess the reservoir productivity and well concept. The Arab D is an important under-saturated oil reservoir. It is the most developed oil reservoir in the field and contributes almost 96% of the field’s current total production.

In light of the cancellation of Phase 2 of the redevelopment project, the Operated Offshore Oilfield Development Department presented a BH reservoir development strategy (post-Phase 1 development) to QP management in October 2017. This strategy includes the installation of around 30 additional Arab D wells on existing facilities, as well as the limited and early depletion of Arab C and MJ reservoirs with existing wells.

This post-Phase 1 development is currently under consolidation and all required surface facilities (mainly the additional gas lift requirements) will be included in the scope of the BH PS3 life extension and upgrade project. The Project Initiation Note (PIN) for this project has already been initiated and the scope of work for the study is under preparation. The launch of the study is expected in the fourth quarter of 2018.

The drilling of the Phase 1 development wells will continue throughout 2018.

Maydan Mahzam Field

Maydan Mahzam (MM) was discovered in 1963 and put in production in November 1965. The field consists of a series of oil and gas-bearing heterogeneous carbonate reservoirs of the Jurassic and Permian. The Arab C and Arab D under-saturated reservoirs are the most prolific in the MM field. They are the most developed reservoirs and contribute up to 95% to the field’s production at the end of 2015.

At the end of 2013, a MM Field conceptual study was awarded to Shell. The study entailed conducting a review of the then existing MM viability study, which was done in-house. The conceptual study was completed in the first quarter of 2016, with two preferred development scenarios realized (Minimum CAPEX and High Value). The final decision on the selected concept to bring forward into pre-FEED was decided in 2017.

Following the selection of the Minimum Capex concept by QP management in 2017, the scope of work for MM re-development is currently under consolidation, with the launch of the pre-FEED study targeted for the fourth quarter of 2018.

Due to onshore gas handling limitations, it was decided to undertake the MM re-development with the Minimum CAPEX concept. All subsurface data requirements will be provided before the launch of the pre-FEED study in the second quarter of 2018.

Well trajectory optimization started in October 2017, and 16 wells out of the 42 planned (38%) were completed.
Al-Rayyan Field

The Al Rayyan field is located approximately 50 kilometers north of the Qatar peninsula. The field was discovered in 1976 by Wintershall. The ARCO consortium eventually declared commercial discovery after drilling and testing the ALR-04 in 1995, with first production following in 1996.

In 2002, Anadarko purchased the interests of Gulfstream and BP and became the operator. In October 2007, Occidental acquired Anadarko’s interests and became the operator. In June 2016, QP and Occidental kicked off a handover process to transfer the operatorship to QP.

Key Al-Rayyan handover milestones were achieved in 2017, which included successful extensive planning and execution to ensure a smooth transition during the field’s handover to QP in June 2017 and close cooperation with all concerned entities to ensure that all wells with integrity issues were worked over prior to their handover to QP.

As per plans to economically maximize reserves recovery and to sustain the production target level, one appraisal well is planned to be drilled in 2019 in the eastern part of the field. Wells located in the northern and eastern part of the field have had the best performance, including wells such as ALR-25 and ALR-06. In 2010, the AC-01 subzone was identified as a potential development target with the drilling of the ALR-25 well. This well targeted the thin upper layer of Arab C (AC-01) and had a low water cut, producing more than 2 MMBO since its initial production.
The Non-Operated Oil Development Department is responsible for non-operated oil field development through Production Sharing Agreements (PSA) and selective Joint Venture Agreements (JVA) with various international oil companies (IOCs) in Qatar. The department is also responsible for driving the development and operation of Intelligent Oil Fields (IOF), and it manages all petroleum and geoscience data for QP’s assets as well as information security for the whole directorate.

Al Shaheen is the largest producing oil field in the State of Qatar. The field was discovered with the appraisal drilling of the Khuff gas reservoirs in the 1970s. The exploration and production sharing agreement (EPSA) was signed with Maersk Oil in July 1992 for a 25-year period.

Since 1994, the field has gone through many phases of development with Field Development Plan (FDP) 2012 being the latest to increase reserves and sustain the field’s production capacity. The field’s current daily production rate is 280,000 BOPD.

On the 11th of July, Qatar Petroleum announced that North Oil Company, which was created jointly by Qatar Petroleum (70%) and TOTAL (30%) to take over the operatorship of Al-Shaheen, has completed all transition activities. Under the contractual arrangements that were put in place in June 2016, NOC has been licensed the rights to the development and operation of Al-Shaheen oil field for the next 25 years. It took over the operation of the oil field on Friday, 14 July 2017 – the day of the expiry of the exploration and production sharing agreement between Qatar Petroleum and the field’s former operator, Maersk Oil.

NOC had submitted an Initial Field Development Plan (IFDP) in December 2016 and an amendment in April 2017, which focused on field development activities for the first five years (2017-2022). The IFDP submission was required in the Development and Fiscal Agreement (DFA) document. Two rigs were mobilized in September 2017 and a third rig will be mobilized in February 2018 to implement the development plan as per the IFDP document.
Idd El-Shargi Field  
(Occidental Petroleum of Qatar Ltd.)

IDD EL SHARGI – NORTH DOME
The Idd El Shargi North Dome (ISND) field was discovered in 1960 and first production was achieved in 1964. The field is currently operated by Occidental Petroleum of Qatar Limited (OPQL) under a Development & Production Sharing Agreement (DPSA) since 1994. The field’s current production rate is about 80,000 BOPD. There are 51 remote jackets tied back to the offshore central station PS-1 complex. The field has gone through many phases of development plans. The Phase 5 Field Development Plan is currently being implemented to increase reserves and sustain the field’s production capacity. As of the end of 2017, 70 out of 205 well projects have been completed in addition to 12 ESP conversions and 8 Minimum Facility Platforms (MFP) installations.

IDD EL SHARGI – SOUTH DOME
The Idd El Shargi South Dome (ISSD) field was discovered in 1961. The field’s current production rate is about 8,400 BOPD. The ISSD gross production is tied-in to the PS-1 complex. The Phased Full Field Development Plan (PFFDP), which was approved in 2011, is divided into five phases with 39 new wells to be drilled. The two MFPs of Phases 1 and 2 were installed in 2012. A total of eight wells were drilled from these MFPs. The Arab Appraisal and Development Program (AADP) was approved to delineate the Arabs reservoirs and appraise their productivity. However, due to poor results of the two Arabs appraisal wells, a decision was made to continue the AADP with Shuaiba backup well projects. A total of six wells were drilled as part of the AADP.

In 2016, OPQL submitted the Revised Phased Full Field Development Plan (RPFFDP), which includes modifying the approved PFFDP Phases 3–5 as well as implementing the lessons learned from Phases 1, 2 and the AADP. The revised plan is currently still under discussion.

One capital workover re-drill (ISS-024B) and three capital workovers (ISS-021, ISS-027, and ISS-011) were carried out in 2017 to replace and upgrade ESP equipment. New technologies were implemented, such as the 3D Vertical Seismic Profile (VSP) and walk-above VSP as well as new emulsified acid stimulation techniques. The fabrication of a new MFP-P34C was completed and will be installed in 2018.
Al-Karkara & A-Structures
(Qatar Petroleum Development Company)

The A-Structures fields were discovered in 1971, while Al-Karkara was discovered in 1988. The fields are located in Block 1-SE in eastern offshore Qatar. Qatar Petroleum Development Company (QP) took over the concession Block in 1997 under a DPSA that will expire in December 2022. Oil is being exported to Halul Island via the PS-3 MOL. The project is the first in offshore Qatar to produce oil and gas from high H₂S concentration reservoirs and has zero flaring by the utilization of sour gas re-injection into A-North Field. Produced water is being disposed in UER formation via a dedicated well.

Al-Khalij Field
(Total E&P Qatar)

Al-Khalij field was discovered in 1991, and with the expiration of the original EPSA in February 2014, it is currently being operated as a joint venture between QP and Total. The field is estimated to contain 2.6 billion barrels. Production from Al-Khalij commenced in 1997 and the field is currently producing around 20,000 BOPD. The field development plan and infill drilling were carried out in phases to reduce development risk due to the complexity of the field.

A full field 4D seismic processing was completed in the field in June 2015 and the interpretation was completed, with the final results presented to QP in November 2017. The 2016 FDP for Al-Khalij Field was approved in July 2017.

El-Bunduq Field
(Bunduq Company Limited)

El Bunduq field was discovered in 1965 and is located between the maritime borders of Qatar and Abu Dhabi. Reservoir pressures at the field are maintained at initial conditions with power water injection and gas re-injection. The produced oil is gathered at the central collector platform and routed to a production separator and then sent to Das Island. Produced water is treated and disposed in UER formation via two dedicated disposal wells, and most of the associated gas is re-injected back into the reservoirs.

A Well Integrity Management System (WIMS) was established and became the standard by which Bunduq Company Limited manages the integrity of its wells from the basis of design through to abandonment. The system focuses on the principles and fundamentals of managing well integrity in line with national, international and industry best practices as well as the requirements of local legislation. Another major activity in El Bunduq was the initiation of Project Injaz (Bunduq’s reorganization), which was started in October 2017 and aims for a 30% reduction in general and administrative expenses (G&A) and manpower costs.
Dukhan Field is a large oil and gas field extending over an area of approximately 80 kilometers by 8 kilometers. Located around 80 kilometers to the west of Doha, the field consists of three sectors from north to south – Khatiyah, Fahahil and Jaleha/Diyab.

The giant field was discovered in 1939 and has been producing since 1949. It is located on the western side of the Qatar peninsula.

Dukhan Field is the premier QP-operated onshore producing asset, which has built valuable oil & gas experience for multiple generations of Qataris. The continued development of the field provides the expertise necessary to venture beyond our borders “to become one of the best national oil companies in the world.” Its management as a world-class oilfield for the benefit of the nation strengthens our position to grow internationally and contributes in building the next generation of technical and business leaders, while serving as the core symbol of Qatar Petroleum’s deep roots in Qatar.

The main oil reservoirs in the Dukhan Field are the upper Jurassic Arab C, upper Jurassic Arab D, and the middle Jurassic Uwainat. The field’s Permian Khuff reservoir is a gas reservoir.

More than 960 wells have been drilled in the field. Currently, there are over 280 producing oil wells, more than 220 water injectors and 58 gas wells. Oil and gas production from Dukhan is transported by pipeline to Mesaieed for further processing and sales. Other production facilities on the field include plants for associated gas, non-associated gas, raw natural gas liquids (NGL) production from associated gas, and the Arab D gas cap recycling plant to produce NGL and condensate.
Production and Dukhan Field Management / Asset Optimization

Dukhan Operations is achieving the production targets for all products, with new wells adding well potential to keep up with these targets.

Khuff as a strategic asset is providing fuel gas on a demand basis, as and when required. The change in reservoir performance (due to oil decline rates and the Arab D gas cap becoming leaner) is becoming more evident in less spare well potential for oil and gradually declining natural gas/condensates from recycling. The declining reservoir performance requires focus on our capabilities in water-flood management and artificial lift technologies.

The changing production environment due to reservoir dynamics (higher volumes of corrosive water handling, more gas processing) poses an increasing risk for the integrity and availability of the aging assets (loss of containment in wells, facilities and pipelines), requiring the initiation of several new projects for surface facilities to mitigate these risks.

The redevelopment of the Dukhan Field is focused on two large projects:

- **The Enhanced Water Flood (EWF) project**, which is an extensive infill drilling campaign targeting the more difficult remaining oil in the field’s three oil reservoirs. The project also includes facility modifications to process the produced liquids and inject the required water. The EWF campaign started in 2016 and is expected to be completed in 2028.

  In 2017, a total of 19 EWF wells were drilled and completed. The Dukhan new generation simulation models have been used for all reservoirs as a basis for a re-optimized and long-term EWF drilling sequence. The engineering studies for the required facility modifications were started by the end of 2017. A pilot project was also implemented for the use of real-time water cut meters in the Dukhan Field.

- **The CO₂ Water Alternating Gas (WAG) Pilot Project**, which aims to achieve improved oil recovery through a CO₂ WAG injection scheme in the southern part of the Arab-D and Arab-C oil reservoirs. The pilot project has been proposed to reduce reservoir uncertainties and build experience prior to a full sector implementation.

  The pilot project was reinitiated after a two-year deferment. Its start-up is now scheduled in the second quarter of 2022, with first CO₂ injection planned in the fourth quarter of that year.

The project involves:

1) Making modifications at Ras Laffan by Qatargas to enable CO₂ export;

2) Building a new pipeline to transport CO₂ from Ras Laffan to Dukhan and a dedicated Pilot Production Facility (PPF) at Dukhan, and

3) Drilling a total of 13 pilot wells. Engineering studies were started at the end of 2017 for the Ras Laffan modifications.

Preparations are also underway for contracting the pipeline engineering studies and for long lead items to allow the drilling of pilot wells in 2020 and 2021. An advanced local seismic processing study had already been completed by Schlumberger to assess fracture intensity and orientation in the CO₂ pilot area.

Dukhan Operations is responsible for managing the safe and cost-effective production of oil, gas, condensate and NGL from the Dukhan reservoirs. In order to continuously improve sustained production, the department has been driving a performance culture throughout the organization, and actively pursuing operational excellence initiatives to improve the business in various areas, including maintenance management, reliability and integrity management, and process safety.
Halul Island is located around 80 kilometers northeast of the city of Doha and it is where Qatar Petroleum operates its crude oil export terminal for Qatar marine crude oil produced from offshore oilfields. It contributes to QP value by making all produced Qatar marine crude oil available to commodities’ markets and buyers.

The island is hilly, rising to an elevation of 202 feet. Until the middle of the 20th century, Halul was used as a shelter by fishermen during storms. Sailors and pearl divers also used the island as a resting station during their long voyages in the Gulf.

In the mid-1950s, with the drastic increase in oil exploration and production in territorial waters around Halul, the importance of the island increased and attention was given to its usage as a loading terminal for vessels transporting tools and equipment needed for exploration and drilling operations. In the early 1960s, Halul Island gained increased importance with the start of oil production from the offshore oilfields in Qatar’s territorial waters close to the island. Preliminary infrastructure was developed between 1964 and 1966. Eventually, Halul became a loading terminal for crude production from PS-1, PS-2, PS-3, Al Karkara & A-Structures and Al-Khalij fields.

Halul harbor is located on the southern side of the island, and is used by supply boats that support operations. The island has both operational and emergency helicopter landing sites to support personnel and equipment movement for the island, adjacent offshore facilities, and support vessels. Qatar’s Emiri Navy and Coast Guard have bases at Halul, strategically positioned to provide support and security to vital offshore installations, their support vessels, and Qatari and international vessels operating in Qatari waters.

Halul Island’s coral reef represents Qatar’s richest marine biodiversity, making it home to many environmental initiatives that support Qatar’s rich marine biodiversity. Qatar Petroleum continues to fulfill its commitment to protect wildlife species in Halul Island through ongoing management as well as the provision of veterinary services and animal food. The dedicated preservation area in Halul has been designed to enable all animals there to live freely in their natural environment. A coral relocation project has been completed in 2017.
Exploration activities took center stage in 2017 as Qatar Petroleum moved ahead with greater determination to expand its international upstream footprint as the means to building “a strong international presence”.

2017 saw an expanding international upstream presence comprising of a portfolio of exploration and production assets and licenses as well as increased evaluations of new businesses and growth opportunities.

The Domestic Exploration Division was integrated into the International Upstream & Exploration Department in July 2017, thus making it the center for all of QP’s exploration activities. The department currently maintains its principal role as a proactive non-operating partner in existing international assets. At the same time, it has initiated the development of an international basin and continues to lead exploration portfolio assessment efforts.

Qatar Petroleum’s strategy continues to provide guidance to preferred geographies and commercial arrangements for this future organic growth direction. This will require building competencies through people recruitment and development, as well as the deployment of advanced technologies and state-of-the-art knowledge management and processes, all of which are part of the short- to long-term plans of the department. Building such competencies and applying state-of-the-art geological & geophysical (G&G) technology will also help in exploring Qatar’s remaining domestic hydrocarbon resources.

2017 Milestones

On the 27th of July, Qatar Petroleum energized subsea electric power cables from Ras Laffan to Halul Island. These subsea electric power cables now connect Halul Island with the Kahramaa power network. The subsea power cables are composite cables, which include fiber optic cables for data transmission. Halul Island was successfully transferred to Kahramaa’s electric power network on the 5th of August 2017. With electric power now available from the Kahramaa network, diesel consumption in Halul has been significantly reduced in 2017 with the removal of the temporary power generators required for providing additional power.

QP also commissioned its new accommodation facilities that can support up to 600 personnel in Halul Island. The accommodation building also includes separate kitchen, messing, laundry and recreational facilities.

During the year, all crude oil tankers were loaded at Halul Terminal within their specified time schedule and with cargo as per the buyers’ quality and quantity requirements.

Concerning the development and recruitment of Qatari candidates as per the 5-year Strategic Qatarization Plan, the department increased its Qatarization rate to 37% in 2017.
Domestic Exploration

- Preparation to conduct 3D seismic in the Al Khalij South area. Planning and preparation activities were initiated to drill Qatar’s first unconventional exploration well and to conduct comprehensive coring, logging and rock mechanics testing activities within the Hanifa-Tuwaiq formation to evaluate Qatar’s unconventional hydrocarbon resources.

