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PRESS RELEASE

NEW RAS LAFFAN MEGA PETROCHEMICAL COMPLEX PROJECT ON TRACK

Qatar Petrochemical Company (QAPCO) has confirmed that the planned USD 5.5 billion Ras Laffan Mega Petrochemical Complex Project is on schedule in accordance with the original timetable and scope, and that no changes to either are currently under consideration.

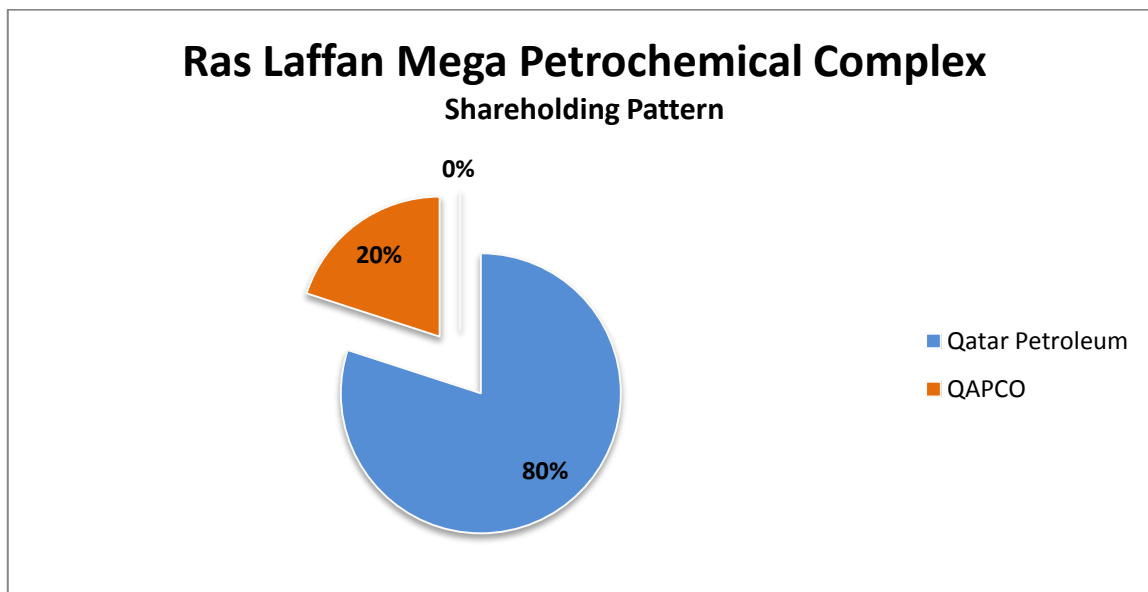
This statement comes responding to recent news that QAPCO is re-examining the feasibility of expanding the scope of this project.

Commenting on this news Dr. Mohammed Yousef Al-Mulla, QAPCO Vice Chairman and CEO said "We are proceeding with the project as per the announced scope, size, and shareholding pattern, and hopefully our facility will be commissioned on the scheduled date"

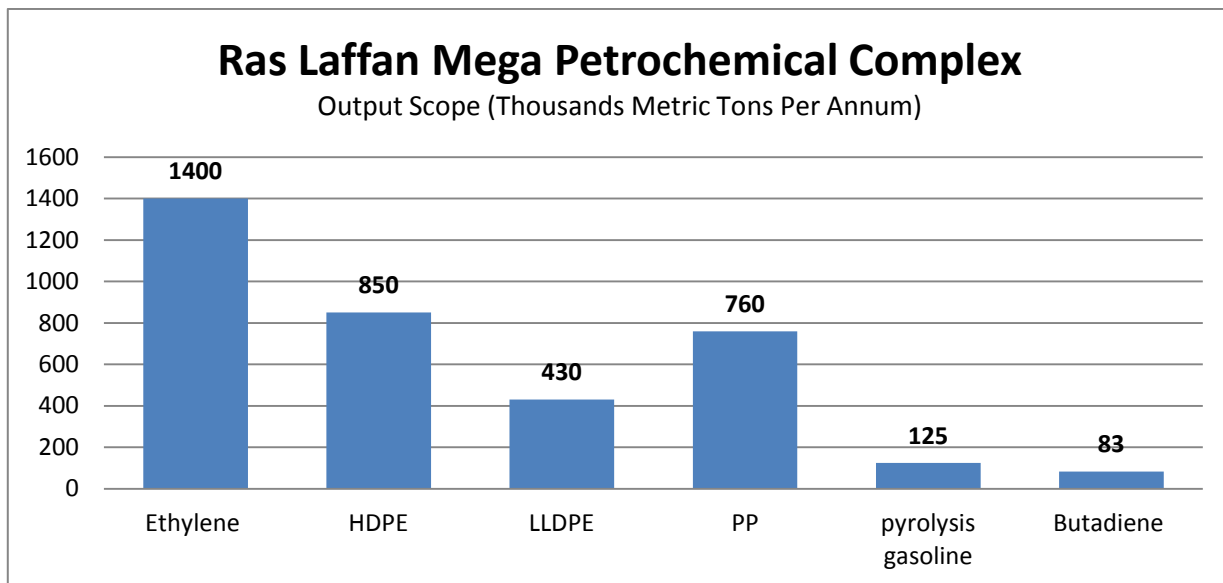
"No changes on the ownership of the project have taken place; Total E&P is our partner in QAPCO ownership, and will have a stake of QAPCO's share from the project, as per our Joint Venture agreement" Dr. Mulla added.

