Qatar Petroleum

U.S.$4,000,000,000 3.300% Bonds due 2051 (the "**2051 Bonds**")

Issue Price: 100 per cent.

Issue Date: 12 July 2021

This information package includes (i) the Prospectus dated 5 July 2021 (the "**Prospectus**"), (ii) the Terms and Conditions of the 2051 Bonds, set out starting on page 137 of the Prospectus (the "**Terms and Conditions**") and (iii) the Pricing Supplement dated 1 July 2021 with respect to the 2051 Bonds (together with the Prospectus, the Terms and Conditions and the other information set out herein, the "**Information Package**"), in connection with the offering and issue of the 2051 Bonds by Qatar Petroleum (the "**Issuer**").

Application will be made by the Issuer for the 2051 Bonds to be listed on the Taipei Exchange ("**TPEx**") in the Republic of China (the "**ROC**"). In addition, application has been made to the UK Financial Conduct Authority in its capacity as competent authority under the UK Financial Services and Markets Act 2000 (the "**FCA**") for the 2051 Bonds to be admitted to the official list of the FCA (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for the 2051 Bonds to be admitted to trading on the London Stock Exchange's Main Market (the "**Main Market**").

The 2051 Bonds will be admitted to listing and trading on the TPEx pursuant to the TPEx Rules. The effective date of listing and trading of the 2051 Bonds on the TPEx is on or about 12 July 2021.

The TPEx is not responsible for the content of the Information Package and/or any supplement or amendment thereto and no representation is made by the TPEx as to the accuracy or completeness of the Information Package and/or any supplement or amendment thereto. The TPEx expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of the Information Package and/or any supplement or amendment thereto. The admission of the 2051 Bonds to listing and trading on the TPEx shall not be taken as an indication of the merits of the Issuer or the 2051 Bonds.

REPUBLIC OF CHINA SELLING RESTRICTION

Each of the Joint Bookrunning Managers has represented and agreed that the 2051 Bonds have not been, and shall not be, offered, sold or re-sold, directly or indirectly to investors other than "professional investors" as defined under Paragraph 1 of Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds of the Republic of China (the "**TPEx Rules**"). Purchasers of the 2051 Bonds are not permitted to sell or otherwise dispose of the 2051 Bonds except by transfer to a professional investor.

REPUBLIC OF CHINA TAXATION

The following summary of certain taxation provisions under ROC law is based on current law and practice and that the 2051 Bonds will be issued, offered, sold and re-sold, directly or indirectly, to "professional investors" as defined under Paragraph 1 of Article 2-1 of the TPEx Rules only. It does not purport to be comprehensive and does not constitute legal or tax advice. Investors (particularly those subject to special tax rules, such as banks, dealers, insurance companies and tax-exempt entities) should consult with their own tax advisers regarding the tax consequences of an investment in the 2051 Bonds.

Interest on the 2051 Bonds

As the Issuer is not an ROC statutory tax withholder, there is no ROC withholding tax on the interest or deemed interest to be paid on the 2051 Bonds.

Payments of any interest or deemed interest under the 2051 Bonds to an ROC individual holder are not subject to ROC income tax as such payments received by him/her are not considered to be ROC sourced income. However, such holder must include the interest or deemed interest received in calculating his/her basic income for the purpose of calculating his/her alternative minimum tax ("**AMT**"), unless the sum of the interest or deemed interest and other non-ROC sourced income received by such holder and the person(s) who is (are) required to jointly file the ROC income tax return in a calendar year is below $1 million New Taiwan Dollars ("**NT$**"). If the amount of the AMT exceeds the annual income tax calculated pursuant to the ROC Income Basic Tax Act (also known as the AMT Act), the excess becomes such holder's AMT payable.

ROC corporate holders must include any interest or deemed interest receivable under the 2051 Bonds as part of their taxable income and pay income tax at a flat rate of 20 per cent. (unless the total taxable income for a fiscal year is under NT$120,000 or under), as they are subject to income tax on their worldwide income on an accrual basis. The AMT is not applicable.

Non-ROC corporate holders are not subject to ROC income tax or AMT on any interest or deemed interest receivable or received under the 2051 Bonds.

Sale of the 2051 Bonds

In general, the sale of corporate bonds or financial bonds is subject to 0.1 per cent. securities transaction tax ("**STT**") on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act of the ROC prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026. Therefore, the sale of the 2051 Bonds will be exempt from STT if the sale is conducted on or before 31 December 2026. Starting from 1 January 2027, any sale of the 2051 Bonds will be subject to STT at 0.1 per cent. of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from ROC income tax. Accordingly, ROC individual and corporate holders are not subject to ROC income tax on any capital gains generated from the sale of the 2051 Bonds. In addition, ROC individual holders are not subject to AMT on any capital gains generated from the sale of the 2051 Bonds. However, ROC corporate holders should include such capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the annual income tax calculated pursuant to the ROC Income Basic Tax Act, the excess becomes the ROC corporate holders' AMT payable. Capital losses, if any, incurred from the sale of the 2051 Bonds by such holders could be carried over five years to offset against capital gains of same category for the purposes of calculating their AMT.

Non-ROC corporate holders with a fixed place of business (e.g., a branch) or a business agent in the ROC are not subject to ROC income tax on any capital gains generated from the sale of the 2051 Bonds. However, their fixed place of business or business agent should include any such capital gains in calculating their basic income for the purpose of calculating AMT.

As to non-ROC corporate holders without a fixed place of business and a business agent in the ROC, they are not subject to ROC income tax or AMT on any capital gains generated from the sale of the 2051 Bonds.

ROC SETTLEMENT AND TRADING

The Issuer has not entered into any settlement agreement with Taiwan Depository & Clearing Corporation ("**TDCC**") and has no intention to do so.

