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PRESS RELEASE

QAFAC HOLDS GROUND BREAKING EVENT FOR ITS CDR PROJECT

Doha, Qatar: QAFAC conducted a ground breaking ceremony for its Carbon Dioxide Recovery project at its Mesaieed plant. Representatives from MIES (EPC contractor) and QCON (subcontractor) were present along with QAFAC staff for this occasion. QAFAC will recover 500 tons per day of CO₂, a greenhouse gas, from its Methanol Reformer stack and will inject it into its existing Methanol process to enhance the production capacity of Methanol.

With the initiation of this project, QAFAC has demonstrated its strong desire to be a leader in decreasing industrial greenhouse gases and to play a front line role as an environmentally conscious company. About 500 tons per day CO₂ will be separated and recovered from the flue gas using MHI's proprietary process.

QAFAC is a petrochemical company established in 1990 with headquarters in Doha. The company produces around 1 million MT per year of Methanol and 610,000 MT per year of Methyl Tertiary Butyl Ether (MTBE). This CDR project will be one of the world's largest commercial scale CO₂ capture plants.

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Methanol is produced at the plant from natural gas supplied by QP. Circa 25%-35% of Methanol is utilised to produce MTBE and the remaining 75%-65% is exported for various downstream products. MTBE is used as a gasoline additive that gives a clean burning fuel to reduce exhaust pollution generated by motor vehicles and also eliminates the need to blend Tetra Ethyl Lead to the gasoline. This produces unleaded gasoline. Methanol can also be used to blend with gasoline as a cleaner fuel.

QAFAC appointed MIES (Mitsubishi Heavy Industries Engineering & Services Private Ltd., of Singapore) as EPC contractor on 2nd February, 2012. MHI's CO₂ recovery technology is known as the KM CDR Process[®]. It uses the company's proprietary KS-1 solvent for CO₂ absorption and desorption. Engineering of the project is almost completed. Civil construction works are scheduled to start on 15th January 2013. The Project is scheduled to be commissioned in October 2014.

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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 QAFAC

Qatar Fuel Additives Company Limited QSCC ("QAFAC") was incorporated in 1991 as a joint venture, and is currently owned by IQ (50%), OPIC Middle East Corporation (20%), International Octane Limited (15%) and LCY Middle East Corporation (15%).

Products

Qafac's petrochemical products are:

- **Methanol:** The majority of the methanol produced is exported to markets within Asia, the Far East and Europe, with the balance used as feedstock for the MTBE process or sold to local industries. Within the petrochemical industry, methanol is used as a raw material for the manufacturing of solvents, formaldehyde, methyl-halide, acetic acid, ethyl-alcohol, acetic anhydride, DME and MTBE.
- **Methyl-Tertiary-Butyl-Ether (MTBE):** MTBE is used as a gasoline additive that provides clean burning fuel to reduce the tail gas pollution generated by motor vehicles, whilst eliminating the need for Tetra-Ethyl-Lead blending. Most of the MTBE produced is exported to other countries in the Gulf region. The remainder is either exported to Europe, South-East Asia or South America, or used by the Qatar Petroleum refinery to blend with the gasoline being marketed in Qatar.