- Mesozoic and Paleozoic in-house exploration studies progressed during 2017 to evaluate the hydrocarbon potential of the reservoirs.

International Producing Assets and Exploration Projects

- Brazil
  In the BC-10 asset in Brazil (QP share: 23%), QP played an active non-operator role with Shell as operator and ONGC as partner to review infill well opportunities to sustain production from the maturing fields. The project achieved an average daily production of 10.5 kbopd (QP Net), exceeding the planned target by 12%.

- Congo
  Execution of the Moho-Nord deep-water project, operated by Total E&P Congo (QP share: 15%), consisted of drilling 24 production and injection wells via subsea tie-back to a floating production storage and offloading (FPSO) facility. The total project cost was approximately $10 billion. First oil in the Moho-Nord Project in Congo was achieved in March 2017, with production on-stream from 18 wells by the end of 2017. The average daily production from the overall TEPC assets reached 15.6 kbopd (QP Net) in 2017, which was 14% above the planned target.

- Cyprus
  Following the Block 10 PSC (QP share: 40%) signing in April 2017, QP worked with the operator ExxonMobil to successfully complete the 3D seismic data acquisition and 2D reprocessing as part of meeting the obligations under the PSC.

- Morocco
  This joint venture between QP (QP share: 40%) and Chevron as operator successfully completed the fast track 3D seismic processing for the Cap Cantin and Cap Walidia blocks to mature the prospects identified. Based on the completed prospects assessment, the partnership made the decision to relinquish one of the three blocks in Morocco (Cap Rhir block) and to focus activities in Cap Cantin and Cap Walidia.

- Canada
  In September 2017, QP and the operator Centrica successfully concluded the divestment of the CQ Energy Canada Partnership (QP share: 40%) for oil and gas assets in the Western Canadian Sedimentary Basin.
Drilling Activities

The Drilling and Completions Department undertook the activities required to ensure the technical and operational integrity of wells. This includes the planning and execution of well integrity investigations, diagnostic surveys and well monitoring to establish well risk profiles, which are used for critical decision making, i.e. to either keep a well on line or to perform a rigless repair or workover. These are highly critical activities in an operation involving a large and aging inventory of production, injection and observation wells.

By implementing alternative (fit-for-purpose) technologies as well as performance-based contracts, significant accomplishments have been made in drilling and well intervention operations both onshore and offshore. For instance, through batch drilling, well design changes and managed pressure drilling, offshore well durations have been reduced by some 30%, while onshore well durations have been reduced by 30-35% over a three-year period.

The offshore well durations in the Bul Hanine field have been reduced from over 60 days to less than 40 days. Onshore well durations, on the other hand, have reduced from 29 days per well to around 20 days. This was achieved by reviewing and implementing a large number of technical and operational opportunities.
Offshore Arab D Well Performance

Actual Well Duration
Target 58 Days

Number of Days for a 10 KFT Well

Arab C
Arab D
UWT
Qatar Petroleum creates value by harnessing Qatar’s hydrocarbon resources, converting them into added-value products and services, and by investing in the development of an integrated energy value chain around the world.

Qatar Petroleum’s vision is the driver behind a stronger commitment to delivering superior integrated products and services across the entire oil and gas value chain. QP remains focused as a responsible producer of oil & gas products. Its efforts to maximize production from its assets are coupled by resolute determination to ensure economic and environmental sustainability, particularly with regards to reducing greenhouse gas (GHG) emissions.

Ras Laffan Port continues to be one of the largest supply sources of cleaner energy to the world primarily LNG, condensates and GTL products. It provides security of energy supplies in addition to contributing towards the reduction of the global carbon footprint.

Another important port, Mesaieed, continues to be one of the largest supply sources for fertilizers in the world and supports the growing demand for food in major markets such as India and China.
DOWNSTREAM DEVELOPMENT

The Downstream Development Directorate is tasked with ensuring the maximization and preservation of long-term value for the corporation’s downstream business as well as with developing downstream growth plans and implementing QP’s downstream asset strategy.

Laffan Refinery 2 Project

Laffan Refinery 2 (LR2) was formally inaugurated by HH the Emir Sheikh Tamim bin Hamad Al Thani on 20 February 2017. The refinery has been in commercial operation since start-up in December 2016, and has increased the condensate processing capacity of Qatar by 146,000 bpd to a total of 306,600 bpd. The products from LR2 include naphtha, Jet A-1, ultra-low-sulfur diesel (ULSD), propane and butane.

Um-Al Houl Power

Umm Al-Houl Power is one of QP’s downstream joint ventures. It is a new high-efficiency 2,500-megawatt (MW) power plant project, combined with more than 500,000 m3 of water production per day.

• Construction is underway as per plan.

• First and second water production of 60 million imperial gallon per day (MIGD) through reverse osmosis was achieved in April and June 2017.

• First power was achieved in August 2017, adding 1,668 MW to the grid.

• On full completion of the Um-Al Houl power plant, it will account for approximately 25% of the country’s water production and 30% of the power generation capacity.

Egyptian Refining Company (ERC)

ERC is an international greenfield investment in a hydrocracking complex in Cairo, Egypt. The project is best described as an “upgrading-refinery” as it converts low-value atmospheric residue into middle and light distillates. ERC will have the capacity to produce 4.7 million tons of refined products per year, including 2.3 million tons of Euro-V diesel. Its other products will include jet fuel and high-octane gasoline blend-stock. Its feed supply will come from the adjacent refinery of Egyptian General Petroleum Corporation (EGPC).

The project is in construction phase and the planned date for on-spec production is 31st December 2018. ERC will diversify and extends QP’s downstream refining portfolio globally.

ERC is a joint venture between EGPC, which owns 23.8%, and Arab Refining Company (ARC), which owns 76.2%. QPI has an overall 28% share in ERC via ARC, in which QPI holds 36.7% ownership interest and Orient holds the remaining 63.3%.

Siraj Energy

QP in partnership with Qatar Electricity & Water Company (QEWC) established Siraj Energy for the development of a solar power plant in Qatar. Solar power production will reduce Qatar’s carbon footprint and also diversify the country’s energy mix.

Qatar Petrochemical Company (QAPCO)

QAPCO is a downstream joint venture company between Industries Qatar (IQ) and Total Petrochemicals to produce ethylene from ethane through an ethane steam cracking unit. The ethylene produced is further processed to produce the end-product, which is low density polyethylene (LDPE).

QAPCO also operates Qatofin, which is a joint venture between QAPCO and Total Petrochemicals, and Qatar Vinyl Company (QVC), a joint venture between QAPCO and Masaieed Petrochemical Holding Company (MPHC). QATOFIN produces low linear density polyethylene, while QVC produces caustic soda, ethylene dichloride (EDC), and vinyl chloride monomer (VCM).
In 2017, the following major projects were completed:

- Installation of six new cracking furnaces and decommissioning of old cracking furnaces to improve plant reliability, increase yield and plant capacity to produce up to 840 KTA of ethylene;
- Replacement and upgrading gas turbine GT-1 and GT-6 of the QAPCO Power Generation Unit;
- Merging of QVC operation into QAPCO.

Qatar Fertilizer Company (QAFCO) and Qatar Fuel Additives Company (QAFAC)
QAFCO is considered as the world’s largest single production facility for fertilizer and it produces a state-of-the-art fertilizer that supports agricultural production all over the world. It is a joint venture between Industries Qatar and Yara, one of the world’s leading fertilizer companies. QAFAC, on the other hand, operates plants producing methanol and methyl tertiary butyl ether (MTBE), which are fuel additives that are marketed across the globe.

- QAFAC’s ammonia plants have demonstrated an increase in production capacity over time, ranging from 9% to 30% over design in 2017. Similar production capacity increases have also been consistently achieved in the urea plants, with 2017 being a very strong year despite two major turnarounds.
- A strong focus on operational excellence and turnaround management further led to a reduction in flare gas in QAFCO in 2017, achieving more than 50% reduction compared to 2015.

QPI and Shell Petrochemicals (Singapore) Pte. Ltd. (QSPS)
In December 2009, QPI established a 49/51 joint venture with Shell Chemicals Company for the acquisition of equity share in two petrochemical companies in the Singapore Petrochemical Complex located in Ayer Merbau, Jurong Island.

Petrochemical Company Singapore (PCS)
PCS is a naphtha steam cracking facility that produces olefins (ethylene, propylene, and butane), butadiene, aromatics, and other by-products. The facility has two trains with a total capacity of about 1,100 kta ethylene. PCS is a 50/50 joint venture company between QSPS and a Japanese consortium led by Sumitomo. In 2017, the company successfully commissioned a naphtha import facility comprising a jetty and naphtha storage tank terminal with a capacity of 130,000 tons. The new facility is expected to gain further on cracking yield and naphtha sourcing management.

The Polyolefin Company (TPC)
TPC is a 30/70 joint venture company between QSPS and Nihon Singapore Polyolefin Co. Ltd., which is led by Sumitomo Chemicals Corporation. The company produces polyethylene and polypropylene. In 2017, it successfully modified one of its polypropylene units to make it capable of producing a polypropylene specialty grade for random copolymer, which added to the total capacity of the grade to about 157 kta.
REFINING

Qatar Petroleum aims for maximum benefit from its petroleum resources by engaging in all refining activities that would add value to these resources.

In this context, QP’s Refining Operations Department, which is under the Operations Directorate, manages all refining and related operations of the QP Refinery in a safe and environment-friendly manner with maximum value addition to the crude oil and condensate, and ensures the uninterrupted supply of liquid refined fuel products to the local market and the export of excess capacity. The department also works to maximize product value through the efficient operation of assets; to minimize the direct operating costs of the refinery to ensure maximum net cash margin; to ensure safety of operations at all times for people and the environment and maintain all refining and related infrastructural assets with a high degree of integrity and availability; and to formulate refining and product distribution strategies and develop business and project proposals for approval.

Some of its major projects in 2017 included:

- FEED for MTBE pipeline from QAFAC to the QP Refinery and new MTBE tanks at the refinery;
- Installation of one stand-alone medium pressure (MP) boiler in the QP Refinery and upgrading of the boiler feed water (BFW) treatment plant into a demineralizer water plant;
- Upgrading of the refinery’s drainage system (balance works) and wastewater treatment plant;
- Optimization of the upgrading of the QP Refinery;
- Domestic supply of butane from the NGL Complex to the QP Refinery;
- EPIC for Hamad International Airport Jet A1 Supply Project.

Refining Performance

- The QP Refinery processed a total feed (crude and condensate) of 42.34 million barrels against the plan of 39.52 million barrels, representing +15% above the plan.
- NFC/RGC processing started in Unit-65 at 500-1000 barrels per day as part of efforts to increase unit capacity utilization.
- The NGL condensate blending study was conducted as part of an initiative to increase gasoline production.
### FEED INTAKE

All quantities are in ‘000 BBLs

<table>
<thead>
<tr>
<th>Feed</th>
<th>Business Plan</th>
<th>Actual</th>
<th>% of the Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ref. II (QL Crude)</td>
<td>22,366</td>
<td>26,664</td>
<td>119</td>
</tr>
<tr>
<td>U-61 (NFC + RGC)</td>
<td>9,414</td>
<td>10,095</td>
<td>107</td>
</tr>
<tr>
<td>U-65 (DSC &amp; NFC + RGC)</td>
<td>5,172</td>
<td>5,585</td>
<td>108</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36,953</strong></td>
<td><strong>42,344</strong></td>
<td><strong>115</strong></td>
</tr>
</tbody>
</table>

### PRODUCTION

All quantities are in ‘000 BBLs

<table>
<thead>
<tr>
<th>Production</th>
<th>Business Plan</th>
<th>Actual</th>
<th>% of the Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>LPG</td>
<td>1,418</td>
<td>1,666</td>
<td>117</td>
</tr>
<tr>
<td>PCN</td>
<td>3,280</td>
<td>3,766</td>
<td>115</td>
</tr>
<tr>
<td>MOGAS 95R</td>
<td>8,589</td>
<td>9,003</td>
<td>105</td>
</tr>
<tr>
<td>MOGAS 91R</td>
<td>6,228</td>
<td>7,465</td>
<td>120</td>
</tr>
<tr>
<td>JET A-1</td>
<td>8,134</td>
<td>9,158</td>
<td>113</td>
</tr>
<tr>
<td>LGO</td>
<td>7,716</td>
<td>9,044</td>
<td>117</td>
</tr>
<tr>
<td>DCO</td>
<td>884</td>
<td>1,152</td>
<td>130</td>
</tr>
<tr>
<td>SRFO</td>
<td>69</td>
<td>87</td>
<td>125</td>
</tr>
<tr>
<td><strong>SULFUR MT</strong></td>
<td><strong>23</strong></td>
<td><strong>31</strong></td>
<td><strong>134</strong></td>
</tr>
</tbody>
</table>

### FEED INTAKE ‘000 Bbls

![Graph of Feed Intake](attachment:image)

### PRODUCTION ‘000 Bbls

![Graph of Production](attachment:image)
Local Sales, Import/Export Highlights

The QP Refinery provided a steady supply of petroleum products to the local market, without any interruption, to satisfy the demand. The first blended GTL LGO (light gasoil) was transferred to Woqod on 17 January 2017. No lubricity additive dosing was done as the GTL LGO was blended with the QP Refinery’s LGO. Jet import through Berth #4 started during the year using QATEX facilities and after piping modification at the refinery to unload jet import cargo and to reduce congestion in Berth #6 especially during the turnaround period.

LOCAL SALES

<table>
<thead>
<tr>
<th>Local Sales</th>
<th>Business Plan</th>
<th>Actual</th>
<th>% of the Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>LPG</td>
<td>1,564</td>
<td>1,602</td>
<td>102</td>
</tr>
<tr>
<td>MOGAS 97R / 95R</td>
<td>8,047</td>
<td>7,575</td>
<td>94</td>
</tr>
<tr>
<td>MOGAS 90R / 91R</td>
<td>7,925</td>
<td>7,702</td>
<td>97</td>
</tr>
<tr>
<td>JET A-1</td>
<td>27,196</td>
<td>27,937</td>
<td>103</td>
</tr>
<tr>
<td>LGO</td>
<td>20,024</td>
<td>18,347</td>
<td>92</td>
</tr>
</tbody>
</table>

All quantities are in ‘000 BBLs
### EXPORTS (MT)

<table>
<thead>
<tr>
<th>Products</th>
<th>Naphtha</th>
<th>Gasoline 97/95R</th>
<th>DCO</th>
<th>Fuel Oil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export Quantity</td>
<td>432,586</td>
<td>110,052</td>
<td>203,192</td>
<td>13,041</td>
</tr>
</tbody>
</table>

### IMPORTS (MT)

<table>
<thead>
<tr>
<th>Product</th>
<th>Jet A-1</th>
<th>LGO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Import Quantities</td>
<td>2,477,012</td>
<td>112,760</td>
</tr>
</tbody>
</table>

### NUMBER OF SHIPMENTS

<table>
<thead>
<tr>
<th>Product</th>
<th>Naphtha</th>
<th>Gasoline 97/95R</th>
<th>Jet A-1</th>
<th>LGO</th>
<th>DCO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shipment Nos.</td>
<td>17</td>
<td>4</td>
<td>62</td>
<td>2</td>
<td>17</td>
</tr>
</tbody>
</table>
MESAIEED OPERATIONS

Mesaieed Operations was recognized as a first-quartile asset in an asset benchmarking exercise carried out by a consultant using the industry-standard methodologies of Normalized Shift Positions (NSP) and Corrected Mechanical Units (MUc). Being a first-quartile asset, Mesaieed Operations has become the base for all asset benchmarking activities in the State of Qatar.

In line with QP’s strategic and fundamental objectives, Mesaieed Operations aims to provide the State of Qatar with a reliable and sustainable cash flow, prudently manage the country’s hydrocarbon reserves, meet the national oil and gas demand in a cost-effective manner, and develop a highly capable and motivated workforce with emphasis on Qatari development.

Operational Excellence

Mesaieed Operations undertook a large number of operational excellence initiatives in 2017 to achieve full alignment with the QP corporate vision and strategy. This included an initiative to improve the existing Safety Management System and to create a mechanism for periodic review of safety performance based on established KPIs and with corrective and pro-active actions to drive continuous improvement. An asset integrity initiative was also undertaken to improve the work processes for Asset Integrity Management.

In view of the expenses involved and the critical linkage to asset availability and reliability, turnaround (TA) projects demand significant management involvement. Therefore, a formal TA governance procedure was implemented in 2017 to deliver successful TAs with technical integrity, reliability and production capability within a competitive cost and rational duration.

The mandate of Mesaieed Operations is to meet the fuel gas requirements of power plants in Qatar, the feedstock requirements of local industries, and the export targets for Qatar land crude (QLC), full range naphtha (FRN), propane, butane and NGL condensate.

In 2017, Mesaieed Operations successfully met its mandated responsibilities by ensuring the safe, efficient, and reliable operations of three major asset groups – the Mesaieed NGL Complex, the Mesaieed Tank Farm & Terminal, and the Hydrocarbon Pipeline Transmission & Distribution System in Qatar. It ensured the optimum processing of multiple feed streams at multiple plants to maximize product yields, and coordinated with various JVs and industries for the complete Qatar supply chain of methane and ethane gas to ensure uninterrupted fuel gas supply to power plants and industrial consumers in Qatar.