In the future, if the Issuer enters into a settlement agreement with TDCC, an investor, if it has a securities book-entry account with a Taiwan securities broker and a foreign currency deposit account with a Taiwanese bank, may settle the 2051 Bonds through the account of TDCC with Euroclear or Clearstream, Luxembourg if it applies to TDCC (by filing in a prescribed form) to transfer the 2051 Bonds in its own account with Euroclear or Clearstream to such TDCC account with Euroclear or Clearstream, Luxembourg for trading in the domestic market or vice versa for trading in overseas markets. For settlement through TDCC, TDCC will allocate the respective Bonds position to the securities book-entry account designated by such investor in the ROC. The 2051 Bonds will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the TPEx as domestic bonds. For such investors who hold their interest in the 2051 Bonds through an account opened and held by TDCC with Euroclear or Clearstream, Luxembourg, distributions of principal and/or interest for the 2051 Bonds to such holders may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the holders. Such payment is expected to be made on the second Taiwanese business day following TDCC's receipt of such payment (due to time difference, the payment is expected to be received by TDCC one Taiwanese business day after the distribution date). However, when the holders actually receive such distributions may vary depending upon the daily operations of the Taiwanese banks with which the holder has the foreign currency deposit account.

RISKS ASSOCIATED WITH LIMITED LIQUIDITY OF THE 2051 BONDS

Application will be made for the listing of the 2051 Bonds on the TPEx. No assurance can be given as to whether the 2051 Bonds will be, or will remain, listed on the TPEx. If the 2051 Bonds fail to, or cease to, be listed on the TPEx, certain investors may not invest in, or continue to hold or invest in, the 2051 Bonds.

Joint Bookrunning Managers

Citibank Taiwan Limited
(*Lead Manager*)

Deutsche Bank AG, Taipei Branch

Goldman Sachs (Asia) L.L.C., Taipei Branch

HSBC Bank (Taiwan) Limited

J.P. Morgan Securities (Taiwan) Limited

Prospectus dated 5 July 2021

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PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more of): (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Art 2000 (as amended, the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investors in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

MiFID II product governance / professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance / professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

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Singapore SFA Product Classification – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in Singapore Monetary Authority (the "**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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1 July 2021

QATAR PETROLEUM

PRICING SUPPLEMENT

US$1,500,000,000 1.375% Bonds due 2026 (the "2026 Bonds")

US$3,500,000,000 2.250% Bonds due 2031 (the "2031 Bonds")

US$3,500,000,000 3.125% Bonds due 2041 (the "2041 Bonds")

US$4,000,000,000 3.300% Bonds due 2051 (the "2051 Bonds")

Issuer	Qatar Petroleum
LEI....................................	254900QTESJKJ3P87J26
Expected Ratings for the Bonds................................	Aa3, Moody's Investors Service; AA-, S&P Global Ratings; and AA-, Fitch Ratings

<u>The 2026 Bonds</u>

Description........................	US$1,500,000,000 1.375% Bonds due 2026
Currency	US Dollars
Size....................................	US$1,500,000,000
Form	Registered
Type..................................	Rule 144A Restricted / Regulation S Unrestricted
Status................................	Senior, Unsecured
Denomination	US$200,000 and integral multiples of US$1,000 in excess thereof
Issue Price	99.905%
Issue Date..........................	12 July 2021
Tenor	5 years, two months
Maturity Date	12 September 2026
Benchmark........................	US Treasury 0.875% due 30 June 2026
Benchmark Yield.............	0.894%
Re-Offer Yield	1.394%

Re-Offer UST Spread	50 bps
Interest Rate	1.375% per annum
Interest Payment Dates....	12 March and 12 September in each year commencing on 12 March 2022 (long first coupon)
Day Count Fraction	30/360
Issuer Call Option	Issuer call, in whole or in part, at any time at a redemption price equal to the greater of (a) 100% of principal plus accrued and unpaid interest and (b) the net present value of the remaining scheduled payments of principal and interest on the Bonds being redeemed, discounted on a semi-annual basis at the Treasury Rate for such Bonds plus 10 basis points
ISIN, Common Code and CUSIP...............................	<u>Unrestricted Bonds</u> ISIN: XS2357493860 Common Code: 235749386 <u>Restricted Bonds</u> ISIN: US74730DAB91 Common Code: 235795345 CUSIP: 74730DAB9

<u>**The 2031 Bonds**</u>

Description........................	US$3,500,000,000 2.250% Bonds due 2031
Currency	US Dollars
Size....................................	US$3,500,000,000
Form	Registered
Type..................................	Rule 144A Restricted / Regulation S Unrestricted
Status................................	Senior, Unsecured
Denomination	US$200,000 and integral multiples of US$1,000 in excess thereof
Issue Price	98.937%
Issue Date..........................	12 July 2021
Tenor	10 years
Maturity Date	12 July 2031
Benchmark........................	US Treasury 1.625% due 15 May 2031
Benchmark Yield.............	1.470%

Re-Offer Yield	2.370%
Re-Offer UST Spread	90 bps
Interest Rate	2.250% per annum
Interest Payment Dates....	12 January and 12 July in each year
Day Count Fraction	30/360
Issuer Call Option	Issuer call, in whole or in part, at any time at a redemption price equal to the greater of (a) 100% of principal plus accrued and unpaid interest and (b) the net present value of the remaining scheduled payments of principal and interest on the Bonds being redeemed, discounted on a semi-annual basis at the Treasury Rate for such Bonds plus 15 basis points
ISIN, Common Code and CUSIP...............................	<u>Unrestricted Bonds</u> ISIN: XS2357494322 Common Code: 235749432 <u>Restricted Bonds</u> ISIN: US74730DAC74 Common Code: 235795361 CUSIP: 74730DAC7

