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Industries Qatar

Press Release

IQ Announces a Key Downstream Long-Term Services Agreement with GE Oil & Gas

DOHA, QATAR - Industries Qatar ("IQ" or "the group"; QE: IQCD), one of the region's industrial giants with interests in the production of a wide range of petrochemical, fertiliser and steel products, issued a statement today confirming that its fertiliser joint venture company, Qafco, has awarded a six-year, long-term service contract to Downstream Technology Solutions (DTS) business of GE Oil and Gas (NYSE:GE) to help optimize the performance of the company's fertilizer plant in Mesaieed, Qatar.

The deal covers the standard maintenance and repair of existing GE on-site power and compression equipment as well as training for Qafco workers and site operators. Qafco's Mesaieed facility produces ammonia and urea contributing to the total Qafco annual production capacity of 3.8 million MT of ammonia and 5.6 million MT of urea.

The actual agreement is between Qafco and GE's joint venture with Qatar Petroleum, Al-Shaheen GE Services Company (QSC), which supports GE's regionalization strategy of deploying capability and resources closer to its customers around the world.

"A key priority for us is to optimize the long-term availability and efficiency of our Mesaieed plant's existing fertilizer production facilities," said Mr. Khalifa A Al Sowaidi, Chief Executive. "Not only is GE Oil & Gas the original equipment manufacturer for the gas and steam turbines, centrifugal compressors and associated equipment, but it also has the proven local customer services capabilities we need to help us meet our production targets."

Rami Qasem, president & CEO of GE Oil & Gas for the Middle East, North Africa and Turkey, said "This agreement with Qafco further builds on our strong partnership with the organization and our long-term presence in Qatar. Our existing equipment will bring the cutting edge in GE's innovative technology, assuring higher efficiency, reliability and will support the optimal performance of the company's fertilizer plant in Mesaieed, Qatar."

"Our long-term service agreement with QAFCO illustrates the many advantages that we can offer our customers in the fertilizer and other downstream industries through our collaborations with local project partners," said Hasan Dandashly, vice president of DTS, GE Oil & Gas. "The agreement also underscores how GE's regionalization strategy enhances the value of our products and services in Qatar and throughout the Middle East."

The new service agreement includes the following equipment at Mesaieed: six Frame 6 gas turbines, 33 centrifugal compressors (various models), 17 steam turbines, and 16 centrifugal pumps.

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For more information about this press release,

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Disclaimer

The companies in which Industries Qatar QSC directly and indirectly owns investments are separate entities. In this press release, "IQ" and "the group" are sometimes used for convenience in reference to Industries Qatar QSC.

This presentation contains forward-looking statements concerning the financial condition, results of operations and businesses of Industries Qatar QSC. All statements other than statements of historical fact are deemed to be forward-looking statements, being statements of future expectations that are based on current expectations and assumptions, and involve known and unknown risks and uncertainties that could cause actual results, operations and business performance or events impacting the group to differ materially from those expressed or as may be inferred from these statements.

There are a number of factors that could affect the realisation of these forward-looking statements such as: (a) price fluctuations in crude oil and natural gas, (b) changes in demand or market conditions for the group's products, (c) loss of market share and industry competition, (d) environmental risks and natural disasters, (e) changes in legislative, fiscal and regulatory conditions, (f) changes in economic and financial market conditions and (g) political risks. As such, results could differ substantially from those stated, or as may be inferred from the forward-looking statements contained herein. All forward-looking statements contained in this presentation are made as of the date of this presentation, as marked on the Cover page.

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General Notes

Industries Qatar's accounting year follows the calendar year. No adjustment has been made for leap years. Where applicable, all values refer to Industries Qatar's share. Values expressed in QR billions and percentages have been rounded to 1 decimal point. All other values have been rounded to the nearest whole number. Values expressed in US $'s have been translated at the rate of US $1 = QR3.64.

Definitions

Adjusted Free Cash Flow: Cash Flow From Operations - Total CAPEX - Dividends • **CAGR:** 5-Year *Compound Annual Growth Rate* (from 2010 actuals) • **Cash Realisation Ratio:** Cash Flow From Operations / Net Profit x 100 • **Debt to Equity:** (Current Debt + Long-Term Debt) / Equity x 100 • **Dividend Yield:** Total Cash Dividend / Closing Market Capitalisation x 100 • **DRI:** *Direct Reduced Iron* • **EBITDA:** *Earnings Before Interest, Tax, Depreciation and Amortisation* calculated as (Net Profit + Interest Expense + Depreciation + Amortisation - QR1.2bn government grant received in 2009) • **EPS:** *Earnings per Share* (Net Profit / Number of Ordinary Shares outstanding at the year end) • **Free Cash Flow:** Cash Flow From Operations - Total CAPEX • **HBI:** *Hot Briquetted Iron* • **Interest Cover:** (Earnings before Interest Expense + Tax) / Interest Expense • **LDPE:** *Low Density Poly Ethylene* • **LLDPE:** *Linear Low Density Poly Ethylene* • **mmBTU:** *Million British Thermal Units* • **MT PA:** *Metric Tons Per Annum* • **MTBE:** *Methyl Tertiary Butyl Ether* • **Net Debt:** Current Debt + Long-Term Debt - Cash & Cash Equivalents • **Payout Ratio:** Total Cash Dividend / Net Profit x 100 • **P/E:** *Price to Earnings* (Closing market capitalisation / Net Profit) • **RCF:** Funds From Operations - Dividends • **ROA:** *Return On Assets* [EBITDA/ (Total Assets - CWIP - PUD) x 100] • **ROCE:** *Return On Capital Employed* [Net Profit before Interest & Tax / (Total Assets - Current Liabilities) x 100] • **ROE:** *Return On Equity* (Net Profit / Shareholders' Equity x 100) • **Utilisation:** Production Volume / Rated Capacity x 100 [For new facilities, measure includes first full operational quarter only]

About IQ

Industries Qatar QSC was incorporated as a Qatari joint stock company on April 19, 2003. The business operations of the company comprise the direct holding of shares in the following subsidiary and joint venture companies: (i) Qatar Steel Company QSC ("QS"), a wholly-owned subsidiary, engaged in the manufacture and sale of steel billets and reinforcing bars; (ii) Qatar Petrochemical Company Limited QSC ("QAPCO"), a joint venture owned 80% by IQ, engaged in the production of ethylene, low-density polyethylene ("LDPE"), linear low-density polyethylene ("LLDPE") and sulphur; (iii) Qatar Fertiliser Company SAQ ("QAFCO"), a joint venture owned 75% by IQ, engaged in the manufacture of ammonia and urea; and (iv) Qatar Fuel Additives Company Limited QSC ("QAFAC"), a joint venture owned 50% by IQ, is engaged in the production of methanol and methyl-tertiary-butyl-ether ("MTBE").

The operations of the subsidiary and joint ventures remain independently managed by their respective management teams.

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