The assets of Mesaieed Operations are mid-stream facilities where continued reliability is an absolute imperative to avoid cascading impacts across the entire hydrocarbon value-chain and power plants in the State of Qatar. This initiative has been taken up to ensure the effective management of reliability based on a formal reliability framework. This includes identification and elimination of bad actors/defective equipment, continued review of all critical equipment/Safety Critical Elements for maintaining effective barriers for process safety, and ensuring the operation of Production Critical Equipment to increase overall production.

Another initiative focused on safe, reliable and efficient operations. The purpose of this initiative was create a “Safe Operations” framework. Equal emphasis was placed on Maintenance Planning & Execution, which is typically the most cost-intensive part of operations. This initiative would improve work processes to achieve higher mechanical availability of assets at a competitive maintenance cost.
QP’s natural gas liquids (NGL) processing facilities have been in operation at Mesaieed since 1974 when the original NGL-1 production train was commissioned to process NGL received from the Fahahil Stripping Plant located in the Dukhan oil field. The re-built plant was commissioned in 1981. NGL-2 was commissioned in 1980 to process associated gas produced from QP’s offshore production facilities (PS-1, PS-2 and PS-3).

In 1990, NGL-3 was commissioned to process non-associated gas and condensate produced from the North Field Alpha (NFA) platform located in Qatar’s offshore North Field. The gas sweetening facilities (AGR/SRU) were commissioned in 1993.

In 2002, the NGL-4 facility was commissioned to receive high ethane yield NGLs from the Arab D Gas Plant located in the Dukhan Field and to fractionate the high ethane yield NGL received from the NGL-3 facility.

NATURAL GAS LIQUIDS (NGL)
## 2017 Production/Exports/Delivery

### PRODUCTION

<table>
<thead>
<tr>
<th>Product</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Propane</td>
<td>2,830 mtpd</td>
</tr>
<tr>
<td>Butane</td>
<td>2,135 mtpd</td>
</tr>
<tr>
<td>NGL Condensate</td>
<td>1,181 mtpd</td>
</tr>
<tr>
<td>North Field Stabilised Condensate</td>
<td>27.5 kbpd</td>
</tr>
<tr>
<td>LPG + Condensate</td>
<td>97.3 kbpd</td>
</tr>
<tr>
<td>NF Lean Gas</td>
<td>701 mmscf/d</td>
</tr>
<tr>
<td>Offshore Stripped Associated Gas*</td>
<td>65 mmscf/d</td>
</tr>
<tr>
<td>Ethane Rich Gas</td>
<td>3,693 mtpd</td>
</tr>
<tr>
<td>Sulfur (liquid)**</td>
<td>–</td>
</tr>
</tbody>
</table>

* Reported production figure indicates OFFSAG production till 8 Aug 2017. The entire OFFRAG feed was completely diverted to QAPCO ERU and NGL-2 plant was stopped on 09 Aug 2017 as part of NGL-2 mothballing project.

** Sulfur production remains NIL as SRU Plant was s/d for QP Engineering project-related works during 2017.

### EXPORTS

<table>
<thead>
<tr>
<th>Product</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qatar Land Crude Oil</td>
<td>102 kbpd</td>
</tr>
<tr>
<td>Full Range Naphtha</td>
<td>11 kbpd</td>
</tr>
<tr>
<td>Propane</td>
<td>2878 mtpd</td>
</tr>
<tr>
<td>Butane</td>
<td>573 mtpd</td>
</tr>
<tr>
<td>NGL Condensate</td>
<td>1219 mtpd</td>
</tr>
</tbody>
</table>

### LOCAL FUEL & FEEDSTOCK DELIVERY

<table>
<thead>
<tr>
<th>Product</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel Gas to Power Plants</td>
<td>1028 mmscf/d</td>
</tr>
<tr>
<td>Fuel Gas to Industries</td>
<td>1216 mmscf/d</td>
</tr>
<tr>
<td>Stripped Associated Gas to QAPCO</td>
<td>175 mmscf/d</td>
</tr>
<tr>
<td>Ethane to RLOC</td>
<td>113 mmscf/d</td>
</tr>
<tr>
<td>Ethane to QAPCO EP-2</td>
<td>39 mmscf/d</td>
</tr>
<tr>
<td>Ethane Rich Gas to Q-Chem</td>
<td>2255 mtpd</td>
</tr>
<tr>
<td>Ethane Rich Gas to QAPCO</td>
<td>1260 mtpd</td>
</tr>
<tr>
<td>Crude Oil to QP Refinery</td>
<td>73 kbpd</td>
</tr>
<tr>
<td>North Field Condensate to QP Refinery</td>
<td>28 kbpd</td>
</tr>
<tr>
<td>Butane to QAFAC</td>
<td>1387 mtpd</td>
</tr>
<tr>
<td>Butane to Q-Chem</td>
<td>13 mtpd</td>
</tr>
<tr>
<td>Sulfur (liquid) to QAPCO*</td>
<td>0</td>
</tr>
</tbody>
</table>

* Sulfur supplies to QAPCO remain NIL as SRU Plant was s/d for QP Engineering project-related works during 2017.
### Production at NGL Plants

<table>
<thead>
<tr>
<th></th>
<th>Target</th>
<th>Actual</th>
<th>Var %*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Propane Production – MTD</td>
<td>2,776</td>
<td>2,829</td>
<td>2%</td>
</tr>
<tr>
<td>Butane Production – MTD</td>
<td>2,050</td>
<td>2,135</td>
<td>4%</td>
</tr>
<tr>
<td>NGL Condensate Production – MTD</td>
<td>1,084</td>
<td>1,181</td>
<td>9%</td>
</tr>
<tr>
<td>North Field Stabilised Condensate Production – MBD</td>
<td>21.0</td>
<td>27.0</td>
<td>30%</td>
</tr>
<tr>
<td>LPG + Condensate Production – MTD</td>
<td>88</td>
<td>97</td>
<td>11%</td>
</tr>
<tr>
<td>NF Lean Gas Production – MMSCFD</td>
<td>685</td>
<td>701</td>
<td>2%</td>
</tr>
<tr>
<td>Ethane Rich Gas Production – MTD</td>
<td>3,504</td>
<td>3,693</td>
<td>5%</td>
</tr>
</tbody>
</table>

### Local Feedstock Deliveries

<table>
<thead>
<tr>
<th></th>
<th>Target</th>
<th>Actual</th>
<th>Var %*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Butane Supply to QAFAC – MTD</td>
<td>1,400</td>
<td>1,387</td>
<td>-1%</td>
</tr>
<tr>
<td>Butane Supply to Q-CHEM – MTD</td>
<td>9</td>
<td>13</td>
<td>44%</td>
</tr>
<tr>
<td>ERG Supply to Q-CHEM – MTD</td>
<td>2,086</td>
<td>2,255</td>
<td>8%</td>
</tr>
<tr>
<td>ERG Supply to QAPCO – MTD</td>
<td>1,418</td>
<td>1,260</td>
<td>-11%</td>
</tr>
<tr>
<td>NFC Supply to QP Refinery – MBD</td>
<td>21</td>
<td>28</td>
<td>31%</td>
</tr>
<tr>
<td>Crude Oil Supply to QP Refinery – MBD</td>
<td>62</td>
<td>73</td>
<td>18%</td>
</tr>
</tbody>
</table>

### Exports

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qatar Land Crude Oil Exports – MBD</td>
<td>101</td>
</tr>
<tr>
<td>Full Range Naphtha Exports – MBD</td>
<td>11</td>
</tr>
<tr>
<td>Propane Exports – MTD</td>
<td>2,878</td>
</tr>
<tr>
<td>NGL Condensate Exports – MTD</td>
<td>1,219</td>
</tr>
<tr>
<td>Butane Exports – MTD</td>
<td>571</td>
</tr>
</tbody>
</table>
BRINGING ENERGY TO THE WORLD

Qatar Petroleum has focused its post-reorganization efforts on delivering its strategic objectives by becoming more effective and efficient in the way it works and competes, and by delivering superior integrated products and services across the entire oil & gas value chain. This included providing more integrated and attractive value propositions to its international customers and partners, while ensuring high technical, commercial, and financial effectiveness.
MARKETING

In its first full year of operations following the commencement of operations under the Marketing Agency Agreement with Qatar Petroleum dated December 19, 2016, the Marketing Directorate, which is operating on behalf of Qatar Petroleum for the Sale of Petroleum Products (QPSPP), has registered extremely strong operational, commercial and financial performance. This was achieved in spite of significant market volatility and an evolving geopolitical climate that prevailed in the aftermath of the blockade that was unjustly placed against Qatar in the early days of June 2017.

Operationally, QPSPP has continued to deliver impeccably in its role as sole purchaser of Regulated Products from Producing Entities, ensuring continuous and reliable offtake of 37.9 million tonnes during 2017. In terms of commercial performance, QPSPP has continued its well-established performance, exceeding the independently assessed reference value by a total of US$135 million for the year.

The overall exported volumes in 2017 were in line with plan at 37.9 million metric tons, although there was notable variance in specific products due to evolving domestic demand and various operational upsets. Short-notice changes in the lifting schedules and sales (caused by availability of product, weather delays or shore failures) were actively managed to minimize demurrage claims and mitigate tank-tops and potential value leakage.

The directorate’s strong operational and commercial performance has been further complemented by the realized operating cost reductions of QPSPP. The Marketing Agency Agreement with Qatar Petroleum contributed to a 20% reduction in weighted average marketing charge paid by Producing Entities in 2017 vs. 2016. QP is squarely focused on continuing to capture operational and organizational efficiencies on behalf of QPSPP in order to maximize value return to the Producing Entities and the State of Qatar.

The mandate of QPSPP has been changed to accommodate the following:

- Effective May 2, 2017, ownership and operatorship of the SERDAL vessel vetting system have been transferred from QPSPP to QP;

- Effective January 1, 2018, sulfur will be de-regulated as a Regulated Product under Decree Law No. 15 of 2007, as amended by Law No. 9 of 2018 (the “QPSPP Law”), and regulated as a Regulated Product under Decree Law No. 11 of 2012. Accordingly, from January 1, 2018, all export sales of elemental sulfur will be handled by Muntajat;

- Effective January 1, 2018, crude oil will be designated as a Regulated Product under the QPSPP Law.
Qatar Petroleum for the Sale of Petroleum Products Company Limited

Qatar Petroleum for the Sale of Petroleum Products Company Limited (QPSPP), formerly known as Qatar International Petroleum Marketing Company Ltd. (Tasweeq), is a company established pursuant to Decree Law No. (15) of 2007 concerning the Organization of Marketing and Selling of Regulated Products Outside the State of Qatar, and is wholly-owned by the State of Qatar. In 2016, pursuant to Law No. (9) of 2016, Qatar Petroleum, a state-owned public corporation responsible for all phases of the oil and gas industry in the State of Qatar, was appointed by the State of Qatar as QPSPP’s Marketing Agent in order to leverage the combined set of technical, commercial and financial capabilities and to achieve cost efficiency through the harvesting of synergies.

QPSPP’s primary responsibility is to ensure reliable and efficient off-take of Regulated Products, while maximizing value in a transparent, cost effective and equitable manner for stakeholders, which include the State of Qatar as well as international investors and venture partners involved in the production and export of oil and gas products. It is committed to deliver Qatar’s energy to the globe reliably, efficiently and responsibly.

The success of QPSPP is built upon the implementation of commercial and operational controls and governance best practices. It is supported by proprietary IT systems designed for QPSPP’s specific business processes. As QPSPP’s Marketing Agent, QP has implemented a robust system of internal controls to segregate the marketing of Regulated Products from its day-to-day commercial and operational activities and to preserve the confidentiality of commercial information it accesses in its capacity as QPSPP’s Marketing Agent.
QPSPP managed and operated the SERDAL ship vetting services from 2009 to May 2017 in accordance with the Ministerial Directive issued on May 31, 2009.

The costs of running the SERDAL vetting system have always been compensated by vessel vetting fees charged per screening. The fees were set at a level designed to break-even over time and without intention to generate any profit.

However, following the Ministerial Directive issued on May 2, 2017, the ownership, operatorship and the overall responsibility for the procedures and future development of SERDAL were transferred from QPSPP to QP.

Qatar Petroleum established “Ocean LNG Limited” in 2016 for the purpose of marketing its future international LNG supply portfolio sourced outside of the State of Qatar.

The decision to establish a marketing entity to manage future LNG supply portfolio sourced outside of Qatar was driven by QP’s aspirations to continue to be a global LNG leader, and to invest in LNG projects outside Qatar. It is a global LNG marketing arm that will be instrumental in monetizing opportunities to be pursued and captured outside Qatar.

Ocean LNG Limited is a joint venture company owned by a QP affiliate (70%) and an ExxonMobil affiliate (30%). A branch office of Ocean LNG Limited was established in the Qatar Financial Centre in Doha to manage and undertake the activities of Ocean LNG, reinforcing Doha’s position as the world’s LNG capital.
Qatar Petroleum’s Industrial Cities Directorate provides land, infrastructure, facilities, utilities, ports, emergency response and other essential services required by QP and other joint venture companies for their operations in Ras Laffan Industrial City (RLIC), Mesaieed Industrial City (MIC) and the Dukhan Concession Area (DCA).

The industrial cities have been vested to QP through Emiri Decrees, and are all developed and operated by QP. RLIC is 239 square kilometres in area, whereas MIC and DCA are about 104 and 650 square kilometres, respectively. All of these industrial cities are located within approximately a one-hour commute by road from Doha.

The industrial cities are the onshore base for the operations for QP and all other oil, gas, LNG, petrochemical, power and metals industries in Qatar, and are designed and operated in accordance with international standards for risk management and sustainable development. The cities provide QP and other subsidiaries with all the required land, infrastructure, ports, utilities, facilities, fire and rescue and other ancillary services such as medical, personnel accommodation and recreational facilities.

In 2017, the directorate led a study on the localization of the energy & industry sector’s supply chain with the aim of increasing local content and strengthen the chain’s resilience. The planned program is a strategic initiative to create local business opportunities in the energy and industry sector’s supply chain and manufacturing of value-added products from locally produced hydrocarbon and metal feedstocks. It is expected to be launched in 2019.

The directorate launched an Operations Excellence program in 2017 covering four focus areas: Asset Integrity, Customer Service Delivery, Emergency Response, and Safety. The program is part of Qatar Petroleum’s strategic objective of further improving its operational performance.

Industrial Cities continued to provide the various critical facilities, utilities, port and emergency response services required for the operations of QP and other joint venture companies without any interruption, despite the unjust blockade imposed on Qatar.

Within two weeks from the blockade, Qatar Petroleum announced that fuel-oil bunkering solutions for all vessels calling on Qatari ports has been made available in Ras Laffan Port. This vessel-borne fueling facility was made available for all vessels lifting any Qatari seaborne imports or exports.
RAS LAFFAN INDUSTRIAL CITY

Ras Laffan Industrial City began operations in 1996. It is the onshore base for the North Field and the hub for natural gas-based industries producing liquefied natural gas (LNG), gas-to-liquids (GTL) products, and other derivatives. RLIC is the location of the largest single site for LNG and GTL production facilities in the world.

RLIC has a strategic location at the center of the Arabian Gulf, which enables hydrocarbon products to be efficiently transported to markets all over the world.

Following the announcement of the North Field Expansion Project in May 2017, the Industrial Cities Directorate commenced the planning of additional utilities and port facilities as required by the new LNG and petrochemicals projects in Ras Laffan.

Ras Laffan Industrial City achieved 18 million man-hours without lost time injury during 2017.

Ras Laffan Port

Ras Laffan Port continues to be the world’s largest single LNG export facility, thereby cementing Qatar’s dominant position in the global LNG market. Given its scale and its strategic geographical location relative to international markets, Ras Laffan Port gives Qatar Petroleum the competitive edge in a highly competitive global LNG market. In addition, it continues to be one the world’s largest sources of cleaner energy supply, primarily with LNG, condensates and GTL products. It provides security of energy supplies besides contributing towards the reduction of the global carbon footprint.

Ras Laffan Port also commissioned a ship bunkering operation to provide bunker fuel and other services to ships calling in Qatar’s ports.

Ras Laffan Common Seawater Facility

The Ras Laffan Common Seawater Facility (CSF) supplies cooling water to all the industries in RLIC. It is the largest of its kind in the world and has continued to operate continuously without any downtime.

MAJOR INDUSTRIES IN RAS LAFFAN

- Qatargas
- RasGas
- Dolphin Energy
- Pearl GTL
- Oryx GTL
- Ras Laffan Olefins Company
- Al Khaleej Gas
- Barzan Gas Company
- Laffan Refinery
- Ras Girtas Power Company
- Ras Laffan Power Company
- QPower
- Erhama bin Jabr Al Jalahma Shipyard
- Gasal Q.S.C.
- Qatar Solar Technologies
Mesaieed Industrial City is located 40 kilometers south of Doha and is the hub for the production of petrochemicals and fertilizers, oil refining, gas processing and distribution, as well as the manufacturing of steel, aluminium and plastic products in Qatar. The city has transformed itself over the years from a simple port facility exporting crude oil into Qatar’s main industrial city and center for petrochemical and oil refining activities.

MIC’s industrial area accommodates an oil refinery, a fertilizer complex, petrochemical complexes, natural gas liquids plant and a steel mill, in addition to oil receiving terminal and export facilities. It also hosts a community with housing, schools and recreation facilities for staff of QP and other joint venture companies in the area.