<u>The 2041 Bonds</u>

Description........................	US$3,500,000,000 3.125% Bonds due 2041
Currency	US Dollars
Size....................................	US$3,500,000,000
Form	Registered
Type..................................	Rule 144A Restricted / Regulation S Unrestricted
Status................................	Senior, Unsecured
Denomination	US$200,000 and integral multiples of US$1,000 in excess thereof
Issue Price	99.631%
Issue Date	12 July 2021
Tenor	20 years
Maturity Date	12 July 2041
Benchmark........................	US Treasury 2.25% due 15 May 2041

Benchmark Yield.............	2.024%
Re-Offer Yield	3.150%
Re-Offer UST Spread	112.6 bps
Interest Rate	3.125% per annum
Interest Payment Dates....	12 January and 12 July in each year
Day Count Fraction	30/360
Issuer Call Option	Issuer call, in whole or in part, at any time at a redemption price equal to the greater of (a) 100% of principal plus accrued and unpaid interest and (b) the net present value of the remaining scheduled payments of principal and interest on the Bonds being redeemed, discounted on a semi-annual basis at the Treasury Rate for such Bonds plus 20 basis points
ISIN, Common Code and CUSIP................................	<u>Unrestricted Bonds</u> ISIN: XS2359548935 Common Code: 235954893 <u>Restricted Bonds</u> ISIN: US74730DAE31 Common Code: 236170969 CUSIP: 74730DAE3

<u>**The 2051 Bonds**</u>

Description........................	US$4,000,000,000 3.300% Bonds due 2051
Currency	US Dollars
Size....................................	US$4,000,000,000
Form	Registered
Type..................................	Rule 144A Restricted / Regulation S Unrestricted
Status................................	Senior, Unsecured
Denomination	US$200,000 and integral multiples of US$1,000 in excess thereof
Issue Price	100.000%
Issue Date..........................	12 July 2021
Tenor	30 years
Maturity Date	12 July 2051
Benchmark........................	US Treasury 1.875% due 15 February 2051

Benchmark Yield.............	2.106%
Re-Offer Yield	3.300%
Re-Offer UST Spread	119.4 bps
Interest Rate	3.300% per annum
Interest Payment Dates....	12 January and 12 July in each year
Day Count Fraction	30/360
Issuer Call Option	Issuer call, in whole or in part, at any time on or after 12 July 2026 at a redemption price equal to the greater of (a) 100% of principal plus accrued and unpaid interest and (b) the net present value of the remaining scheduled payments of principal and interest on the Bonds being redeemed, discounted on a semi-annual basis at the Treasury Rate for such Bonds plus 20 basis points
ISIN, Common Code and CUSIP................................	<u>Unrestricted Bonds</u> ISIN: XS2357494751 Common Code: 235749475 <u>Restricted Bonds</u> ISIN: US74730DAD57 Common Code: 235795370 CUSIP: 74730DAD5

<u>Provisions applicable to the 2026 Bonds, the 2031 Bonds and the 2041 Bonds</u>

Fiscal Agent and Principal Paying Agent....	Citibank, N.A., London Branch
Registrar	Citigroup Global Markets Europe AG
Transfer Agent	Citibank, N.A., London Branch
Governing Law.................	English law
Listing................................	Main Market, London Stock Exchange
Clearing.............................	Euroclear, Clearstream, Luxembourg and DTC
US Selling Restrictions.....	Regulation S Category 2 and Rule 144A
Selling Restrictions...........	United States, United Kingdom, European Economic Area, Canada, State of Qatar, Republic of China, State of Kuwait, Singapore, United Arab Emirates, Japan, Hong Kong and Switzerland. See "Subscription and Sale" in the preliminary prospectus

Stabilisation	FCA/ICMA stabilisation applies
Target Market	MiFID II / UK MiFIR professional investors and ECPs only
Global Coordinators	Citigroup Global Markets Limited and J.P. Morgan Securities plc
Joint Lead Managers and Active Bookrunners	Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities plc, Merrill Lynch International, MUFG Securities EMEA plc and QNB Capital LLC
Passive Bookrunner	Credit Suisse Securities (Europe) Limited

<u>Provisions applicable to the 2051 Bonds</u>

Fiscal Agent and Principal Paying Agent....	Citibank, N.A., London Branch
Registrar	Citigroup Global Markets Europe AG
Transfer Agent	Citibank, N.A., London Branch
Governing Law.................	English law
Listing................................	Main Market, London Stock Exchange Regulated Market, Taipei Exchange
Clearing............................	Euroclear, Clearstream, Luxembourg and DTC
US Selling Restrictions.....	Regulation S Category 2 and Rule 144A
Selling Restrictions..........	United States, United Kingdom, European Economic Area, Canada, State of Qatar, Republic of China, State of Kuwait, Singapore, United Arab Emirates, Japan, Hong Kong and Switzerland. See "Subscription and Sale" in the preliminary prospectus
Lead Manager	Citibank Taiwan Limited
Joint Bookrunning Managers...........................	Citibank Taiwan Limited, Deutsche Bank AG, Taipei Branch, Goldman Sachs (Asia) L.L.C., Taipei Branch, HSBC Bank (Taiwan) Limited and J.P. Morgan Securities (Taiwan) Limited
Structuring Agents...........	Credit Suisse Securities (Europe) Limited, Merrill Lynch International, MUFG Securities EMEA plc and QNB Capital LLC None of the Structuring Agents is licensed in the Republic of China (Taiwan) and, accordingly, none of the Structuring Agent has offered or sold, or will subscribe for or sell or underwrite, any of the 2051 Bonds offered, sold or re-sold hereby

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This document supplements the preliminary prospectus dated 28 June 2021 issued by Qatar Petroleum (the "**Issuer**") relating to the offering of the Bonds.

A credit rating of a security is not a recommendation to buy, sell or hold securities and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency.