The complex, which will be built at an estimated investment cost of Qatari Rials (QAR) 20.1 billion (5.5 Billion USD), includes a world-scale steam cracker, with the feedstock coming from natural gas projects located in the north of Qatar. The project will be carried out on a lump-sum turnkey basis and is scheduled for completion in 2018.

Qatar Petroleum has an 80% equity interest in the project, with QAPCO taking up the remaining 20% stake. QP and QAPCO will jointly develop the petrochemical complex, which will feature industry-leading, proprietary technology. Teams from QP and QAPCO have been working together for the past few months to plan the development of the project, which will contribute in meeting the continuously growing global demand for various types of petrochemical products.



The outputs of the project will be 1.4 million metric tons per annum (MTA) of ethylene, 850 thousand metric tons per annum (KMTA) of high-density polyethylene (HDPE), 430 KMTA of linear low-density polyethylene, 760 KMTA of polypropylene, 83 KMTA of butadiene, and 125 KMTA of pyrolysis gasoline. These products will be marketed primarily in high-growth markets in Asia, Africa and Latin America.



Like all new industrial projects in the country, great care will be taken to ensure a minimal environmental footprint during the construction and operation of the upcoming facility. The new complex will be operated according to internationally accepted environmental standards.

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For more information about this press release, email iq@qp.com.qa or visit www.iq.com.qa

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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

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 • **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 multiple [Closing market capitalisation / Net Profit] • **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 QAPCO

Qatar Petrochemical Company Limited QSC ("QAPCO") was incorporated in 1974 as a joint venture, and is currently owned by IQ (80%) and TOTAL Petrochemicals (France) [20%]. QAPCO has three joint ventures, Qatofin Company Limited QSC ("Qatofin"), Qatar Vinyl Company Limited QSC ("QVC") and Qatar Plastic Products Company WLL.

Products: Qapco's petrochemical products are:

- **Ethylene:** Ethylene is used as a feedstock for a wide range of chemicals. Approximately 50% of ethylene produced by QAPCO is utilised in the LDPE production process. A further 25% is utilised by QVC in the production of ethylene dichloride, vinyl chloride monomer and caustic soda. The remainder is exported to a number of Asian countries. When production reaches full utilisation at RLOC, about 70% of the ethylene share of Qatofin would be utilized towards LLDPE production and the remaining 30% will be exported. Once the QAPCO LDPE-3 plant comes into operation in 2012, the excess ethylene balance would be utilized towards LDPE production and thus there will not be any further export of ethylene, thereafter.
- **Low-Density Polyethylene (LDPE):** Various grades of LDPE, which is suitable for a wide range of thermoplastics processing techniques with applications such as films, pipes, cables and wires and other moulded products, is marketed under the Lotrène brand. It is exported to over 85 countries throughout the world.
- **Sulphur:** High quality sulphur is generated as a by-product from the ethylene process and is mostly exported to the Indian sub-continent and China.
- **Pyrolysis Gasoline:** The limited quantities of pyrolysis gasoline produced by QAPCO are used by associated local companies as a feedstock.
- **Mixed LPG, C3/C4:** The minimal quantities of mixed LPG generated are used locally to produce propane and butane.