MIC launched a 7-star safety rating system for contractors in 2017.

Mesaieed Port

MIC’s Mesaieed Port has continued to support QP’s downstream business strategy by enabling the export of oil and other value-added petrochemicals and other hydrocarbon products to international markets. Mesaieed Port also continues to be one of the world’s largest sources of fertilizer supply, thus supporting the growing global demand for food in major markets such as India and China.

Mesaieed Port also handles all the import of building materials into Qatar and is critical to the construction industry.

MAJOR INDUSTRIES IN MESAIEED
QP Natural Gas Liquids Complex
QP Refinery
Qatar Petrochemical Company Ltd. (QAPCO)
Qatar Fertilizer Company (QAFCO)
Qatar Chemical Company (Q-Chem)
Qatar Fuel Additives Company (QAFAC)
Qatar Vinyl Company (QVC)
Qatar Steel Company
Qatar Lubricants Company (QALCO)
Qatar Olefins Company (QATOFIN)
Qatar Aluminum Ltd. (QATALUM)
SEEF Limited
Gasal Q.S.C.
Mesaieed Power Company (M Power)
Dukhan Concession Area is located 84 kilometers west of Doha and is the hub for onshore oil & gas production operations, which gained significance with the discovery of crude oil in the area in the 1930s and 1940s. The first shipment of crude oil from Qatar was produced in Dukhan and was exported on 31 December 1949.

QP’s Industrial Cities Directorate is responsible for managing the activities in the common areas of the DCA, excluding oil & gas operations in the Dukhan Fields, which are managed by the Operations Directorate.

The Industrial Cities Directorate operates the power distribution, water and other utilities in DCA. In addition, it operates the support facilities in two locations within DCA and in an adjacent area in Zekreet.

Dukhan Township
DCA houses the Dukhan Township, which provides accommodation to QP employees and their families. The township is equipped with all modern facilities such as an international school, a cinema, recreation center, fitness center, golf club and a water sports club. A business plaza is also available in DCA, and it comprises of supermarkets, restaurants, pharmacy and other related sales outlets, banks, money exchange firms, a post office and other government service offices.

In 2017 a project was underway to build a new primary school in the Dukhan Township. This project will establish a new primary school that can accommodate up to 1,050 students from pre-school through to Year 6. This is a fasttrack project, as the school building has to be completed by August 2018. The scope includes the construction of classrooms, play areas, library, assembly hall and administration block as well as external works and the demolition of porta-cabins.

In-house FEED had been completed as per the fasttrack schedule, and the bidding including the awarding of the EPIC contract was completed a month earlier than planned. EPIC activities are proceeding as per plan. The final outcome after the completion of EPIC will entail shifting Primary School classes from temporary buildings to a permanent, purposely-built facility in compliance with the requirements of the Qatar Civil Defence and the Ministry of Education and Higher Education.
Qatar Petroleum is committed to protecting our shared natural environment by applying world-class environmental standards and practices in all its operations. This is an approach that makes good business sense, particularly in a region suffering from water scarcity, low air quality and fragile natural habitats.

To achieve this, QP uses proactive environmental management, implements optimization programs, and invests in leading technologies and large-scale groundbreaking projects, which are recognized around the world. Measuring and managing a range of material environmental issues help support the achievement of the corporate strategy and create value for the company and the country.
CORPORATE HSE & QUALITY

At the heart of every organization lies health, safety, environment and quality of its people, facilities, and surroundings as well as the quality of its products and services. Qatar Petroleum’s Corporate HSE & Quality Department is responsible for this unique role of ensuring that all QP business activities are carried out in a safe manner. This function includes guiding the development and implementation of corporate governance frameworks for HSE, quality and sustainable development as well as providing assurance to the President & CEO and the QP Board of Directors that all HSE risks related to QP activities are identified, ranked and controlled in line with State and corporate requirements.

In 2017, we launched our new and enhanced Health, Safety, Sustainability, Environment and Quality Policy, which sets out commitments to addressing climate change by managing our environmental impacts.

Business Continuity Management

Qatar Petroleum undertakes comprehensive efforts to prevent incidents that could compromise safety and to address business disruptions. It has developed a comprehensive Business Continuity Management System (BCMS) that includes crisis management, emergency preparedness and response, business continuity planning and information technology (IT) resilience.

At Corporate HSE & Quality, we dedicate resources to developing and implementing the BCMS, so that in the case of an event, we can respond in a timely and effective manner and minimize any potential harm. This also enables us to provide accurate information to public authorities about the remediation actions taken to re-establish safety, protect public health and the environment, and continue with the delivery of products and services.

Our efforts and the effectiveness of the overall system are regularly tested against pre-defined requirements.

With the world and us becoming increasingly digital, we have increased our vigilance against cyber threats, including through employee education campaigns focused on online security.

The unjust blockade against Qatar since 5 June 2017 provided the best stress and performance test of Qatar Petroleum’s business continuity plans. This enabled the continued and unhindered safe and reliable delivery of energy supplies to all our customers across the globe.

In other achievements, we introduced real-time wellhead monitoring systems at all stations. These will alert operators to dangerous conditions and allow them to take corrective actions before failures and well blowouts could occur.

Corporate HSE & Quality delivered ongoing awareness-building capacity on HSE related issues within QP, and provided sustainable development goals training to Ministry of Municipality & Environment staff. In addition, it maintained a Health, Safety, Sustainability and Environmental Policy, provided safety training, workshops and communication, and supported sector compliance with health requirements.

The department launched a new Safety Excellence Initiative to coordinate safety-related initiatives across QP, and provided occupational hygiene programs and procedures to help prevent occupational illnesses. It also implemented programs like Asset Integrity Management and Process Safety Management, which reflect our commitment to protecting human life and the natural environment.
Health and safety are placed on top of all of Qatar Petroleum’s priorities in everything it does. We take the extra mile to ensure that employees, contractors and the wider community at large are protected from harm. To this end, QP dedicates various efforts towards the goal of zero injuries.

We continued to build on our safety performance in 2017. There were no fatalities, and we achieved a 38% decrease in our combined employee and contractor lost time injury frequency rate (from 0.24 in 2016 to 0.15 in 2017). This is our lowest level in six years.

We have also achieved a slight drop in our combined recordable injury rate for employees and contractors, from 0.64 in 2016 to 0.63. These positive results suggest that our ongoing health and safety efforts are proving effective, and benchmarking shows that we performed very well compared to the International Association of Oil & Gas Producers Association’s average performance.

Out of the 15 occupational health cases reported in 2017 by employees and contractors, 14 were heat-stress related. Heat stress has previously been one of the most dangerous work-related illnesses affecting employees and contractors.

The Projects, Engineering and Procurement Services Directorate achieved remarkable milestones in health, safety and environment in 2017. During the year, it achieved zero lost time injury (LTI) with 27 million LTI-free man-hours recorded and a Lost Time Injury Frequency Rate (LTIFR) of 0.00 against the corporate target of 0.32.

**Process Safety and Well Integrity**

Working with hydrocarbons has specific risks, which need to be managed. To further reduce these risks, the Drilling and Completions Department developed procedures to measure and manage these so-called process safety risks. Key performance indicators (KPIs) were developed and implemented, making it possible to improve the management of process safety. All Drilling and Completions staff have undergone awareness training in process safety to enhance the safety of drilling and intervention operations.

To prevent hydrocarbons from escaping to the environment, it is QP’s policy to maintain a minimum of two barriers between hydrocarbons and the environment. The onshore and offshore well integrity teams continuously monitor and test these barriers to ensure compliance with this policy.

**PROMOTING HEALTH AND SAFETY**

Health and safety are placed on top of all of Qatar Petroleum’s priorities in everything it does. We take the extra mile to ensure that employees, contractors and the wider community at large are protected from harm. To this end, QP dedicates various efforts towards the goal of zero injuries.

We continued to build on our safety performance in 2017. There were no fatalities, and we achieved a 38% decrease in our combined employee and contractor lost time injury frequency rate (from 0.24 in 2016 to 0.15 in 2017). This is our lowest level in six years.

We have also achieved a slight drop in our combined recordable injury rate for employees and contractors, from 0.64 in 2016 to 0.63. These positive results suggest that our ongoing health and safety efforts are proving effective, and benchmarking shows that we performed very well compared to the International Association of Oil & Gas Producers Association’s average performance.

Out of the 15 occupational health cases reported in 2017 by employees and contractors, 14 were heat-stress related. Heat stress has previously been one of the most dangerous work-related illnesses affecting employees and contractors.

The Projects, Engineering and Procurement Services Directorate achieved remarkable milestones in health, safety and environment in 2017. During the year, it achieved zero lost time injury (LTI) with 27 million LTI-free man-hours recorded and a Lost Time Injury Frequency Rate (LTIFR) of 0.00 against the corporate target of 0.32.
2017 Performance Highlights

38% Reduction in lost time injury frequency rate (employees and contractors)

2,700+ employees and contractor staff completed our new HSE training program

33% Decrease in Tier 1 process safety incidents

SAFETY INCIDENTS

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lost-time injury rate (employees)*</td>
<td>0.62</td>
<td>0.32</td>
<td>0.39</td>
<td>0.11</td>
<td>0.23</td>
</tr>
<tr>
<td>Lost-time injury rate (contractors)*</td>
<td>0.87</td>
<td>0.31</td>
<td>0.40</td>
<td>0.28</td>
<td>0.13</td>
</tr>
<tr>
<td>Lost-time injury rate (employees and contractors)*</td>
<td>0.78</td>
<td>0.31</td>
<td>0.40</td>
<td>0.24</td>
<td>0.15</td>
</tr>
<tr>
<td>Total recordable injury rate (employees)*</td>
<td>0.95</td>
<td>1.08</td>
<td>0.87</td>
<td>0.50</td>
<td>0.68</td>
</tr>
<tr>
<td>Total recordable injury rate (contractors)*</td>
<td>1.29</td>
<td>0.86</td>
<td>0.71</td>
<td>0.68</td>
<td>0.61</td>
</tr>
<tr>
<td>Total recordable injury rate (employees and contractors)*</td>
<td>1.17</td>
<td>0.91</td>
<td>0.75</td>
<td>0.64</td>
<td>0.63</td>
</tr>
<tr>
<td>Employee fatalities</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Contractor fatalities</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

OCCUPATIONAL ILLNESSES

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupational health cases reported (employees and contractors)</td>
<td>–</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td>Heat stress events (employees)</td>
<td>7</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Heat stress events (contractors)</td>
<td>42</td>
<td>4</td>
<td>9</td>
</tr>
</tbody>
</table>

Health and safety continues to be an important focus area within QP’s Operated Offshore Oil Field Development Department, with “Safety Moments” being an integral part of any meeting agenda. The department conducted various actions and activities to address a wide spectrum of health and safety issues. It also performed an emergency response drill with Dukhan Lab personnel and the Fire Department in Dukhan, with areas for improvement subsequently identified and a follow-up plan created. A risk assessment of fire detection and prevention system in the Dukhan Core and Petroleum Lab was also conducted to identify the most optimum system to be installed.
The safety of more than 200 QP staff as well as over 1,000 contractor staff working onshore and offshore on the drilling, workover and well intervention activities remains of paramount importance. During 2017, many initiatives and activities were carried out to make the drilling and well intervention operations safer. These activities included more rigorous reporting and follow-up on near misses, complete follow-up and close-out of findings from incidents, a full review of all operational and safety risks and mitigation measures. Special emphasis was placed on so-called “dropped objects”, which are among the main causes of injuries in the drilling industry worldwide. With the support and assistance of our contractors, staff and leadership, the result of all these efforts was a reduction in the number of serious incidents by some 80%.

In 2017, QP’s Drilling and Completions Department was recertified through external audits for its Quality Management System, Environmental Management System, Occupational Health Safety Assessment Series, and Business Continuity Management System.
Mesaieed Operations completed 40 million LTI-free man-hours. LTIF (0.00) and TRCF (0.32) were maintained below the allowed limits (0.21 and 0.47, respectively) in spite of ~60% increase in contractor man-hours. It maintained certification to ISO-9001 (QMS), ISO-14001 (EMS) and OHSAS-18001. External audit was completed successfully with ~98% of QMS documents updated.

On its part, Ras Laffan Industrial City achieved 18 million man-hours without loss time injury in 2017.
Qatar Petroleum is committed to protecting our shared natural environment by aligning with world-class environmental standards and practices. We use proactive environmental management, implement optimization programs, and invest in leading technologies and ground-breaking projects that are recognized internationally.

As part of our flare management plans, we continued to focus on monitoring and minimizing flaring across our operations. We also took a proactive approach to upgrade our domestic fuel (gas and diesel) specifications in Qatar to meet the new Euro V requirements internationally. While Qatar Petroleum isn’t subject to the Euro V regulations, it recognizes the benefits of compliance, including a reduction in GHG emissions and a cleaner environment in Qatar to benefit public health.

We also introduced a blended diesel in the domestic market, with up to 50% ultra-low sulfur GTL diesel. This clean-burning alternative fuel will help reduce high sulfur emissions from diesel engines without the need for vehicle modification.

An industry survey has been conducted under the governance of the Offshore Operators Forum (OOF) to identify handling practices for Naturally Occurring Radioactive Materials (NORM) in Qatar. A guideline related to the best practices for handling and the permanent disposal of NORM is under development in collaboration with QP’s Corporate HSE & Quality Department and the other operators in Qatar.

## Performance Highlights

<table>
<thead>
<tr>
<th><strong>CO₂</strong></th>
<th><strong>7.5%</strong></th>
<th><strong>4.3%</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction in direct GHG emissions</td>
<td>Decrease in energy consumption</td>
<td>Reduction in hazardous waste generated</td>
</tr>
</tbody>
</table>

## The Jetty Boil-Off Gas Recovery Project

The Jetty Boil-Off Gas Recovery Project (JBOG) is the biggest environmental project of its kind designed to recover the gas flared during liquefied natural gas (LNG) loading at Ras Laffan Port. At a cost of nearly $1 billion, JBOG is also one of the largest environmental investments in the world.

Located at Ras Laffan Industrial City, JBOG represents a significant milestone in the State of Qatar’s efforts to minimize the carbon footprint of its LNG industry. The project – led and operated by Qatargas on behalf of QP and the LNG producers – aims at reducing flaring at the six LNG loading berths at Ras Laffan Port by 90%, equivalent to an annual GHG savings of 1.6 million tons of CO₂. It will also help recover 29 billion standard cubic feet (bscf) of gas per year, which is enough gas to produce 750 MW of electricity to power 300,000 homes.
Greenhouse Gas (GHG) Management

QP continues to act as the greenhouse gas (GHG) controller and it monitors and controls the performance of the GHG accounting, reporting and verification process at RLIC.

The annual verification campaign for 2017 began verification of GHG emissions of the operating companies in RLIC, including Qatargas, Dolphin Energy, Pearl GTL, Oryx GTL, Ras Laffan Olefins Company (RLOC), Qatar Power (QPower), Ras Girtas Power Company (RGPC), and Ras Laffan Power Company (RLPC).

A cost-effective reduction in GHG emissions will be achieved by utilizing the AGI facilities post AGI Elimination/Diversion Project at Qatargas – South (Train 6/7 and AKG-2). Project construction is in progress. MAC is expected in the third quarter of 2018, while commissioning is expected in the first quarter of 2019.

Flare Management

We have focused efforts to minimize flaring by companies operating in Ras Laffan and continued to monitor flare reduction plans. To comply with the Ministry of Municipality and Environment (MME) regulation limiting flare quantity to below 0.3% vol (except for the Pearl GTL, which is <0.8% wt), various flare reduction projects were initiated jointly by QP and the joint venture companies and DPSA projects in Ras Laffan. The following projects have either been completed in 2017 or will still be ongoing in 2018:

<table>
<thead>
<tr>
<th>Operator</th>
<th>Project Name</th>
<th>Project Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qatargas-South</td>
<td>Merichem units optimization in Trains 1, 2, 3 &amp; 4</td>
<td>Completed in the first quarter of 2017</td>
</tr>
<tr>
<td></td>
<td>Flare measurement enhancement</td>
<td>Completed in the first quarter of 2017</td>
</tr>
<tr>
<td></td>
<td>Improve start-up procedures for units/equipment</td>
<td>Ongoing: 2017-2021</td>
</tr>
<tr>
<td></td>
<td>Defrost gas minimization</td>
<td>Ongoing: 2017-2021; In progress (50%)</td>
</tr>
<tr>
<td></td>
<td>Optimizing Train 6/7 cool-down procedure</td>
<td>Ongoing; Expected in the first quarter of 2018</td>
</tr>
<tr>
<td></td>
<td>Install GE prediction tools to monitor flare valves</td>
<td>Ongoing; In Progress (66%); Expected in the third quarter of 2018</td>
</tr>
<tr>
<td>Qatargas-North</td>
<td>QG2, QG3 &amp; QG4 Flare Reduction Project</td>
<td>Ongoing; Overall Progress: 36.27%</td>
</tr>
</tbody>
</table>

In support of the above objectives, QAFCO’s strong focus on operational excellence in 2017 led to a more than 50% reduction in flare gas compared to 2015.
Energy & Fuel

Great and successful efforts were exerted in 2017 to lower energy consumption, and our upstream energy consumption dropped by 2.7% due to the shutdown of stationary combustion sources used to generate electricity in Halul Island. In 2017, the island started to import electricity from Kahramaa via underwater cable.