This document is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "**Securities Act**"). The Bonds have not been and will not be registered under the Securities Act and are being offered and sold in the United States only to qualified institutional buyers in reliance on Rule 144A under the Securities Act.

In any Member State of the European Economic Area ("**EEA**"), this document is only being directed at qualified investors within the meaning of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). In the United Kingdom, this document is only being distributed to and is only directed at (A) persons outside the United Kingdom or (B) persons inside the United Kingdom who are (i) persons with professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Order**"), (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order or (iii) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended) in connection with the issue or sale of any securities of the Issuer may otherwise lawfully be communicated or caused to be communicated (all such persons in (A) and (B) above being "**relevant persons**"). Any investment activity to which this document relates will only be available to and will only be engaged with relevant persons. Any person who is not a relevant person should not act or rely on this document.

The offer and sale of the 2026 Bonds, the 2031 Bonds and the 2041 Bonds have not been and will not be registered with the Financial Supervisory Commission of the Republic of China (the "**ROC**") and/or any other equivalent governmental or regulatory authority of the ROC pursuant to relevant securities laws and regulations and may not be offered or sold in the ROC through public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of the ROC that requires a registration or approval of the Financial Supervisory Commission of the ROC and/or any other equivalent governmental or regulatory authority of the ROC. No person or entity in the ROC has been authorised to offer or sell any of the 2026 Bonds, the 2031 Bonds or the 2041 Bonds in the ROC.

For the offer and sale of the 2051 Bonds, this document is only addressed to and directed at "professional investors" as defined under Paragraph 1 of Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds of the Republic of China.

The distribution of this document and the offer or sale of Bonds may be restricted by law in certain jurisdictions. Neither the Issuer nor Citigroup Global Markets Limited, J.P. Morgan Securities plc, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc, Merrill Lynch International, MUFG Securities EMEA plc, QNB Capital LLC, Credit Suisse Securities (Europe) Limited, Citibank Taiwan Limited, Deutsche Bank AG, Taipei Branch, Goldman Sachs (Asia) L.L.C., Taipei Branch, HSBC Bank (Taiwan) Limited and J.P. Morgan Securities (Taiwan) Limited (together, the "**Managers**") represent that this document may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken (save for: (i) actions taken for the listing of the 2051 Bonds on the Taipei Exchange, which under the relevant laws and regulations of the ROC will be deemed to be a public offering in the ROC; and (ii) the approval of the final prospectus in relation to the listing of the Bonds on the Main Market of the London Stock Exchange) by the Issuer or the Managers which would permit a public offering of any Bonds or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this document nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable securities laws and regulations. Persons into whose possession this document or any Bonds come must inform themselves about and observe any such restrictions.

The Taipei Exchange (the "**TPEx**") is not responsible for the content of this document and/or any supplement or amendment thereto and no representation is made by the TPEx as to the accuracy or completeness of this document and/or any supplement or amendment thereto. The TPEx expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this document and/or any supplement or amendment thereto. The admission to the listing and trading of the 2051 Bonds on the TPEx shall not be taken as an indication of the merits of the Issuer or the 2051 Bonds.

IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES EXCEPT TO QUALIFIED INSTITUTIONAL BUYERS ("QIBs") AS DEFINED IN, AND IN COMPLIANCE WITH, RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR OTHERWISE TO PERSONS TO WHOM IT CAN LAWFULLY BE DISTRIBUTED.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached Prospectus. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached Prospectus. In accessing the attached Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE OR A SOLICITATION OF AN OFFER TO BUY SECURITIES IN ANY JURISDICTION WHERE THE OFFER, SALE OR SOLICITATION IS NOT PERMITTED. ANY SECURITIES TO BE ISSUED HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS.

CONFIRMATION OF YOUR REPRESENTATION: You have accessed the attached Prospectus on the basis that you have confirmed your representation to Qatar Petroleum (the "**Issuer**") and to Citigroup Global Markets Limited, J.P. Morgan Securities plc, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc, Merrill Lynch International, MUFG Securities EMEA plc, QNB Capital LLC, Credit Suisse Securities (Europe) Limited, Citibank Taiwan Limited, Deutsche Bank AG, Taipei Branch, Goldman Sachs (Asia) L.L.C., Taipei Branch, HSBC Bank (Taiwan) Limited and J.P. Morgan Securities (Taiwan) Limited (together, the "**Banks**") that (1) you consent to delivery of the attached Prospectus and any amendments or supplements thereto by electronic transmission and (2) either (A) you are a QIB (within the meaning of Rule 144A under the United States Securities Act of 1933 (the "**Securities Act**")), or (B)(i) you are outside the United States and, to the extent you purchase the securities described in the attached Prospectus, you will be doing so pursuant to Regulation S under the Securities Act; (ii) the electronic mail address to which the attached Prospectus has been delivered is not located in the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction (and its possessions include Puerto Rico, the US Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands); (iii) you consent to delivery by electronic transmission; (iv) you will not transmit the attached Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of the Banks and the Issuer; and (v) you acknowledge that you will make your own assessment regarding any legal, taxation or other economic considerations with respect to your decision to subscribe for or purchase any of the securities. **The attached Prospectus has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer, the Banks and their respective affiliates, directors, officers, employees, representatives and agents or any other person controlling any of the Banks or any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version.**

The attached Prospectus is being furnished in connection with an offering exempt from registration under the Securities Act. Nothing in this electronic transmission constitutes an offer of securities for sale in the United States.

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED PROSPECTUS, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH PROSPECTUS IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A

VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. No action has been or will be taken in any jurisdiction by the Issuer or the Banks that would, or is intended to, permit a public offering of the securities, or possession or distribution of the attached Prospectus or any other offering or publicity material relating to the securities, in any country or jurisdiction where action for that purpose is required. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Banks or any affiliate of the Banks is a licensed broker or dealer in that jurisdiction, then the offering shall be deemed to be made by the Banks or such affiliate on behalf of the Issuer in such jurisdiction.

