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PRESS RELEASE

HIS HIGHNESS THE EMIR INAUGURATES QAPCO'S THIRD LOW-DENSITY POLYETHYLENE PLANT

- **2.3 BILLION QATARI RIYAL FACILITY TO PRODUCE 300,000 METRIC TONS OF LDPE A YEAR**
- **HE DR. AL-SADA: "GREAT ACHIEVEMENTS ARE THE RESULT OF EVEN GREATER VISIONS"**
- **CHAIRMAN AL-MOHANNADI: "AS WE HAVE DELIVERED EXCELLENCE IN THE PAST THIRTY YEARS, WE WILL CONTINUE TO DELIVER FOR THE NEXT THIRTY"**
- **CEO AL-MULLA: "LDPE 3...A WORK OF ART"**

Doha, Qatar 20 November 2012: His Highness Sheikh Hamad bin Khalifa Al-Thani, Emir of the State of Qatar, officially launched Qatar Petrochemical Company's (QAPCO) new state-of-the-art low-density polyethylene plant at a high-profile ceremony in Mesaieed Industrial City attended by ministers and other VIP dignitaries, including senior executives from QAPCO's shareholders Industries Qatar and Total Petrochemicals of France. The ceremony was followed by His Highness taking a tour of the facility, LDPE 3, escorted by His Excellency Dr. Mohamed bin Saleh Al-Sada, Qatar's Minister of Energy and Industry, and QAPCO officials.

“Great achievements are the result of even greater visions,” said HE Dr. Al Sada. “This modern facility is a direct and physical manifestation of Qatar’s National Vision 2030, as envisioned by the country’s wise leaders. While Qatar is blessed by plentiful natural resources, it is the value that is created by refining the raw products that the country moves towards its economic diversification goals in the next two decades. Moreover, on a national level, the country and its people can be proud that with LDPE 3, we continue to reinforce Qatar’s position as not only a regional industrial power, but a globally one. With the launching of LDPE 3 and plans to develop other petrochemical plants, I am proud to say that Qatar will join the exclusive family of petrochemical producers and exporters in the world.”

QAPCO’s LDPE 3 puts the nation squarely at the center of the global petrochemical industry. At peak capacity, the facility will be able to produce 300,000 metric tons of low density polyethylene per year. Combined with QAPCO’s existing LDPE facilities, this pushes up the country’s output to 700,000 metric tons of LDPE per annum.

“For nearly three decades, QAPCO has been at the forefront of Qatar’s industrial output,” said QAPCO’s Chairman, Mr. Hamad Rashid Al-Mohannadi. “The LDPE 3 facility is another step in our development plans to span the next several years. As we have delivered excellence in past thirty years, we will continue to deliver for the next thirty years and without end.”

Currently, QAPCO’s manufacturing facilities consist of an 800 KTPA (kilo-ton per annum) ethylene plant, a 70 KTPA sulfur processing facility, and two pre-existing LDPE plants with productivity of 400 KTPA. And after LDPE 3 came fully online, that is designed to take advantage of the company’s excess ethylene feedstock, it will be able to produce 300,000 metric tons of LDPE per year; thus increasing QAPCO’s annual production of LDPE to 700,000 metric tons per annum.

With the plans for developing LDPE 3 set in motion in 2002, construction was initiated in 2009 when His Highness Sheikh Tamim Bin Hamad Al-Thani, the Heir Apparent, laid down the foundation stone for the facility. The EPC (engineering, procurement, and construction) contract was awarded to Germany’s Ude, a company renowned for designing and building chemical complex plants all over the world. In addition, the refining technology is licensed by Bassel, another global giant in the sector. The facility was built to the tune of 2.3 billion Qatari riyals, which

included the migration of the control centers from the two surrounding QAPCO facilities into one central control room.

“At QAPCO, we are driven by our mission to become a regional petrochemical contender,” said Dr. Mohammed Yousef Al-Mulla, QAPCO’s Vice Chairman and Chief Executive Officer. “To fulfill this, we have to pay attention to every detail, from a technological, environmental, and industrial perspective, LDPE 3 is, in essence, a perfect work of art.”

LDPE 3 also meets the stringent environmental standards as set forth by Qatar’s Ministry of Environment. No run-off flows into the clear waters off the coast of Mesaieed, and additionally, heat produced at the plant is recycled for heating and power. Safety regulations were especially adhered to, with a milestone 12.7 million man-hours with no loss time recorded.

Designed to exploit QAPCO’s excessive feedstock coming from its other facilities, LDPE 3’s products will be sold in international markets under the brand name ‘Lotrène’ – a name customer’s associate with quality and excellence.

QAPCO’s industrial clients will benefit from the facilities’ premium low density polyethylene, the raw material used in everything from packaging films, agricultural film, extrusion and coating lamination film, high clarity film, injection molding, pipes, cables, wires, and other related products.

LDPE 3’s products will be marketed through QAPCO’s extensive sales network, which stands at 29-self operated offices and logistic facilities around the world. Thanks to international partners and other representative offices, 4500 industrial customers are currently being served by QAPCO in 145 countries. The company’s LDPE is being sold under the brand name ‘Lotrène’.

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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.