Energy consumption from our downstream-operated assets was about 27 million gigajoules (GJ), which was 13% lower than in 2016. We continued to work with the operating companies in Ras Laffan to maximize energy efficiency.

In its efforts to help save energy and reduce consumption, Qatar Petroleum promoted the utilization of LED light fixtures throughout its various locations and facilities.

Utilization of CNG as Alternative Fuel in the Domestic Transportation Sector

QP is committed to support the State of Qatar’s strategic objectives of diversifying its energy resources by introducing compressed natural gas (CNG) as an alternative fuel in public transportation and fleet applications. QP has undertaken a major project to realize this by 2022.

The project involves the design and construction of six CNG stations for fueling CNG buses at bus depots across the State of Qatar. This is intended to fulfill the fueling requirements of the Supreme Committee for Delivery and Legacy (SCDL) for the 2022 FIFA World Cup. Leading by example, QP has made a commitment to donate around 3,550 buses to the SCDL and to build two CNG stations (one each at RLIC and MIC) on a fast-track basis.

Use of GTL Diesel for the Domestic Market

GTL diesel is produced by Pearl GTL and Oryx GTL and until now, the entire production of both plants is exported. GTL diesel does not contain sulfur and has high hydrogen-to-carbon (H/C) ratio, which makes it burn better.

The objective of this project is to facilitate the distribution of environmentally friendly GTL diesel to the local market, and it has already evaluated the possibility to use neat GTL diesel or blended GTL diesel in the domestic market. It has been concluded that blending GTL diesel with conventional diesel is the best option.

This project is part of an initiative led by QP to facilitate the distribution of the highest quality (in terms of environmental footprint) petroleum products in Qatar. It is presently under PIN/SOR phase and will move to FS/FEED in a few months.

The introduction of GTL blended diesel in the domestic market will reduce the environmental footprint of high sulfur diesel by blending it with up to 50% ultra-low sulfur GTL diesel, thus reducing harmful environmental emissions.

Water

Efforts to reduce water discharge to the sea, in line with recent national environmental regulations, are ongoing and yielding positive results.

Across our operations in Ras Laffan Industrial City (RLIC), we launched water management projects to comply with new requirements established by the State of Qatar’s Ministry of Municipality and Environment (MME). In 2017, the MME directed all ventures in RLIC to recover and reuse process and wastewater from their respective operations. As a result, we initiated the construction of several projects, including a treated industrial and process water plant and a wastewater reduction and recycle project at Qatargas and an industrial waste water management project at Dolphin Energy. The completion of these projects is expected in 2018.

We implemented several initiatives to reduce our water consumption, such as a water re-injection project and a water separation facility.

In order to comply with the MME directive, QP together with the RLIC operators developed various projects, the status of which is as follows:
<table>
<thead>
<tr>
<th>Operator</th>
<th>Project Name</th>
<th>Project Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qatargas</td>
<td>Treated Industrial and Process Water Project (TIPW)</td>
<td>Construction is in progress. Mechanical completion expected in the third quarter of 2018.</td>
</tr>
<tr>
<td></td>
<td>Wastewater Reduction &amp; Recycle Project (WRR)</td>
<td>Construction is in progress. Mechanical completion expected in the fourth quarter of 2018.</td>
</tr>
<tr>
<td></td>
<td>QG1 – Wastewater Treatment</td>
<td>EPC award expected in April 2018</td>
</tr>
<tr>
<td>Dolphin Energy Limited</td>
<td>Industrial Wastewater Management Project (IWMP)</td>
<td>Mechanical completion achieved in the fourth quarter of 2017</td>
</tr>
</tbody>
</table>
Waste

In 2017, we continued to reduce the amount of generated hazardous waste. Approximately 2.6% of our total waste was recycled, up from 2.0% the previous year. We continue to seek opportunities to reduce, reuse and recycle materials, since closing the loop will help to avoid negative environmental outcomes and, in many cases, will lead to cost savings or new forms of revenue.

In partnership with the Offshore Operators Forum, we undertook an industry survey to identify best practices for handling and disposing of Naturally Occurring Radioactive Materials (NORM) in Qatar. As a result of this work, guidelines were developed that will be mandatory for all companies operating in the country.

Dukhan Sewerage Treatment Plant Upgrade

This project aims to upgrade the treatment capacity of the existing Sewage Treatment Plant (STP) from 3,420 m3/d to 8,600 m3/d to accommodate the projected demand flow increases in line with population growth forecasts as per the updated Dukhan Master Plan. The scope includes installing a new SBR-based (Sequencing Batch Reactor) STP as an extension to the current one and constructing a new control and administration building to support operations. The selected treatment process is based on reliable technology in accordance with industry best practice to enable robust operations.

Sewerage Collector Expansion in the Dukhan Township

This project will provide a safe and reliable sewage collection in the Dukhan Township through the expansion and upgrading of the existing sewerage system and associated facilities to cater to demand flow projections based on the population growth forecast up to the year 2030. The scope entails replacing/upgrading 930 meters of gravity sewer within the township, providing a lifting station at the Dukhan Water Sports Club (DWS) and upgrading the Dukhan Township Pump Station (DTPS) together with rising mains.

The project will ensure continuity of the current domestic sewerage system while it is being upgraded to make it ready to accommodate the additional demand flow when connected into the system. Furthermore, the concept design development process has outlined the requirement to keep the existing main pump station intact, as a back-up during future emergency maintenance of the new pump station to avoid the use of sewage tanker services.

Protecting Biodiversity

QP recognizes the urgent need to safeguard the country’s plant and animal species, and takes extra measures to ensure that its operations leave no damaging impact on the country’s natural habitats.

To that end, QP invests in several initiatives to protect wildlife and enhance biodiversity in Qatar. The Offshore Operations Department has initiated efforts to protect wild gazels that roam the penned wildlife area at the northern tip of Halul Island, and it has also maintained a turtle nesting area at the west side of the island to ensure that marine turtles would continue to use the island for nesting.

North Oil Company (NOC), as the new operator of Al-Shaheen Field, continues to support the Clean Development Mechanism (CDM) and the Qatar Whale Shark Research projects.

An underwater noise dispersion modelling study was carried out at Al-Shaheen Field to assess the impact of seismic and drilling activities to marine habitats; and an ecological survey was carried out in Al-Karkara, A-North and A-South fields with focus on water, air and sediment quality as well as marine ecology.
As an important player in Qatar’s socio-economic development, Qatar Petroleum takes pride in its role in contributing to the sustainable development of local communities. We value investing in our people’s time and skills, and providing financial support to projects and initiatives that create positive and long-lasting value for the State of Qatar.

QP’s corporate social responsibility (CSR) initiatives are designed to create a positive impact on key economic, social, human and environmental areas relevant to our country and to the various communities in alignment to the objectives of Qatar National Vision 2030 and the National Development Strategy.

Our initiatives include investment in local and national activities, forums and events focused on sports, health, education, culture, environmental protection, and civil defense.

RLIC continues to manage a Community Outreach Program together with other major joint venture companies operating in the industrial city. In 2017, various community-related projects benefitting many residents were implemented in the Al-Khor and Dakhira areas.
OUR PEOPLE

Our people are our most valuable asset. Qatar Petroleum takes special pride in its diverse and talented workforce. For Qatar Petroleum, diversity is a source of strength. We value the inherent differences of our workforce, including gender, age, religion and nationality. QP’s diversity is reflected in our permanent workforce, which consisted of 84 different nationalities as of the end of 2017. Female employees represented 13% of the total, an increase of 1% from 2016.

We foster a culture of inclusiveness, exemplified by behaviors that welcome and embrace diversity. A diverse workforce brings together a wide range of perspectives and experiences, which help to achieve organizational goals through collaborative decision-making and teamwork. This enables employees to feel valued and respected.

In order to transform the working culture, shared mindset and behaviors, we have embedded respect as one of our core values. This demonstrates that we value our diversity and each individual’s contribution.
QP PEOPLE AGENDA

To achieve our vision to be one of the best national oil companies in the world, the Human Capital Directorate is implementing a major change program called the “QP People Agenda” – a series of initiatives and projects, which are critical to the successful achievement of QP’s Vision. Together, these initiatives will deliver a new way of managing people in QP, in line with international standards.

The initiatives within the QP People Agenda are summarized into three focus areas, each of which supports the journey towards achieving our vision.

Growing Talent & Resourcing
Growing a highly capable and motivated workforce, with emphasis on Qatari development.

This focus area relates to building and connecting all elements of talent management and ensuring that they align to international standards. The elements consist of the workforce, succession and replacement planning, resourcing and recruitment, onboarding and offboarding, leadership development, professional development, learning, performance management and engagement & rewards.

Competencies – the knowledge, skills and behaviors needed to do a job to the required standard – will connect our talent processes and will be used to build the capabilities required for our business. Human capital, cloud-based technology, and SAP Success Factors, will be used as the other means to connect these talent processes.

Driving Organization Excellence
Driving sustained performance within QP, its structure, processes, systems, policies, people and culture.

Examples of initiatives in this focus area are the introduction of a common way to manage change based on international standards (Change Management Toolkit) and the introduction of an Integrated Organization Design Framework (IODF), which ensures a standardized and integrated approach towards the redesign of organizational structures, mandates, job descriptions and job evaluation.

Enhancing Employee Welfare and Engagement
Enhancing the affiliation of employees with QP and their commitment to collaborate, thereby leading to increased performance.

Examples of initiatives in this focus area are the creation of the Human Capital Service Center (consisting of a helpdesk, call center, e-helpdesk and related processes) and the holding of multiple engagement events with staff such as townhalls, gallery walks, workshops and other events.
To bring the new QP People Agenda to life, Human Capital began reviewing talent processes and aligning them to international standards. It reviewed how to develop vocational trainees, ensured it met business requirements, and reduced the time for these trainees to take up their first role. It also overhauled QP’s English language training program.

In partnership with the Centre for Creative leadership (CCL), Human Capital conducted multiple workshops with leaders from across QP to develop the values QP needs to achieve its vision.

We designed and launched leadership competencies, and in collaboration with INSEAD business school and Cranfield University, we then designed development programs for our leaders, based on these leadership competencies. The first programs started in 2017.
Welcome to QP

The Human Capital Directorate unveiled a new onboarding program to better integrate new employees into the organizational culture and engage them as productive members in the shortest possible time. The program is comprehensive, providing new employees with various forms of professional, cultural, social and developmental support. The satisfaction rate of new employees who underwent the onboarding program in 2017 was 97%.

To ensure that we have a healthy talent pipeline of future leaders, we designed a new succession planning process, and a pilot program was successfully completed in 2017.

Recognition

QP hosted a series of Continuous Service Awards (CSA) Ceremonies to recognize the contributions of our long-serving employees. The honored employees represented various directorates and departments and included a wide range of nationalities. A total of 367 employees were recognized for their 20, 25, 30, and 35 years of service, including 30 employees who achieved a career milestone of 40 years of service in QP. In addition, 871 employees were awarded for completing 10 and 15 years of service with QP.

<table>
<thead>
<tr>
<th>Years of service</th>
<th>Number of recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>585</td>
</tr>
<tr>
<td>15</td>
<td>286</td>
</tr>
<tr>
<td>20</td>
<td>192</td>
</tr>
<tr>
<td>25</td>
<td>90</td>
</tr>
<tr>
<td>30</td>
<td>37</td>
</tr>
<tr>
<td>35</td>
<td>48</td>
</tr>
<tr>
<td>40</td>
<td>30</td>
</tr>
</tbody>
</table>

In December 2017, we honored 171 Qatari graduates who joined the company’s employee ranks. Specialized in 24 different disciplines, they had successfully completed their academic and training programs under our scholarship program, including studies at distinguished universities in Qatar, France, the US and the UK. All graduates were presented with certificates of appreciation, while outstanding graduates in their fields of specialization also received symbolic gifts from our President & CEO Mr. Saad Sherida Al-Kaabi.
The Human Capital Service Center

The Human Capital Service Center is one of our initiatives under the QP People Agenda. Designed to enhance employee welfare and engagement, the center consists of an E-helpdesk and a call center to provide employees with support and advice on various human resources and learning & development services. During 2017, a total of 5,386 QP staff (61%) used the new center, with 100% declaring they were happy with the service they received.

INTEGRATED TALENT MANAGEMENT

1,268
Long-serving employees received recognition for working 10 or more years with QP

134,000
Hours of training provided to QP employees

Integrated talent management is essential to the success of the QP People Agenda, particularly in the Growing Talent and Resourcing focus area. The visual below shows the talent processes covering the entire employee “life cycle”. Our talent processes are aligned to the corporate strategy and business plans and will be connected through the directorate’s cloud-based software.
Learning and development are crucial because they provide our people with the necessary competencies to do their job to the required standard. They also drive employee engagement and affiliation with QP. Qatar Petroleum places great emphasis on our leading role in talent management in the energy and industry sector of Qatar. We are dedicated to advancing knowledge and learning as important tools for the development of our company and the sector. To do so, we support vocational learning to provide technical and administrative training to young Qataris and new trainees through a variety of internationally-recognized vocational programs, including a diploma program, technical certificate program and fireman certificate program, in addition to workplace learning.

We run short technical and non-technical programs to help current employees improve their performance and further develop their skills. We provide and maintain professional training resources and facilitate local and overseas training. These programs are available in a variety of delivery methods from traditional and virtual classrooms to instructor-led or self-paced methods. There is a two-level training evaluation system to ensure continual development and high-quality training services.
In 2017, we continued to advance the capabilities of our people through training and development. On average, our employees each received 15 hours of training to meet position-specific requirements as well as to develop broader skills.

More than 490 technical and non-technical in-house training programs were provided, and over 100 online courses were made available to employees.

Building leadership capability remained a priority in 2017, and we ran several executive education courses and sponsored business management programs.

We supported youth and new professionals through work-integrated learning programs and internships.
WORKERS’ WELFARE

Protecting the welfare of our workers, including treating them with respect and dignity and in accordance with universally accepted principles of human rights, is essential to create an attractive workplace and to serve as an example to other employers.

Qatar National Vision 2030 embodies the principles of the Permanent Constitution, which “protect public and personal freedoms, promote moral and religious values and traditions, and guarantee security, stability and equal opportunities”.

QP is committed to complying with international standards regarding worker welfare, workplace conditions and associated human rights in alignment with our core values.

Focusing on workers’ welfare

More than 140 attendees, including QP staff, contractors and business partners, took part in a Workers’ Welfare-Contractors Awareness Forum at the Dukhan Concession Area (DCA) to learn about efforts to secure the social welfare of workers in QP’s industrial cities.

Hosted by QP in collaboration with the Ministry of Interior (MOI), the event was organized to enhance awareness about workers’ welfare among staff, end-users, business partners and contractors.

In addition to presentations about the proposed emergency response measures for all temporary site facilities in DCA, participants also learned about the functions of the MOI’s Exit Permit Grievances Committee.

Following the presentations, employees raised issues during a question-and-answer session with QP and MOI representatives.

With the participants expressing their appreciation to QP management for holding the forum, the event helped demonstrate QP’s commitment to address workers’ welfare-related challenges in QP’s industrial cities.
In support of the Qatar National Vision 2030, Qatarization is an integral part of Qatar Petroleum’s strategic workforce planning. This process ensures that a five-year workforce plan is developed so that the right positions are available at the right time for our Qatari talent. It also enables us to assess demand for Qatari nationals over the planning period and then incorporate this into development decisions.

We are actively involved in an industry-wide undertaking to implement the first comprehensive Strategic Qatarization Plan developed for the energy and industry sector. The plan aims for a 50 percent national workforce in the industry. Specifically, the Quality Qatarization program intends to develop Qatari nationals to a standard comparable to their counterparts around the world. It emphasizes developing them for key, sensitive positions at QP by applying competency-based, not time-based, training and development.

To do so, our Learning & Development Department manages the intake for a majority of Qatari students and coordinates core training through a variety of programs. Some Qatari students join the company at either senior staff or junior staff levels depending on their qualifications. They are employed either as a direct hire or in a development capacity, where they receive a tailored development plan targeted for their future position.

To measure QP’s progress in supporting the Strategic Qatarization Plan, we regularly monitor, review and update our internal plans and provide regular updates to an overseeing, industry-wide Steering Committee and sub-committees dealing with recruitment and training and development.

Many key elements of the program are managed by our Learning & Development Department. These include:

- Attracting, recruiting, training and preparing Qatari high school and university students to assume posts in QP and the energy and industry sector in general;
- Supporting the recruitment, educational sponsorship and development of Qatari nationals;
- Managing educational sponsorships for high-potential Qatari students and our trainees;
- Designing oil and gas competency-based vocational, academic and professional training programs in collaboration with our functional leaders and in line with strategic priorities and objectives;
- Facilitating the placement, career progression and professional development of Qatari nationals in line with our Qatarization plans;
- Delivering development programs on effective leadership and designing individual development plans for our future leaders as part of the corporation’s Leadership Development Framework.

To further support the workforce needs of the energy and industry sector and to develop a larger pool of academically-certified Qatari nationals with qualifications for specific specializations, we offer scholarships to eligible Qatari students and employees to pursue a university study program. Our Academic Affairs group helps recruit, select and induct new students into university programs, monitors and supports their academic performance, and works with Human Resources and other relevant departments to integrate sponsored students into internship programs within our workforce.
**Mustaqbalna**

In December 2017, Qatar Petroleum organized the first event of its kind designed to align Qataris under development with the corporation’s strategy, business plan, and future direction. The annual event called “Mustaqbalna” (our future) is aimed at augmenting QP’s leadership capabilities by targeting nationals under development as valuable contributors to its future. It was designed as an opportunity for all nationals under development to meet leaders from different locations and departments, to exchange experiences, and to build collaborative networking groups as a step towards becoming an integral part of QP’s growth strategy.

