



CONTACT DETAILS:

| | |
|-------------------------|--|
| Name | Ahmad Yaseen Al Hammadi |
| Title | PR Manager |
| Company | Qatar Petrochemical Company Limited QSC ("QAPCO") |
| Telephone Number | (974) 4401-0011 |
| Fax Number | (974) 4401-0098 |

DOCUMENT DETAILS:

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| Document Reference | QAPCO/PR/130612 Eng.DOCX |
| For Immediate Release | June 12, 2013 |

PRESS RELEASE

**UNDER THE PATRONAGE OF HIS EXCELLENCY THE MINISTER OF ENERGY & INDUSTRY:
QP AND QAPCO SIGN THE TECHNOLOGY SELECTION AGREEMENTS
FOR AL SEJEEL PETROCHEMICAL COMPLEX**

12 June 2013 • Doha, Qatar -- Under the patronage of His Excellency Dr. Mohammed bin Saleh Al-Sada, Minister of Energy and Industry, Qatar Petroleum (QP) and Qatar Petrochemical Company Limited (QAPCO) have signed today the technology license contracts for the Al Sejeel Petrochemical Complex, which will be built in Ras Laffan Industrial City.

QP and QAPCO signed in February 2012 the Heads of Agreement (HoA) to jointly develop this mega-petrochemical complex in Ras Laffan, with QP and QAPCO holding 80% and 20% equity interest respectively. The Al Sejeel Petrochemical Project is scheduled for completion in 2018 and will feature a world-scale mixed-feed steam cracker, with the original mixed feedstock of ethane, butane, and naphtha, thus allowing extra flexibility and diversity in terms of products.

Today marks an important milestone for the development of the Al Sejeel Petrochemical Project, with the signing of Technology Licensing Agreements with Univation Technologies for the polyethylene technology and The Dow Chemical Company for the polypropylene technology. The selection of the licensors is a highly strategic landmark and highlights the evolution of the project. With the signing of the technology agreements, the Al Sejeel plants will be designed to produce 2.2 million MTPA of polymers, including PE and PP resins.

In his comments on the occasion, H.E. Dr. Mohammed bin Saleh Al-Sada, Minister of Energy and Industry, expressed delight at the pace of progress of the Al-Sejeel Petrochemical Project. Dr. Al-Sada said: "An occasion like this is very reassuring for us, as it epitomizes the realization of the wise vision of His Highness Sheikh Hamad bin Khalifa Al-Thani, the Emir of the State of Qatar, who has advocated harnessing our resources in a manner that meets the economic needs of today while safeguarding the requirements of future generations."

"We firmly believe that the development of the downstream petrochemical sector will create countless opportunities for the production of new intermediate and derivative products," he added.

The Al Sejeel Petrochemical Project is part of Qatar's large-scale expansion of the petrochemicals sector to support diversification and growth of the Qatari economy as the State has announced that it will raise its petrochemical output to 23 million MTPA by 2020. The petrochemical complex will produce ethylene, high-density polyethylene (HDPE), linear low-density polyethylene (LLDPE), polypropylene, butadiene and py-gasoline.

"The Al Sejeel Petrochemical Project represents a pioneering initiative as it is the first time that two Qatari entities will build and develop together a petrochemical complex of this scale. Over the past years, Qatar and the country's petrochemical sector in particular have built tremendous capabilities, developed a talented national workforce, and acquired strong technical and operational expertise to develop and implement strategic projects such as Al Sejeel," said Eng Hamad Rashid Al Mohannadi, Chairman of QAPCO.

"With QAPCO building on its nearly 40 years of experience, we have demonstrated operational excellence and high product quality as well as developed and maintained competitive edge in the global petrochemical Industry. Therefore, we are honored to have been entrusted with the mission to further integrate the downstream petrochemical sector of the State and to offer new opportunities for our customers as well as opportunities for small and medium size industries to be further developed in Qatar," he stressed.

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Speaking at the signing ceremony, Dr. Mohammed Yousef Al Mulla, Vice Chairman and CEO of QAPCO, added: “The Al Sejeel Petrochemical Project will create over 1,500 career opportunities for Qataris and will generate new channels for the expansion of partnerships with local suppliers and contractors while enhancing community development. Through this project and under the leadership of H.E. Dr. Mohammed bin Saleh Al-Sada, we are proud to contribute to the sustainable development of Qatar’s economy, and we are committed more than ever to deliver as we head up north, from Mesaieed to Ras Laffan.”

The development of the Al Sejeel Petrochemical Complex is moving ahead. Following the signing of the Heads of Agreement in 2012, a Project Executive Committee (EXCOM) was formed consisting of representatives from both QP and QAPCO to oversee and direct the advancement of activities of the project.

Over the course of one year and under the leadership and guidance of H.E. Dr. Al-Sada, the EXCOM has achieved significant progress within the established timeframe and budget as the Feasibility Study was already completed and the Project Management Contract (PMC) had been awarded to Bechtel. Since then, the PMC team has been mobilized and related work has commenced on the 1st of May 2013.

In addition, the Invitation to Bid (ITB) for the Front End Engineering and Design (FEED) had already been issued and the bidding process is currently in progress. The FEED is moving forward with the completion of Phase 2 and the project is now entering its Phase 3.

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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.