In any member state of the European Economic Area, the attached Prospectus is only addressed to and directed at qualified investors within the meaning of Regulation (EU) 2017/1129.

In the United Kingdom, the attached Prospectus may be communicated solely to (A) persons outside the United Kingdom or (B) persons inside the United Kingdom who are (i) persons with professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order or (iii) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended) in connection with the issue or sale of any securities of the Issuer may otherwise lawfully be communicated or caused to be communicated (all such persons in (A) and (B) above being "**relevant persons**"). Any investment activity to which this communication relates will only be available to and will only be engaged with relevant persons. Any person who is not a relevant person should not act or rely on this communication.

In respect of the Republic of China, the attached Prospectus is only addressed to and directed at "professional investors" as defined under Paragraph 1 of Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds of the Republic of China.

MiFID product governance / Professional investors and ECPs only target market: Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU ("**MiFID II**"); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance / Professional investors and ECPs only target market: Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

You are reminded that the attached Prospectus has been delivered to you on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or forward the attached Prospectus, electronically or otherwise, to any other person. If you receive the attached Prospectus by e-mail, you should not reply by e-mail to this announcement. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected. If you receive the attached Prospectus by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Qatar Petroleum

U.S.$1,500,000,000 1.375% Bonds due 2026
Issue Price: 99.905%

U.S.$3,500,000,000 2.250% Bonds due 2031
Issue Price: 98.937%

U.S.$3,500,000,000 3.125% Bonds due 2041
Issue Price: 99.631%

U.S.$4,000,000,000 3.300% Bonds due 2051
Issue Price: 100.000%

This is an offering by Qatar Petroleum (the "**Issuer**"), a public corporation organised under the laws of the State of Qatar, of U.S.$1,500,000,000 1.375% Bonds due 2026 (the "**2026 Bonds**"), U.S.$3,500,000,000 2.250% Bonds due 2031 (the "**2031 Bonds**"), U.S.$3,500,000,000 3.125% Bonds due 2041 (the "**2041 Bonds**") and U.S.$4,000,000,000 3.300% Bonds due 2051 (the "**2051 Bonds**" and, together with the 2026 Bonds, the 2031 Bonds and the 2041 Bonds, the "**Bonds**").

The Issuer will pay interest on each 2026 Bond at the rate of 1.375% per annum from and including 12 July 2021 semi-annually in arrear on 12 March and 12 September in each year until (and including) 12 September 2026 (the "**2026 Maturity Date**"), commencing on 12 March 2022. The Issuer will pay interest on each 2031 Bond at the rate of 2.250% per annum from and including 12 July 2021 semi-annually in arrear on 12 January and 12 July in each year until (and including) 12 July 2031 (the "**2031 Maturity Date**"), commencing on 12 January 2022. The Issuer will pay interest on each 2041 Bond at the rate of 3.125% per annum from and including 12 July 2021 semi-annually in arrear on 12 January and 12 July in each year until (and including) 12 July 2041 (the "**2041 Maturity Date**"), commencing on 12 January 2022. The Issuer will pay interest on each 2051 Bond at the rate of 3.300% per annum from and including 12 July 2021 semi-annually in arrear on 12 January and 12 July in each year until (and including) 12 July 2051 (the "**2051 Maturity Date**" and, together with the 2026 Maturity Date, the 2031 Maturity Date and the 2041 Maturity Date, the "**Maturity Dates**"), commencing on 12 January 2022. The Bonds will not be guaranteed by, nor will otherwise be the obligations of, the State of Qatar.

Unless previously redeemed or purchased and cancelled, each series of Bonds will be redeemed at its principal amount together with accrued interest on the Maturity Date applicable to the relevant series of Bonds. The Issuer may redeem in whole or in part, at any time, the 2026 Bonds, the 2031 Bonds and/or the 2041 Bonds, and may redeem in whole or in part, at any time on or after 12 July 2026, the 2051 Bonds, at a redemption price equal to the greater of (a) 100% of the principal amount of the relevant series of Bonds plus accrued and unpaid interest and (b) the applicable make-whole amount. In addition, if a Change of Control occurs at any time, then the Issuer must make an offer to each Bondholder to purchase such Bondholder's Bonds, at a purchase price in cash in an amount equal to the principal amount thereof plus accrued and unpaid interest, if any, to the Change of Control Purchase Date.

Except as set forth in this Prospectus, payments in respect of the Bonds will be made without any deduction or withholding for or on account of taxes of the State of Qatar or any political subdivision thereof or any authority therein or thereof having power to tax.

An investment in the Bonds involves certain risks. Prospective investors should review the factors described under "*Risk Factors*" in this Prospectus.

Application has been made to the Financial Conduct Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the "**FCA**") for the Bonds to be admitted to the official list of the FCA (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for the Bonds to be admitted to trading on the London Stock Exchange's Main Market (the "**Main Market**"). References in this Prospectus to the Bonds being "listed" (and all related references) shall mean that such Bonds have been admitted to the Official List. The Main Market is a regulated market for the purposes of Regulation (EU) No. 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA. This Prospectus has been approved by the FCA in accordance with Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") (the "**UK Prospectus Regulation**"). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Approval by the FCA should not be considered as an endorsement of the Issuer or of the quality of the Bonds that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of the Bonds.

Application will be made by the Issuer for the 2051 Bonds to be listed on the Taipei Exchange ("**TPEx**") in the Republic of China (the "**ROC**" or "**Taiwan**") and such listing is expected to become effective on or about 12 July 2021. No assurance can be given that such application will be approved, or that the TPEx listing will be maintained.