The event’s interactive setting enabled the participants to address the concerns of nationals under development and what is expected of them. It included a panel discussion where members of the Executive Leadership Team engaged participating newcomers with a holistic view of their role, the main challenges they will face, and the future they hope to shape.

**Qatarization Milestones**

We introduced the E-Progress Report (E-PR) for Nationals on Development to improve the efficiency and quality of monitoring Qatari performance. The E-PR’s automated process will aid in the planning of assignments, align workflow and enable auditable tracing of the development progress of these nationals. Workshops were conducted across all our work locations to inform users in all directorates and corporate departments on how to use the new system.

We also took part in the 17th Annual Qatarization Review Meeting for the Energy and Industry Sector to recognize companies for their accomplishments in the field of Qatarization. A total of 36 companies are now participating in the Strategic Qatarization Plan and they are all working towards the goal of a 50 percent Qatari workforce. The number of Qataris employed by the energy and industry sector has more than tripled in the past 17 years.

More Qatari students pursuing studies in various academic disciplines benefited from our sponsorship program in 2017.

“We are depending on you as the next generation of leaders to take this corporation into the future. QP’s new corporate strategy focuses on developing a highly capable and motivated workforce across the whole organization with special emphasis on Qatari development. Our people are our true strength”

Saad Sherida Al-Kaabi
President & CEO

400+
NATIONALS PARTICIPATED IN THE MUSTAQBALNA EVENT
The Projects, Engineering and Procurement Services Directorate is mandated to deliver oil & gas, infrastructure and civil capital projects on behalf of Qatar Petroleum, with due consideration to quality, occupational health, safety and the environment (QHSE).

The directorate contributes to QP’s vision and strategic objectives by delivering projects faster, cheaper and more efficiently, while having the utmost regard for the health and safety of both QP and contractor staff as well as safeguarding capital assets and the environment of the State of Qatar.
Major Projects

Facility D Project
The Gas Supply to Facility D at Al Wakrah (Phase-1) Project included the utilization of 24 kilometers of the existing 30-inch Station S to Station W2 pipeline and installing 7 kilometers of a new 30-inch pipeline, together with a new gas supply station, W5. The project was commissioned on time and Facility D commenced receiving gas ahead of commitment date.

NGL 2 Mothballing
The scope of work allowing the diversion of slug handling from NGL2 to NGL1 was completed. This was the requisite precursor to enable the mothballing of NGL2, thereby realizing OPEX savings for QP.

New LGO Tank & Utilization of LC Tank for LGO Service at QP Refinery
The commissioning of the tank was achieved on 21 August 2017, following significant challenges including the demobilization of the contractor’s team due to financial issues.

Wellhead SCADA and Cathodic Protection
The project provided 777 wells in Dukhan with external corrosion protection and a dedicated SCADA network to monitor wellheads and to provide real-time and historical wellhead data. This has enhanced safety and accident prevention by initiating critical alarms 24/7 through SMS.

Replacement of VSDS/SS Units at Production Stations and RG Plants
This involved replacing 11 Variable Speed Drives and Soft Starters at Dukhan production stations and recycling plant to ensure the continuity and availability of critical revenue-earning equipment.

Automation Upgrade and Construction of a New Control Building at Jaleha Degassing Station
The project provided a safe, more secure, and ergonomically designed control building and replaced the entire automation control systems, thus improving the availability of the plants and enhancing their safety.

Automation Upgrade and Construction of New Control Buildings at Fahahil Main, North & South Degassing Stations, Fahahil Stripping Plant & North Field Injection Station
The project provided safe, more secure, and ergonomically designed control buildings and replaced the entire automation control systems, thus improving the availability of the plants and enhancing their safety.

EPIC for Domestic Supply of Butane from Mesaieed NGL Complex to Refinery (Phase 1)
The project is intended to meet the State of Qatar’s increased LPG demand beyond 2018. It is predicted that there will be shortfall of LPG supply from the QP Refinery to WOQOD after 2018 as the refinery’s production is not enough to meet the increase in demand.

EPIC for HIA Jet A1 Supply
The project’s objective is to supply Jet-A1 fuel from RLIC to Hamad International Airport (HIA) via a dedicated 24” pipeline. This is to ensure that the long-term demand for Jet-A1 supply to HIA is met up to the year 2030, with the option of Jet-A1 fuel availability from two distinct and separate sources, i.e. RLIC and Mesaieed. The project is in advanced construction stage, with overall progress completion of ~75% actual achieved.
The main role of QP’s Finance & Planning Directorate is to direct all finance-related matters as well as the development of the corporate strategy and a unified annual corporate planning and budgeting process, linked to performance management. Finance and Planning has the following key roles:

1. Develop and sustain the QP Strategy to achieve QP’s Vision and to ensure maximum value to the State of Qatar, which includes:
   - Constant review of ever-changing conditions in the global economy and energy markets;
   - Ongoing review of the strategy to make sure it is fit for purpose;
   - Jointly with Human Capital, planning and delivering the roll-out of the strategy to all employees.

2. Facilitate the QP processes in the key areas of business planning and ensure that they achieve or sustain industry-class performance:
   - a. Enterprise Risk Management
   - b. The QP 5-year Business Plan
   - c. Budgeting
   - d. Performance Management and Reporting

3. Ensure prompt payment of employees and suppliers and collection of revenues from customers;

4. Ensure that QP’s investments are structured in a financially optimal way;

5. Accurate and timely reporting of QP’s financial accounts.

Financial Management

All financial transactions and statutory accounting were performed in line with QP’s policies.

During 2017 as part of the merger of TASWEEQ into QP, the responsibility for revenue collection and accounting for crude oil and oil products sales passed to QP’s Finance and Planning Directorate and was seamlessly transferred.

Investments

Finance and Planning Directorate provided the necessary support to commercial teams for tax structuring, corporate structuring and financing of all the major QP investments during 2017, including:

- The merger of Qatargas and RasGas
- The creation of North Oil Company (70/30 JV with Total) to operate the Al Shaheen oilfield in Qatar
- Cyprus
- Shell LNG bunkering
- Brazil Alto de Cabo Frio-Oeste exploration
- Block 52 Oman
- Financial and operating leases with a range of suppliers.
2017 Milestones

The Finance & Planning Directorate supported an increasing number of overseas ventures and investment proposals with tax structuring and financial procedures.

After intensive cross-functional co-operation across the corporation, led by the Finance & Planning and Commercial & Business Development Directorates, QP’s Strategy was presented to the QP Board and received approval in the fourth quarter.

A company-wide rollout program of the QP Strategy, twinned with the QP Values and aimed at reaching every level of employee, was designed, to be implemented during 2018.

A consistent set of Key Performance Indicators (KPI) was agreed across all QP directorates for the first time, aligned with top-down guidance issued by the President & CEO.

Implementation of E-Invoicing in SAP (Phase 1): for all services provided by various departments and at different locations. This initiative enabled us to streamline the whole invoicing process, which also assisted in reducing the collection delays across QP.

The suite of QP’s insurance procedures was upgraded and re-issued during the year.

Advancement of year-end closing: With an objective to accelerate the closing and completion of the 2017 year-end accounts, we managed to fast track the annual closing cycle of QP by almost a month.

Implemented various electronic systems: Replaced manual processes, such as Bloomberg (for obtaining quotations from banks for FX and fixed deposit placements), and CitiDirect (for making electronic payments for the QPI Group of companies). This achievement has led to increased efficiencies and reduction of operational risks in business processes.
HEALTHCARE

Qatar Petroleum’s Healthcare Department is committed to providing quality-assured and safe healthcare to all of its customers in line with key national guidance and international best practice.

The department consistently aspires to improve health outcomes by providing a range of quality healthcare programs, enhancing patient experience and ensuring that our clients remain our care partners throughout the care cycles. Our success is dependent on our clients’ satisfaction, staff dedication and care providers’ teamwork.

Among the major activities of the year, Healthcare contributed to the development of the “Guidelines on Heat Stress Management at the Workplace,” which is published by the Ministry of Public Health (MOPH). It also designed around 100 new pages of health education and information for QP staff and clients, and provided timely health advice for travellers. The department started operating a new healthcare center at the Multi-Purpose Administration Center (MPAC) in RLIC.

The Healthcare Department’s Quality Team began implementing the department’s strategic plan in 2017. The plan focuses on workforce development, communication and claim management. Additional priorities for the Healthcare Department are performance management, quality improvement and health reaccreditation.

<table>
<thead>
<tr>
<th>Workforce Development</th>
<th>Communication</th>
<th>Claim Management</th>
<th>Performance Management</th>
<th>Reaccreditation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Improve orientation process</td>
<td>• Improve internal communication</td>
<td>• Policies and procedures</td>
<td>• Institutionalize the provided services</td>
<td>• All plans meet ACI agreement</td>
</tr>
<tr>
<td>• Leadership and succession planning</td>
<td>• Distribute information through multiple methods to a variety of audiences</td>
<td>• Claim rejections rate have been reduced from 11% during 2016 to 6% during 2017</td>
<td>• Assess customer satisfaction reached 95% rating (VB Survey) – MOPH 90.4% (Overall Qatar)</td>
<td>• ISO 9001:2008 implemented</td>
</tr>
<tr>
<td>• Recruitment and retention strategies</td>
<td>• Branding of the organization</td>
<td>• Program implementation and evaluation</td>
<td></td>
<td>• Strategic Business Framework updated</td>
</tr>
<tr>
<td>• Conducted training sessions in 2017 with 255 attendees</td>
<td>• Enhanced marketing of services</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

LOCATIONS

- DOHA
- DUKHAN
- MESAIEED
- RAS Laffen
- HALUL ISLAND
- PRODUCTION STATIONS
- PORT CLINICS
- QP SCHOOLS
- FRONTLINE CLINICS
Qatar Petroleum utilizes its information and communication technology (ICT) systems and services effectively through the corporation’s business value chains in the areas of exploration, production, transport, refining, and marketing. The ICT Department’s mission is to enable QP’s vision by capitalizing on ICT capabilities and resources with the latest technologies to maximize business benefits and address future opportunities and challenges.

ICT has also developed a strategy for the next five years based on QP’s mission, vision and business objectives. It aims to maximize ICT’s benefits to business, to minimize related risks, and to quickly respond to business requirements and challenges.

The department ensures that secure ICT practices, implementations and solutions are deployed in the organization to protect critical operations and to comply with national laws and regulations related to information security.

Major Projects and Activities

e-IC Services for Industrial Cities

This program consists of the development of six business systems including 17 e-services in addition to the Industrial Cities e-Services Portal.

The following shows the high-level scope of the e-IC Services Program:

- **Business Agreements**
  - BA Request, Changes to Agreements, Close Out, Default and Termination
- **Land Management**
  - Land Application, Inquiries, Compliance Inspection, Close Out
- **Waste Management**
  - Hazardous Waste, Solid Waste, Sewage Waste
- **Utilities Management**
  - Portable Water, Power
- **HSE Services Management**
  - HSE/Fire Inspections, Emergency Drills and Exercises, Action Tracker
- **e-IC Services – Authenticated**
  - Registration System, Application Access Control, etc.
- **e-IC Services – Authenticated**
  - Company Registration, User Registration, Forgot Password, Login, etc.
- **Industrial Cities e-Services Portal**
  - [http://www.eservices.qpic.qa](http://www.eservices.qpic.qa)
On-Premises Cloud Technology
This technology implementation consists of the On-Premises version of Cloud, Portal for ArcGIS, where data is hosted within QP. It allows users to mix map services from the Cloud and On-Premises. It can handle data from a wide variety of sources and locations.

The most important benefit of implementing On-Premises Cloud is the empowerment of QP GIS users to create maps and simple apps without writing even a single line of code, thus eliminating their dependency on the ICT Department for their routine tasks. It also simplifies user experience while working with maps and geographic data.

SAP Transformation Program
This program consist of several projects in different business functional areas. The overall program is proposed to be delivered over a 28-month period, and the implementation strategy is to deploy the standard functionalities of these business applications with minimal customization and re-engineering of QP processes, where necessary.

The first wave of implementation for profit center accounting and segmental reporting was launched in December 2017. The project is currently ongoing and major implementations are planned to be completed in 2018 and 2019.
**ICT Business Center**

The ICT Department announced the opening of the business center in QP Headquarters to provide IT services to visitors and to enhance the productivity of visiting QP staff who are based in other locations. The ICT Business Center offers essential IT services such as QP computing, printing and copying services, mobile charging, telephony and Internet access. Visitors can also enjoy watching a brief video about Qatar and the development of QP over the years on a 52” LCD flat screen TV.

**VB E-Services on SDS**

The department also automated 54 previously manual processes of the HSE & Business Services Directorate by adding them to the Service Desk System (SDS) e-Services. This project increased the number of processes on the SDS to over 300 applications/services serving multiple departments and directorates, including ICT and the Human Capital Directorate.

**Electronic File Sharing and Management (EFSM) Project**

The project consisted of the installation and deployment of an Electronic File Sharing and Management System (EFSM), which is a utility that allows users to securely exchange files with external parties. Under this system, file uploads or downloads are automatically scanned for malware and viruses before enabling the user to utilize the files. By using EFSM, QP users can now take control over files shared with contractors and external parties and have these files automatically scanned for viruses and malware.

**Industrial Cities e-Services Portal**

The ICT Department launched the new Industrial Cities e-Services Portal (e-IC Services Portal) along with enhancements for the Company & User Registration System and Application Access Control System. The portal serves as a one-stop shop with a single point of access for all the e-services required by the business partners and customers of the Industrial Cities Directorate. The enhancements will greatly improve customer experience through fully automated workflows providing a smooth registration experience. In addition, the enhancements will reduce system administration and support.
InjazPMS System

InjazPMS is the Quality Management System (QMS) document repository for the Projects, Engineering & Procurement Services Directorate (VP). The implemented solutions consisted of two parts: the first part manages the document development workflow and was built using ECM policies and procedures, while the second part manages document publishing and was implemented using the QPNet portal.

Profit Center Accounting and Segmental Reporting

The Profit Center Accounting and Segmental Reporting was launched in December 2017 as part of the Finance Transformation Project under the SAP Transformation Program.

VB Call Center

The VB Call Center was established to provide a better service for all customers who have queries to be addressed by different departments under the directorate. It enables the customer to reach four service departments by using only one directory number: 40135555.

FACILITIES MANAGEMENT

The Facilities Management Department, which is under QP’s HSE & Business Services Directorate, endeavors to provide world-class services covering areas like office allocation, commercial security in Doha, housing, catering, transportation, mailing, building maintenance, and a host of other support services as per its mandate.

In 2017, the department made huge strides in the process of streamlining and enhancing its various services by developing a new strategy of optimizing its overall operating expenses, which resulted in tremendous cost savings for the corporation.

The strategy focused on ensuring the optimal occupancy of QP-leased buildings.
This resulted in the subsequent release of certain leased buildings, reduction in leasing costs through negotiations with building representatives, termination and replacement of accommodations in Doha with hotel units, and optimization of housing units across all QP locations. The department also ensured compliance with furniture entitlements and delivered on all business requirement demands pertaining to office services in Doha and other QP locations.

Enhancement was the key word for the department in 2017 as various steps were taken to modernize and streamline common policies, standards and procedures across all QP locations in order to ensure alignment with business requirements and to increase the convenience factor across the board.

As part of its mandate to provide a safe and environmentally friendly working environment for all staff and to ensure compliance to QP’s environmental and safety policies, Facilities Management developed new reporting systems for all health and hygiene programs. Gap analysis and security risk assessments for security operations at various buildings in Doha were conducted, in addition to the implementation of access control, CCTV systems and Vehicle Access Permit (VAP) in Doha.

Facilities Management undertook the optimization of office utilization and the successful completion of multiple mass movements of QP and joint venture staff without any impact to business operations. In order to cater to QP’s growing requirement for records maintenance, the Mesaieed Records Centre Expansion Project was initiated and is currently under development, with its completion scheduled in 2020.

As part of its mandate, Facilities Management continues to contribute to a safe and environmentally sound working environment by ensuring the adherence to QP’s environmental and safety policies. It takes all the necessary measures to ensure the safety and security of all personnel, plant, equipment and materials during the execution of various services to comply with QP’s HSSE policies and procedures as well as hygiene regulations.