Citibank Taiwan Limited, Deutsche Bank AG, Taipei Branch, Goldman Sachs (Asia) L.L.C., Taipei Branch, HSBC Bank (Taiwan) Limited and J.P. Morgan Securities (Taiwan) Limited (together, the "**2051 Bonds Joint Bookrunning Managers**") will offer and sell the 2051 Bonds in the ROC. None of Credit Suisse Securities (Europe) Limited, Merrill Lynch International, MUFG Securities EMEA plc and QNB Capital LLC (together, the "**2051 Bonds Structuring Agents**") is licensed in Taiwan and, accordingly, none of the 2051 Bonds Structuring Agents has offered or sold, or will subscribe for or sell or underwrite, any of the 2051 Bonds offered, sold or re-sold hereby.

No application is being made to the TPEx for the listing of the 2026 Bonds, the 2031 Bonds or the 2041 Bonds.

The TPEx is not responsible for the content of this Prospectus and/or any supplement or amendment thereto and no representation is made by the TPEx as to the accuracy or completeness of this Prospectus and/or any supplement or amendment thereto. The TPEx expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this Prospectus and/or any supplement or amendment thereto. The admission to the listing and trading of the 2051 Bonds on the TPEx shall not be taken as an indication of the merits of the Issuer or the 2051 Bonds.

The 2051 Bonds have not been, and shall not be, offered, sold or re-sold, directly or indirectly, to investors other than "professional investors" as defined under Paragraph 1 of Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds of the Republic of China (the "**TPEx Rules**"). Purchasers of the 2051 Bonds are not permitted to sell or otherwise dispose of the 2051 Bonds except by transfer to a professional investor as aforementioned.

The Issuer has been assigned a long-term credit rating of AA- with a stable outlook by Fitch Ratings ("**Fitch**"), AA- with a stable outlook by S&P Global Ratings, a division of S&P Global Inc. ("**S&P**") and Aa3 with a stable outlook by Moody's Investors Service, Inc., a subsidiary of Moody's Corporation ("**Moody's**").

It is expected that the Bonds will be rated "AA-" by S&P, "AA-" by Fitch and "Aa3" by Moody's. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. The credit ratings included or referred to in this Prospectus will be treated for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies, as amended by Regulation (EU) No 462/2013, as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**") as having been issued by S&P, Fitch and Moody's. S&P, Fitch and Moody's are not established or registered in the UK under the UK CRA Regulation, but credit ratings issued by S&P have been endorsed by S&P Global Ratings UK Limited, credit ratings issued by Fitch have been endorsed by Fitch Ratings Ltd and credit ratings issued by Moody's have been endorsed by Moody's Investors Service Limited, each of which is an entity established in the United Kingdom and included in the list of registered credit rating agencies published by the FCA on its website (https://www.fca.org.uk/markets/credit-rating-agencies/registered-certified-cras) in accordance with the UK CRA Regulation. Any change in the rating of the Bonds may adversely affect the price that a purchaser may be willing to pay for the Bonds. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning credit rating agency. There is no guarantee that any rating of the Issuer and/or the bonds assigned by any such credit rating agency will be maintained by the Issuer following the date of this Prospectus.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory authority of any State or other jurisdiction of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a summary of certain restrictions on resale, see "*Transfer Restrictions*". The Bonds will be offered and sold outside the United States in reliance on Regulation S under the Securities Act ("Regulation S") and within the United States to qualified institutional buyers ("QIBs") within the meaning of Rule 144A under the Securities Act ("Rule 144A"). Prospective purchasers are hereby notified that sellers of the Bonds may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

The Bonds will be offered and sold in registered form in denominations of U.S.$200,000 or any amount in excess thereof which is an integral multiple of U.S.$1,000. Bonds which are offered and sold in transactions outside the United States in compliance with Regulation S (the "**Unrestricted Bonds**") will initially be represented by beneficial interests in a global Bond for each series of Bonds (the "**Unrestricted Global Bonds**"), in registered form, without interest coupons attached, which will be registered in the name of Citivic Nominees Limited as nominee for, and shall be deposited on or about 12 July 2021 (the "**Closing Date**") with, a common depositary for, and in respect of interests held through, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"). Bonds which are offered and sold in the United States in reliance on Rule 144A (the "**Restricted Bonds**") will initially be represented by beneficial interests in one or more global Bonds for each series of Bonds (the "**Restricted Global Bonds**"), in registered form, without interest coupons attached, which will be deposited on or about the Closing Date with Citibank, N.A., London Branch as custodian (the "**Custodian**") for, and registered in the name of Cede & Co. as nominee of, The Depository Trust Company ("**DTC**"). Interests in the Restricted Global Bonds will be subject to certain restrictions on transfer. See "*The Global Bonds—Transfers*". Beneficial interests in the Unrestricted Global Bonds and the Restricted Global Bonds (together, the "**Global Bonds**") will be shown on, and transfers thereof will be effected only through, records maintained by DTC, Euroclear and Clearstream, Luxembourg and their participants. Except as described herein, individual definitive certificates for Bonds will not be issued in exchange for beneficial interests in the Global Bonds.