<table>
<thead>
<tr>
<th>Location</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Q1</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Q2</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Q3</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Q4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doha</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>7</td>
<td>9</td>
<td>2</td>
<td>0</td>
<td>11</td>
<td>5</td>
<td>5</td>
<td>2</td>
<td>12</td>
<td>8</td>
<td>6</td>
<td>2</td>
<td>16</td>
<td>46</td>
</tr>
<tr>
<td>Mesaieed</td>
<td>10</td>
<td>5</td>
<td>7</td>
<td>22</td>
<td>7</td>
<td>15</td>
<td>15</td>
<td>37</td>
<td>6</td>
<td>16</td>
<td>17</td>
<td>39</td>
<td>16</td>
<td>18</td>
<td>15</td>
<td>49</td>
<td>147</td>
</tr>
<tr>
<td>Dukhan</td>
<td>7</td>
<td>4</td>
<td>9</td>
<td>20</td>
<td>4</td>
<td>10</td>
<td>8</td>
<td>22</td>
<td>11</td>
<td>11</td>
<td>5</td>
<td>27</td>
<td>16</td>
<td>11</td>
<td>9</td>
<td>36</td>
<td>105</td>
</tr>
<tr>
<td>Ras Laffan</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>8</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>3</td>
<td>3</td>
<td>11</td>
<td>9</td>
<td>7</td>
<td>4</td>
<td>20</td>
<td>44</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>14</td>
<td>20</td>
<td>57</td>
<td>20</td>
<td>29</td>
<td>26</td>
<td>75</td>
<td>27</td>
<td>35</td>
<td>27</td>
<td>89</td>
<td>49</td>
<td>42</td>
<td>30</td>
<td>121</td>
<td>342</td>
</tr>
</tbody>
</table>

### Quarterly Building Inspections Per Area

- **Doha**: 7, 11, 12, 16, 46
- **Mesaieed**: 22, 37, 39, 49, 147
- **Dukhan**: 20, 22, 27, 36, 105
- **Ras Laffan**: 8, 5, 11, 20, 44

### Total Inspections Per Area

- **Doha**: 43%
- **Mesaieed**: 43%
- **Dukhan**: 31%
- **Ras Laffan**: 13%
2017 was a busy and dynamic year for Qatar Petroleum’s Legal Department. The role of the department is to provide QP with high quality, accurate and timely legal advice as well as support on all legal matters and related legal risks. The department is made up of a diverse range of legal professionals, all of whom are capable of handling a wide range of legal matters. The department offers, as required, consulting services to QP subsidiaries and affiliates, and it likewise raises awareness within the QP community on legal concerns as they arise.

The Legal Department, together with QP employees and management, plays a key role in making informed, strategic choices for the organization. These choices help to minimize legal risks while maximizing financial and reputational returns to QP.

In spite of the huge volume of tasks it is handling, the Legal Department has continued to pursue the training of legal staff as a top priority to ensure an in-depth understanding of and wide exposure to international legal practices in the oil and gas industry. During 2017, the department hosted a number of prominent speakers from internationally renowned law firms, who organized lengthy and informative training sessions at QP premises. These specialists presented on vital aspects of legal practices in the oil and gas industry and highlighted the potential risks of doing business under the current political circumstances in the region.

At the end of 2017, the Legal Department has successfully achieved the development of Qatari nationals as legal counsel, including those from other QP departments, Qatar University and QP subsidiaries.

The Operations & Infrastructure Department, in cooperation with QP’s Supply Chain Department and other sponsoring departments, worked for the development of the existing QP Regulations for Procurement and Disposal. This initiative was undertaken in order to replace the Regulations for Purchases, Works and Auctions, which was initially published in 1997. The Operations & Infrastructure department, together with the relevant claim evaluation teams of the various departments (directorates) of QP, also managed to settle a large number of claims arising from QP’s oil and gas operations and construction-related activities.

Also in 2017, the Corporate Affairs & Finance Department undertook a review of its panel law firms. As a result of this review, QP appointed 12 law firms to its panel, providing it with the depth and breadth of global legal knowledge required to support QP’s business and activities efficiently and effectively. The panel provides consistency of advice and enables the department to maximize the value of external counsel while providing development opportunities for Qatari lawyers through secondment placements.

In accordance with the department’s training program, the Corporate Governance and Compliance teams delivered important training sessions on anti-trust and ring-fencing (for the QP Marketing Directorate), anti-bribery and corruption (for the Commercial & Business Development Directorate), and confidentiality (for the Human Capital Directorate).
Litigation and Opinion

In 2017, to fulfill its role as protector of the organization, the Litigation and Opinion Department assisted QP’s top management by promptly handling crisis situations and providing commercially astute advice on various aspects of business matters including, but not limited to, litigation, investigations, compliance, mergers, acquisitions, contract matters and international trade issues.

In the year under review, the team delivered a huge number of legal opinions to different QP departments and drafted many internal and external memos on behalf of the organization. In addition, the department provided legal opinions on the laws of the State of Qatar.

It also remained fully engaged in the giving of advice on and in formulating corporate decisions, board resolutions and other business decisions. The Litigation and Opinion team also drafted pleadings at all levels and held full-fledged meetings with court experts regarding its court cases.

In line with QP corporate policies, members of the department, including developees, played key roles in several QP internal investigation and disciplinary committees. Such legal representatives worked hand in hand with members from the Employee Relations team in QP, took the lead in the investigation processes, and then drafted and submitted the findings and final reports.
H.E. Sheikh Abdullah bin Nasser bin Khalifa Al-Thani, Prime Minister and Minister of Interior of the State of Qatar, visited the Qatar Petroleum Headquarters, during which he was briefed by Mr. Saad Sherida Al-Kaabi, President & CEO of QP, on the latest developments in the energy market as well as on QP’s major achievements in the past two years.

QP held the “Qatar Petroleum High Performance Boards Award Ceremony,” marking the conclusion of a specialized nine-month program covering governance, board effectiveness, ethics, finance and risk, strategy and leadership, all tailored to the role and responsibilities of Qatari board members.

The President & CEO, Mr. Saad Sherida Al-Kaabi, held a number of meetings with Algerian officials in Algiers on cooperation in the fields of energy and investment.
The President & CEO paid a one-day visit to Dhahran in the Kingdom of Saudi Arabia and held talks with Mr. Amin H. Nasser, President & CEO of Saudi Aramco.

Mr. Saad Sherida Al-Kaabi received in his office Mr. Isam Al Zadjali, CEO of Oman Oil Company, during which they discussed the latest developments in the oil and gas industry as well as the means of cooperation between both sides.

QP announced the integration of the activities of Qatar Vinyl Company (QVC) into Qatar Petrochemical Company (QAPCO) through a service agreement arrangement, resulting in a single company, QAPCO, which would operate the facilities of both companies.
QP held its annual Continuous Service Awards Ceremony to give due recognition to a total of 339 employees who have been part of QP for the past 20, 25, 30, 35 and 40 years.

QP held the second part of the Continuous Service Awards Ceremony to honor 947 employees who have been serving the corporation for the past 10 and 15 years.

QP announced plans to develop a new gas project in the southern sector of the North Field.
QP, along with Qatargas, RasGas and Nakilat took part in the Gastech 2017 Conference and Exhibition in Tokyo, which was held with the theme “Advancing the Role for Gas and LNG in the Global Energy Mix.”

QP and ExxonMobil signed an exploration and production sharing contract with the Government of the Republic of Cyprus for offshore Block 10.

QP formally announced that Golden Pass Products (GPP) has received authorization from the U.S. Department of Energy to export LNG to Non-Free Trade Agreement countries.

In support of Qatar’s petrochemical industry, QP signed agreements to supply additional quantities of ethane to a number of subsidiaries of Industries Qatar (IQ) and Mesaieed Petrochemical Holding Company (MPHC).
H.E. Dr. Mohammed bin Saleh Al-Sada, Minister of Energy and Industry, along with Mr. Saad Sherida Al-Kaabi, President & CEO of QP, led the energy and industry sector’s 17th Annual Qatarization Review Meeting, during which a number of companies were honored for their accomplishments in the field of Qatarization.

QP signed an agreement with Chiyoda Corporation for conducting a detailed study to identify the modifications required for debottlenecking the capacity of Qatar’s LNG trains in order to process additional gas quantities from the planned new gas project in the North Field.
In the aftermath of a blockade imposed by neighboring GCC countries, QP confirmed that it was conducting business as usual throughout all its upstream, midstream and downstream businesses and operations and in all activities across its world-class facilities.

QP’s Wave LNG Solutions and Shell Gas & Power Developments B.V. signed a framework agreement to develop liquefied natural gas (LNG) marine fueling – or bunkering – infrastructure at strategic shipping locations across the globe.

QP announced that fuel-oil bunkering solutions have been made available for all vessels lifting any Qatari seaborne imports or exports. The bunkering operations commenced successfully after meeting all international maritime and safety standards.
QP announced its intention to raise Qatar’s LNG production from 77 million to 100 million tons per year by increasing the North Field’s production of natural gas, condensate and other associated products by 1 million barrels of oil equivalent per day.

QP, together with several of its joint ventures and subsidiaries, participated in the 22nd World Petroleum Congress (WPC), which was held in Istanbul, Turkey, with the theme “Bridges to Our Energy Future.”

Under the patronage and with the attendance of H.E. Sheikh Abdullah Bin Nasser Bin Khalifa Al-Thani, the Prime Minister and Interior Minister, QP held a special event to mark the inauguration of North Oil Company (NOC) as the new operator and developer of the offshore Al-Shaheen oil field starting 14 July 2017.

QP unveiled the “Tamim Al Majd” mural at its headquarters in Doha to demonstrate the support of its management and staff to Qatar and to the leadership of His Highness the Emir Sheikh Tamim bin Hamad Al Thani as well as to express their unity in the face of the unjust siege against the country, its people, and residents.
Mr. Saad Sherida Al-Kaabi, President & CEO of QP and Chairman of Qatargas, began an official working visit to Tokyo, during which he held talks with the senior executives of major Japanese energy companies on enhancing existing relations and cooperation.

A consortium comprising QP, Shell, and China National Offshore Oil Corporation (CNOOC) was selected as the winning bidder for the Alto de Cabo Frio-Oeste offshore block in the prolific Santos hydrocarbon basin in Brazil.
November

14

QP entered into an agreement to acquire a 30% participating interest under the exploration and production sharing agreement (EPSA) for offshore Block 52 in the Sultanate of Oman.

December

07

U.S. Secretary of Energy Rick Perry paid a visit to QP’s Ras Laffan Industrial City, during which he was accompanied by H.E. Dr. Mohammed bin Saleh Al-Sada, Minister of Energy and Industry, and Mr. Saad Sherida Al-Kaabi, President & CEO of QP.

12

QP honored a total of 172 Qatari nationals who have joined its ranks after successfully completing their academic studies and training programs under QP’s scholarship program.
QP organized the first-ever “Mustaqbalna” (our future) event, which was designed to align Qataris under development with the corporation’s strategy, business plan and future direction and to encourage them as valuable contributors to the company’s future.

QP was the “Energy Sector Sponsor” and one of the major exhibitors at the “Made in Qatar” exhibition, which was held under the patronage of His Highness the Emir Sheikh Tamim bin Hamad Al Thani.
Effective shareholding of Qatar Petroleum as of December 2017
QATAR PETROLEUM
DOHA, QATAR

SUMMARY CONSOLIDATED
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR’S REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2017
INDEPENDENT AUDITOR’S REPORT TO HIS HIGHNESS THE EMIR OF THE STATE OF QATAR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS OF QATAR PETROLEUM

Opinion

The summary consolidated financial statements, which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of related notes, are derived from the audited consolidated financial statements of Qatar Petroleum for the year ended December 31, 2017.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the basis of preparation and accounting policies described in Notes 2 and 3 to the consolidated financial statements, the Council of Ministers’ Decision No. 6 of 1976 (as amended) and QP Chairman resolution No. 17 of 2013 related to accounting policies (together “QP accounting policies”).

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to these summary consolidated financial statements, which describe the basis of accounting, as per the Council of Ministers’ Decision No. 6 of 1976 (as amended), and QP Chairman Resolution No. 17 of 2013 related to accounting policies. The consolidated financial statements are prepared to meet the reporting requirements of Article 21 of Emiri Decree No. 10 of 1974 and this should be taken into consideration if used for another purpose. Our opinion is not modified in respect to this matter.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by QP accounting policies. Reading the summary consolidated financial statements and the auditor's report thereon, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated April 12, 2018.

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 whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, “Engagements to Report on Summary Financial Statements.”

Doha – Qatar
January 31, 2019

For Deloitte & Touche
Qatar Branch

Muhammad Bahemeia
Partner
License No. 103
QATAR PETROLEUM

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of December 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2017 (QR '000s)</th>
<th>December 31, 2016 (QR '000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>103,127,390</td>
<td>102,693,060</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>1,129,844</td>
<td>1,163,551</td>
</tr>
<tr>
<td>Investments in associates</td>
<td>8,444,299</td>
<td>8,587,303</td>
</tr>
<tr>
<td>Investments in joint ventures</td>
<td>88,407,261</td>
<td>90,020,433</td>
</tr>
<tr>
<td>Available-for-sale investments</td>
<td>3,911,123</td>
<td>5,008,813</td>
</tr>
<tr>
<td>Held-to-maturity financial assets</td>
<td>3,583</td>
<td>124,001</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>7,055,787</td>
<td>6,188,715</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>212,079,287</td>
<td>213,785,876</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts due from Ministry of Finance</td>
<td>87,949,591</td>
<td>80,026,072</td>
</tr>
<tr>
<td>Other current assets</td>
<td>241,239</td>
<td>385,302</td>
</tr>
<tr>
<td>Inventories</td>
<td>3,467,101</td>
<td>3,235,915</td>
</tr>
<tr>
<td>Accounts receivable and prepayments</td>
<td>22,050,765</td>
<td>17,245,011</td>
</tr>
<tr>
<td>Financial investments at fair value through profit or loss</td>
<td>218,174</td>
<td>233,577</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>23,078,067</td>
<td>23,202,540</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>137,004,937</td>
<td>124,328,417</td>
</tr>
<tr>
<td>Asset classified as held for sale</td>
<td>296,845</td>
<td>1,594,608</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>137,301,782</td>
<td>125,923,025</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>349,381,069</td>
<td>339,708,901</td>
</tr>
</tbody>
</table>
QATAR PETROLEUM

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of December 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017 QR '000s</td>
<td>2016 QR '000s</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital</td>
<td>100,000,000</td>
<td>100,000,000</td>
</tr>
<tr>
<td>General reserve</td>
<td>100,344,284</td>
<td>100,338,434</td>
</tr>
<tr>
<td>Legal reserve</td>
<td>455,421</td>
<td>377,343</td>
</tr>
<tr>
<td>Other reserves</td>
<td>(206,909)</td>
<td>(432,600)</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>86,307,792</td>
<td>78,988,892</td>
</tr>
<tr>
<td><strong>Equity attributable to equity holders of the Parent</strong></td>
<td>286,900,588</td>
<td>279,272,069</td>
</tr>
<tr>
<td><strong>Non-controlling interest</strong></td>
<td>24,105,685</td>
<td>23,775,610</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>311,006,273</td>
<td>303,047,679</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest bearing loans and bonds</td>
<td>7,047,560</td>
<td>7,563,720</td>
</tr>
<tr>
<td>Obligations under finance lease</td>
<td>--</td>
<td>818,393</td>
</tr>
<tr>
<td>Long term employees' benefits</td>
<td>3,292,270</td>
<td>3,745,631</td>
</tr>
<tr>
<td>Deferred income</td>
<td>820,427</td>
<td>865,967</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>1,459,879</td>
<td>1,567,148</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>12,620,136</td>
<td>14,560,859</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accruals</td>
<td>23,716,998</td>
<td>19,931,581</td>
</tr>
<tr>
<td>Interest bearing loans and bonds</td>
<td>1,123,561</td>
<td>1,390,543</td>
</tr>
<tr>
<td>Obligations under finance lease</td>
<td>--</td>
<td>347,936</td>
</tr>
<tr>
<td>Deferred income</td>
<td>914,101</td>
<td>430,303</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>25,754,660</td>
<td>22,100,363</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>38,374,796</td>
<td>36,661,222</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td>349,381,069</td>
<td>339,708,901</td>
</tr>
</tbody>
</table>

H.E. Saad Sherida Al-Kaabi
Ministry of State for Energy Affairs
Vice Chairman and President & CEO
QATAR PETROLEUM

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended December 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2017</th>
<th>December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>QR ‘000s</td>
<td>QR ‘000s</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>71,936,334</td>
<td>65,404,229</td>
</tr>
<tr>
<td>Other operating income</td>
<td>23,281,636</td>
<td>22,598,967</td>
</tr>
<tr>
<td></td>
<td>95,217,970</td>
<td>88,003,196</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating, selling and administrative expenses</td>
<td>(50,619,372)</td>
<td>(48,959,909)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>(5,252,899)</td>
<td>(5,138,299)</td>
</tr>
<tr>
<td></td>
<td>(55,872,271)</td>
<td>(54,098,208)</td>
</tr>
<tr>
<td>Net operating income</td>
<td>39,345,699</td>
<td>33,904,988</td>
</tr>
<tr>
<td>Share in profits of joint ventures</td>
<td>33,422,261</td>
<td>29,162,592</td>
</tr>
<tr>
<td>Share in profits of associates</td>
<td>681,963</td>
<td>269,499</td>
</tr>
<tr>
<td>Dividend and interest income</td>
<td>804,899</td>
<td>650,782</td>
</tr>
<tr>
<td>Finance charges</td>
<td>(378,695)</td>
<td>(481,139)</td>
</tr>
<tr>
<td>Profit before taxes from continuing operations</td>
<td>73,876,127</td>
<td>63,506,722</td>
</tr>
<tr>
<td>Taxes</td>
<td>(15,359,301)</td>
<td>(13,954,043)</td>
</tr>
<tr>
<td>Profit for the year from continuing operations</td>
<td>58,516,826</td>
<td>49,552,679</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>(111,990)</td>
<td>(16,148)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>58,404,836</td>
<td>49,536,531</td>
</tr>
</tbody>
</table>

Attributable to:

|                      |                  |
| Equity holders of the parent | 56,408,884 | 47,783,611 |
| Non-controlling interest     | 1,995,952   | 1,752,920  |
| Total                        | 58,404,836   | 49,536,531 |
QATAR PETROLEUM

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2017</th>
<th>December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>QR '000s</td>
<td>QR '000s</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>58,404,836</td>
<td>49,536,531</td>
</tr>
<tr>
<td><strong>Other comprehensive income from continuing operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that will not be reclassified subsequently to profit or loss</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remeasurement of defined benefit obligation</td>
<td>163,057</td>
<td>(244,700)</td>
</tr>
<tr>
<td>Items that will be reclassified subsequently to profit or loss</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net fair value (loss) / gain on available-for-sale investments</td>
<td>(1,214,649)</td>
<td>134,218</td>
</tr>
<tr>
<td>Fair value gain during the year from cash flow hedge – net</td>
<td>139,914</td>
<td>95,164</td>
</tr>
<tr>
<td>Foreign currency exchange differences on foreign operations</td>
<td>1,054,773</td>
<td>(264,824)</td>
</tr>
<tr>
<td></td>
<td>143,095</td>
<td>(280,142)</td>
</tr>
<tr>
<td><strong>Other comprehensive income from discontinued operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that will not be reclassified subsequently to profit or loss</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remeasurement of defined benefit obligation</td>
<td>4,343</td>
<td>(40,488)</td>
</tr>
<tr>
<td>Items that will be reclassified subsequently to profit or loss</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency exchange differences on foreign operations</td>
<td>19,706</td>
<td>49,764</td>
</tr>
<tr>
<td></td>
<td>24,049</td>
<td>9,276</td>
</tr>
<tr>
<td>Total other comprehensive income / (loss)</td>
<td>167,144</td>
<td>(270,866)</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>58,571,980</td>
<td>49,265,665</td>
</tr>
</tbody>
</table>

Attributable to:

|                                    | 2017              | 2016              |
| Equity holders of the Parent       | 56,634,575        | 47,481,023        |
| Non-controlling interest           | 1,937,405         | 1,784,642         |
|                                    | 58,571,980        | 49,265,665        |
QATAR PETROLEUM

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>Capital QR '000s</th>
<th>General reserve QR '000s</th>
<th>Legal reserve QR '000s</th>
<th>Other reserves QR '000s</th>
<th>Retained Earnings QR '000s</th>
<th>Total QR '000s</th>
<th>Non-controlling interest QR '000s</th>
<th>Total QR '000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at January 1, 2016</td>
<td>100,000,000</td>
<td>100,334,410</td>
<td>428,292</td>
<td>(243,611)</td>
<td>90,923,556</td>
<td>291,442,647</td>
<td>23,918,103</td>
<td>315,560,750</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Transfer to general reserve</td>
<td>--</td>
<td>4,024</td>
<td>--</td>
<td>--</td>
<td>(4,024)</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Transfer from legal reserve</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>50,964</td>
<td>--</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Dividends transferred to Ministry of Finance</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>(59,596,347)</td>
<td>(59,596,347)</td>
<td>--</td>
<td>(59,596,347)</td>
</tr>
<tr>
<td>Transfer to Social Fund</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>(55,223)</td>
<td>(55,223)</td>
<td>(43,074)</td>
<td>(98,297)</td>
</tr>
<tr>
<td>Movement in other reserves</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>(113,599)</td>
<td>(302,588)</td>
<td>31,722</td>
<td>(270,866)</td>
</tr>
<tr>
<td>Movement during the year</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>(42)</td>
<td>(27)</td>
<td>(1,884,065)</td>
<td>(1,884,092)</td>
</tr>
<tr>
<td>Balance at December 31, 2016</td>
<td>100,000,000</td>
<td>100,338,434</td>
<td>377,343</td>
<td>(432,600)</td>
<td>78,988,892</td>
<td>279,272,069</td>
<td>23,775,610</td>
<td>303,047,679</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>56,408,884</td>
<td>56,408,884</td>
<td>1,995,952</td>
<td>58,404,836</td>
</tr>
<tr>
<td>Transfer to general reserve</td>
<td>--</td>
<td>5,850</td>
<td>--</td>
<td>--</td>
<td>(5,850)</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Transfer to legal reserve</td>
<td>--</td>
<td>--</td>
<td>78,082</td>
<td>--</td>
<td>(78,082)</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Dividends transferred to Ministry of Finance</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>(48,943,404)</td>
<td>(48,943,404)</td>
<td>--</td>
<td>(48,943,404)</td>
</tr>
<tr>
<td>Transfer to Social Fund</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>(63,096)</td>
<td>(63,096)</td>
<td>(49,943)</td>
<td>(113,039)</td>
</tr>
<tr>
<td>Movement in other reserves</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>225,691</td>
<td>225,691</td>
<td>(58,547)</td>
<td>167,144</td>
</tr>
<tr>
<td>Movement during the year</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>(4)</td>
<td>448</td>
<td>444</td>
<td>(1,557,387)</td>
<td>(1,556,943)</td>
</tr>
<tr>
<td>Balance at December 31, 2017</td>
<td><strong>100,000,000</strong></td>
<td><strong>100,344,284</strong></td>
<td><strong>455,421</strong></td>
<td><strong>(206,909)</strong></td>
<td><strong>86,307,792</strong></td>
<td><strong>286,900,588</strong></td>
<td><strong>24,105,685</strong></td>
<td><strong>311,006,273</strong></td>
</tr>
</tbody>
</table>
### QATAR PETROLEUM

#### SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2017

<table>
<thead>
<tr>
<th>Description</th>
<th>December 31, 2017</th>
<th>December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>QR '000s</td>
<td>QR '000s</td>
</tr>
<tr>
<td><strong>Operating Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before taxes but after loss from discontinued operations</td>
<td>73,764,137</td>
<td>63,490,574</td>
</tr>
<tr>
<td><strong>Adjustments:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation on property, plant and equipment</td>
<td>4,875,605</td>
<td>4,858,593</td>
</tr>
<tr>
<td>Amortization of intangible assets and catalysts</td>
<td>377,294</td>
<td>279,706</td>
</tr>
<tr>
<td>Write off of property, plant and equipment</td>
<td>642,441</td>
<td>150,337</td>
</tr>
<tr>
<td>Write off of preliminary projects and pre-incorporation expenses</td>
<td>26,102</td>
<td>--</td>
</tr>
<tr>
<td>Write off of available-for-sale investments</td>
<td>493</td>
<td>--</td>
</tr>
<tr>
<td>Net gain on sale of property, plant and equipment</td>
<td>(962)</td>
<td>(5,441,276)</td>
</tr>
<tr>
<td>Share of profits of the joint ventures</td>
<td>(33,573,467)</td>
<td>(29,313,192)</td>
</tr>
<tr>
<td>Share of profits of the associates</td>
<td>(683,808)</td>
<td>(241,696)</td>
</tr>
<tr>
<td>Share of loss from investment classified as held-for-sale</td>
<td>111,990</td>
<td>20,344</td>
</tr>
<tr>
<td>Provision for employees' end of service benefits</td>
<td>294,957</td>
<td>1,072,184</td>
</tr>
<tr>
<td>Costs on defined benefit plans</td>
<td>85,174</td>
<td>78,342</td>
</tr>
<tr>
<td>Loss on disposal of available-for-sale investments</td>
<td>21,030</td>
<td>4,245</td>
</tr>
<tr>
<td>Loss on disposal of fair value through profit or loss</td>
<td>50</td>
<td>--</td>
</tr>
<tr>
<td>Fair value gain on investment in fair value through profit or loss</td>
<td>(1,937)</td>
<td>(2,110)</td>
</tr>
<tr>
<td>Dividend and interest income</td>
<td>(804,899)</td>
<td>(650,782)</td>
</tr>
<tr>
<td>Other charges related to Ministry of Finance</td>
<td>18,973,015</td>
<td>22,174,194</td>
</tr>
<tr>
<td>Finance cost</td>
<td>378,695</td>
<td>481,139</td>
</tr>
<tr>
<td>Provision for inventory obsolescence</td>
<td>27,940</td>
<td>35,007</td>
</tr>
<tr>
<td>Impairment losses / (recovery) on accounts receivable</td>
<td>16,823</td>
<td>(896)</td>
</tr>
<tr>
<td>Impairment losses on available-for-sale investment</td>
<td>--</td>
<td>2,701</td>
</tr>
<tr>
<td>Impairment losses on investment in associate</td>
<td>101,261</td>
<td>2,602,023</td>
</tr>
<tr>
<td>Impairment losses on investment in a joint venture</td>
<td>376,071</td>
<td>--</td>
</tr>
<tr>
<td>Impairment losses on oil and gas assets</td>
<td>--</td>
<td>671,349</td>
</tr>
<tr>
<td>Impairment losses on other property, plant and equipment</td>
<td>--</td>
<td>64,593</td>
</tr>
<tr>
<td>Amortization of discount of held to maturity financial assets</td>
<td>(5,601)</td>
<td>1,765</td>
</tr>
<tr>
<td>Recovery on write-down of inventory</td>
<td>--</td>
<td>(63,943)</td>
</tr>
<tr>
<td>Reversal of provision for UOP license fees</td>
<td>(19,489)</td>
<td>--</td>
</tr>
<tr>
<td>Write off of intangible assets</td>
<td>--</td>
<td>77,187</td>
</tr>
<tr>
<td><strong>Working capital changes:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable and prepayments</td>
<td>(3,923,638)</td>
<td>(4,119,404)</td>
</tr>
<tr>
<td>Amounts due from Ministry of Finance</td>
<td>(26,698,312)</td>
<td>(24,772,230)</td>
</tr>
<tr>
<td>Inventories</td>
<td>(258,949)</td>
<td>107,666</td>
</tr>
<tr>
<td>Other current assets</td>
<td>117,960</td>
<td>(70,677)</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>(919,144)</td>
<td>(1,681,274)</td>
</tr>
<tr>
<td>Deferred income</td>
<td>438,258</td>
<td>(38,936)</td>
</tr>
<tr>
<td>Accounts payable and accruals</td>
<td>3,527,691</td>
<td>(1,069,703)</td>
</tr>
<tr>
<td><strong>Cash from operations</strong></td>
<td>37,266,781</td>
<td>28,705,830</td>
</tr>
</tbody>
</table>
### QATAR PETROLEUM

#### SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2017

<table>
<thead>
<tr>
<th>OPERATING ACTIVITIES (CONTINUED)</th>
<th>December 31, 2017 QR '000s</th>
<th>December 31, 2016 QR '000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash from operations (continued)</td>
<td>37,266,781</td>
<td>28,705,830</td>
</tr>
<tr>
<td>Employees' end of service benefits paid</td>
<td>(501,070)</td>
<td>(171,357)</td>
</tr>
<tr>
<td>Defined benefits paid</td>
<td>(169,367)</td>
<td>(170,885)</td>
</tr>
<tr>
<td>Finance cost paid</td>
<td>(364,363)</td>
<td>(467,879)</td>
</tr>
<tr>
<td>Dividends and interests received</td>
<td>804,899</td>
<td>650,782</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td><strong>37,036,880</strong></td>
<td><strong>28,546,491</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INVESTING ACTIVITIES</th>
<th>December 31, 2017 QR '000s</th>
<th>December 31, 2016 QR '000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of property, plant and equipment</td>
<td>(6,054,230)</td>
<td>(6,848,111)</td>
</tr>
<tr>
<td>Proceeds from disposal of property, plant and equipment</td>
<td>13,871</td>
<td>23,478</td>
</tr>
<tr>
<td>Acquisitions of intangible assets and catalysts</td>
<td>(233,195)</td>
<td>(187,068)</td>
</tr>
<tr>
<td>Additions to investments in associates</td>
<td>(98,320)</td>
<td>(41,552)</td>
</tr>
<tr>
<td>Additions to investments in joint ventures</td>
<td>(4,072,557)</td>
<td>(951,869)</td>
</tr>
<tr>
<td>Proceeds from repayment of shareholder advances</td>
<td>634,607</td>
<td>563,523</td>
</tr>
<tr>
<td>Proceeds from redemption of shares on investment in joint venture</td>
<td>--</td>
<td>372,123</td>
</tr>
<tr>
<td>Dividends received from joint venture and associates</td>
<td>39,001,898</td>
<td>32,538,012</td>
</tr>
<tr>
<td>Proceeds from disposal of investment in joint venture</td>
<td>697,529</td>
<td>--</td>
</tr>
<tr>
<td>Additions in available for sale investments</td>
<td>(233,425)</td>
<td>(88,487)</td>
</tr>
<tr>
<td>Net movement of financial assets at fair value through profit or loss</td>
<td>17,290</td>
<td>--</td>
</tr>
<tr>
<td>Decrease / (increase) in term deposits maturing after (90) days and restricted cash</td>
<td>1,014,931</td>
<td>(1,306,634)</td>
</tr>
<tr>
<td>Proceeds from disposal of held to maturity assets</td>
<td>81,900</td>
<td>--</td>
</tr>
<tr>
<td>Proceeds from redemption of available for sale investments</td>
<td>312</td>
<td>264</td>
</tr>
<tr>
<td>Proceeds from disposal of assets held for sale</td>
<td>913,170</td>
<td>--</td>
</tr>
<tr>
<td>Proceeds from sale of available for sale investments</td>
<td>131,421</td>
<td>76,005</td>
</tr>
<tr>
<td><strong>Net cash from investing activities</strong></td>
<td><strong>31,815,202</strong></td>
<td><strong>24,149,684</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FINANCING ACTIVITIES</th>
<th>December 31, 2017 QR '000s</th>
<th>December 31, 2016 QR '000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash transfers to Ministry of Finance</td>
<td>(64,402,189)</td>
<td>(46,410,473)</td>
</tr>
<tr>
<td>Proceeds from interest bearing loans</td>
<td>629,840</td>
<td>1,838,200</td>
</tr>
<tr>
<td>Repayment of interest bearing loans</td>
<td>(1,504,782)</td>
<td>(1,875,980)</td>
</tr>
<tr>
<td>Movement in non-controlling interest</td>
<td>(1,557,387)</td>
<td>(1,884,065)</td>
</tr>
<tr>
<td>Net movement in obligations under finance lease</td>
<td>(1,166,329)</td>
<td>(255,111)</td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td><strong>(68,000,847)</strong></td>
<td><strong>(48,587,429)</strong></td>
</tr>
</tbody>
</table>

| Net increase in cash and cash equivalent | 851,235 | 4,108,746 |
| Foreign currency translation | 39,223 | 9,532 |
| Cash and cash equivalent at beginning of year | 14,693,248 | 10,574,970 |
| **Cash and cash equivalent at end of year** | **15,583,706** | **14,693,248** |
QATAR PETROLEUM

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2017

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Qatar Petroleum ("QP" or the "Corporation"), is a state-owned Public Corporation established in the State of Qatar by Emiri Decree Number 10 of 1974.

The principal activities of QP, its subsidiaries, joint ventures, joint operations and associates are the exploration, production and sale of crude oil, natural gas and gas liquids and refined products, production and sale of petrochemicals, fuel additives, fertilisers, liquefied natural gas ("LNG"), steel, aluminium, chartering of helicopters, investing in industrial and international projects and underwriting insurance and other services. The principal place of business of QP is in the State of Qatar.

Pursuant to Law No. 5 of 2012, which was issued on August 7, 2012, the State of Qatar amended certain provisions of the Decree No. 10 of 1974 and transferred the ownership in QP from the Ministry of Economy of Finance to Supreme Council for Economic Affairs and Investment effective January 1, 2012.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These summary consolidated financial statements have been derived from the consolidated financial statements of Qatar Petroleum which incorporates the audited financial statements of Qatar Petroleum ("QP") and its subsidiaries, joint operations, joint ventures and associates (together referred to as the "Group") for the year ended December 31, 2017.

These summary consolidated financial statements do not contain all information and disclosures required by QP accounting policies and applied in the preparation of the 2017 audited consolidated financial statements of Qatar Petroleum and should be read in conjunction with those consolidated financial statements and the notes attached thereto.

The summary consolidated financial statements have been prepared in accordance with the requirements of Emiri Decree No 10 of 1974 (as amended by Law No. 5 of 2012), concerning the establishment of QP, the Council of Ministers’ decision No. 6 of 1976 (as amended) and QP Chairman Resolution No. 17 of 2013 related to accounting policies and the accounting policies set out in Note 3 in the complete set of consolidated financial statements.

The summary consolidated financial statements have been prepared on the historical basis except for certain properties and financial instruments that are remeasured at revalued amounts or fair values at the end of each reporting period.

The summary consolidated financial statements are presented in Qatari Riyal (QR) which is the Group’s functional and presentation currency. All values are rounded to the nearest thousands, unless otherwise stated.

Basis of consolidation

The consolidated financial statements include the standalone financial statements of QP and the financial statements of the entities controlled by QP (its “subsidiaries”). The consolidated financial statements incorporate the Group’s interest and its share of profits or losses from associates and joint ventures using the equity method of accounting. Jointly controlled operations are accounted for in these consolidated financial statements whereby the Group’s share of each of the assets, liabilities, income and expenses of the jointly controlled operations are combined with the similar items on a line by line basis.