Global Coordinators

Citigroup **J.P. Morgan**

As to the 2026 Bonds, the 2031 Bonds and the 2041 Bonds

Joint Lead Managers and Active Bookrunners

BofA Securities **Citigroup**

Deutsche Bank **Goldman Sachs International**

HSBC **J.P. Morgan**

MUFG **QNB Capital**

Passive Bookrunner

Credit Suisse

As to the 2051 Bonds

Joint Bookrunning Managers

Citibank Taiwan Limited (Lead Manager) **Deutsche Bank AG, Taipei Branch**

Goldman Sachs (Asia) L.L.C., Taipei Branch **HSBC Bank (Taiwan) Limited**

J.P. Morgan Securities (Taiwan) Limited

Structuring Agents

BofA Securities **Credit Suisse**

MUFG **QNB Capital**

Prospectus dated 5 July 2021

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer, the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import. Where third-party information has been used in this Prospectus, the source of such information has been identified. Such information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

IMPORTANT NOTICE

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the offering of the Bonds and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or by any of Citigroup Global Markets Limited, J.P. Morgan Securities plc, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc, Merrill Lynch International, MUFG Securities EMEA plc, QNB Capital LLC, Credit Suisse Securities (Europe) Limited, Citibank Taiwan Limited, Deutsche Bank AG, Taipei Branch, Goldman Sachs (Asia) L.L.C., Taipei Branch, HSBC Bank (Taiwan) Limited and J.P. Morgan Securities (Taiwan) Limited (together, the "**Banks**"). Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof. This Prospectus may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or by any Bank that any recipient of this Prospectus should purchase any of the Bonds. Each investor contemplating purchasing Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

In connection with the issue of the 2026 Bonds, the 2031 Bonds and the 2041 Bonds, Citigroup Global Markets Limited (the "**Stabilising Manager**") (or any person acting on behalf of it) may over allot the 2026 Bonds, the 2031 Bonds and the 2041 Bonds or effect transactions with a view to supporting the market price of the 2026 Bonds, the 2031 Bonds and the 2041 Bonds at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the 2026 Bonds, the 2031 Bonds and the 2041 Bonds is made and, if commenced, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the 2026 Bonds, the 2031 Bonds and the 2041 Bonds and 60 days after the date of the allotment of the 2026 Bonds, the 2031 Bonds and the 2041 Bonds. Any stabilisation action or over allotment must be conducted by the Stabilising Manager (or persons acting on behalf of it) in accordance with all applicable laws and rules.

The Issuer is relying on an exemption from registration under the Securities Act for offers and sales of securities that do not involve a public offering. By purchasing Bonds, each prospective investor will be deemed to have made the acknowledgements, representations, warranties and agreements described under "*Transfer Restrictions*" in this Prospectus. Each prospective investor should understand that it will be required to bear the financial risks of its investment for an indefinite period of time.

Neither the Issuer nor the Banks are making any representation to any prospective investor in the Bonds regarding the legality of an investment in the Bonds by such prospective investor under any legal investment or similar laws or regulations. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult with its own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the Bonds.

The distribution of this Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. Neither the Issuer nor the Banks represent that this Prospectus may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer (save for the approval of this Prospectus by the FCA as a prospectus for the purposes of the UK Prospectus Regulation) or the Banks which would permit a public offering of any Bonds or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable securities laws and regulations. Persons into whose possession this Prospectus or any Bonds come must inform themselves about and observe any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Bonds in the United States. For a description of these and certain further restrictions on offers and sales of the Bonds and distribution of this Prospectus, see "*Subscription and Sale*" and "*Transfer Restrictions*".

In the United Kingdom, this Prospectus may be communicated solely to (A) persons outside the United Kingdom or (B) persons inside the United Kingdom who are (i) persons with professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order or (iii) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended) in connection with the issue or sale of any securities of the Issuer may otherwise lawfully be communicated or caused to be communicated (all such persons in (A) and (B) above being "**relevant persons**"). Any investment activity to which this communication relates will only be available to and will only be engaged with relevant persons. Any person who is not a relevant person should not act or rely on this communication.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

THE BONDS HAVE NOT BEEN REGISTERED WITH, RECOMMENDED BY OR APPROVED OR DISAPPROVED BY, THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY OTHER FEDERAL OR STATE SECURITIES COMMISSION IN THE UNITED STATES, NOR HAS THE SEC OR ANY OTHER FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY REVIEWED OR PASSED UPON OR ENDORSED THE MERITS OF THIS PROSPECTUS OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more of): (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Art 2000 (as amended, the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investors in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MIFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (COBS), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

SINGAPORE SFA PRODUCT CLASSIFICATION

Solely for the purposes of its obligations pursuant to sections Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in Singapore Monetary Authority (the "**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

NOTICE TO PROSPECTIVE INVESTORS IN CANADA

The Bonds may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Bonds must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Banks are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

NOTICE TO QATARI RESIDENTS

This Prospectus does not and is not intended to constitute an offer, sale or delivery of the Bonds under the laws of the State of Qatar and has not been and will not be reviewed or approved by or registered with the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or the Qatar Central Bank. The Bonds are not and will not be traded on the Qatar Stock Exchange.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN

The offering or selling of the 2026 Bonds, the 2031 Bonds and the 2041 Bonds has not been and will not be registered with the Financial Supervisory Commission of the ROC and/or any other equivalent governmental or regulatory authority of the ROC pursuant to relevant securities laws and regulations and may not be offered or sold in the ROC through public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of the ROC that requires a registration or approval of the Financial Supervisory Commission of the ROC and/or any other equivalent governmental or regulatory authority of the ROC. No person or entity in the ROC has been authorised to offer or sell any of the 2026 Bonds, the 2031 Bonds or the 2041 Bonds in ROC.

Notwithstanding the foregoing, the 2051 Bonds have not been, and shall not be, offered, sold or re-sold, directly or indirectly, to investors other than "professional investors" as defined under Paragraph 1 of Article 2-1 of the TPEx Rules. Purchasers of the 2051 Bonds are not permitted to sell or otherwise dispose of the 2051 Bonds except by transfer to a professional investor as aforementioned.

SUITABILITY OF INVESTMENT

Each prospective investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Prospectus or any applicable supplement;
- has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- has sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;

- understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant financial markets; and
- is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should consult its legal advisers to determine whether and to what extent the Bonds are legal investments for it, the Bonds can be used as collateral for various types of borrowing and other restrictions apply to its purchase or pledge of the Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

In this Prospectus, any reference to a "**series**" of Bonds or Bondholders shall be a reference to the 2026 Bonds, the 2031 Bonds, the 2041 Bonds or the 2051 Bonds or to their respective holders, as the case may be.

ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a state-owned public corporation organised under the laws of the State of Qatar and a substantial portion of the assets of the Issuer are located outside the United States and the United Kingdom. As a result, it may not be possible for investors to effect service of process within the United States or in England upon the Issuer or to enforce, in US courts or English courts, judgments or arbitral awards against the Issuer, or to enforce in Qatari courts, judgments obtained in US courts or English courts, or arbitral awards obtained in the United States or in England, including judgments predicated upon the civil liability provisions of United States federal securities laws. It may not be possible to enforce, in original actions in Qatari courts, liabilities predicated solely on United States federal securities laws.

Qatari law and Qatari courts allow for the enforcement of judgments or arbitral awards rendered against the Issuer. Certain formalities are required to enforce in Qatari courts a judgment obtained in United States courts or in English courts, or arbitral awards obtained in the United States or in England, against the Issuer; these formalities are set out in Articles No. (68), (379) and (380) of Law No. 13 of 1990 being the Commercial & Civil Procedure Code. Such formalities include: (1) translating the award or judgment into the Arabic language, (2) the judgment or award shall be the final determination of a competent court with no further right of appeal, (3) the subject matter was not reserved for the exclusive jurisdiction of the Qatari courts and the foreign judgment or arbitral award has been handed down by a court of competent jurisdiction or a duly constituted arbitral panel, (4) the parties to the proceedings in which the judgment or award was rendered were properly served and represented, (5) the judgment or award is *res judicata* pursuant to the law of the court which rendered the judgment or the arbitration panel which rendered the award, and (6) the foreign judgment or arbitral award does not contradict with a decision or order rendered by a court in Qatar or violate the public policy or morality in the State of Qatar.

Articles No. (34) and (35) of the Law No. 2 of 2017 promulgating the Civil and Commercial Arbitration Law deal with the enforcement of arbitral awards in Qatari courts. Articles (34) and (35) provide, inter alia, that arbitral awards shall have the status of "*res judicata*" and shall be enforceable regardless of the country in which the award was issued. Recognition or enforcement of any arbitral award may not be refused, irrespective of the country where the award was rendered, except (1) where a party to the arbitration, at the time of the conclusion of the arbitration agreement, was incompetent or under some incapacity, (2) if the party against whom enforcement is sought was not notified of the proceedings or was unable to present its defence for reasons beyond its control, (3) if the award has decided matters that fall outside the scope of, or in excess of, the arbitration agreement, (4) if the composition of the arbitral tribunal, appointment of arbitrators or the arbitral proceedings was in contradiction of the law or the arbitration agreement, or (5) if the award is no longer binding or has been set aside, or enforcement of the award has been stayed by a court of the country in which the award was issued.

By Amiri Decree Number 29 of 2003, the accession by the State of Qatar to the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards ("**New York Convention**") was approved as a Qatari law and brought into effect from 15 March 2003. Accordingly, whenever the New York Convention applies to a foreign arbitral award, that award will be recognised and enforced in the State of Qatar subject to compliance with the requirements of the New York Convention.

For a discussion of possible limitations on the ability to enforce in Qatari courts judgments obtained in US courts or arbitral awards obtained in the United States (including judgments obtained in actions predicated upon the civil liability provisions of the United States federal securities laws), or judgments obtained in English courts or arbitral awards obtained in England, see "*Risk Factors—Risks Relating to Enforcement—Qatari law relating to the enforcement of arbitral awards and foreign judgments is relatively untested and investors in the Bonds may be unable to recover in civil proceedings for any English law violations*". These factors create greater judicial uncertainty than would be expected in certain other jurisdictions. In addition, the Bonds provide that any dispute relating to the Bonds shall be resolved by arbitration in accordance with the LCIA Arbitration Rules with the seat of arbitration in London, England.

The Issuer shall, in the terms and conditions of the Bonds (the "**Conditions**"), irrevocably and unconditionally agree that, should any person bring legal proceedings against the Issuer or its assets in connection with any series of the Bonds, no immunity (sovereign or otherwise) from such legal proceedings (which shall be deemed to include, without limitation, suit, attachment prior to judgment, other attachment, levy, the obtaining of judgment, execution or other enforcement) shall be claimed by or on behalf of the Issuer or with respect to any of its assets. In addition, to the extent that the Issuer or any of its assets shall be entitled in any jurisdiction to any immunity from set-off, banker's lien or any similar right or remedy, and to the extent that there shall be attributed, in any jurisdiction, such an immunity, the Issuer shall, in the Conditions, irrevocably agree not to claim and irrevocably waive such immunity to the fullest extent permitted by the laws of such jurisdiction with respect to any claim, suit, action, proceeding, right or remedy arising out of or in connection with any series of the Bonds. In no circumstances is it possible to attach or execute against any assets or property of the Issuer necessary for the State of Qatar to properly function as a sovereign entity. The waiver of sovereign immunity has never been tested before a Qatari court or any other authority in the State of Qatar.

PRESENTATION OF FINANCIAL, RESERVES AND CERTAIN OTHER INFORMATION

Certain Terms

In this Prospectus, references to "**QP**", the "**Corporation**" or the "**Group**" are to Qatar Petroleum together with its consolidated subsidiaries, and where the context requires, its joint operations, joint ventures and associates.

In this Prospectus, references to "**Qatar**" or to the "**State**" are to the State of Qatar.

In this Prospectus, all references to "**QR**", "**Qatari riyals**" and "**riyals**" are to the lawful currency for the time being of Qatar, all references to "**dollars**", "**U.S. dollars**" and "**U.S.$**" are to the lawful currency, for the time being, of the United States of America, and all reference to "**Euros**" or "**€**" are to the lawful currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended from time to time. Translations of amounts from riyals to U.S. dollars in this Prospectus are solely for the convenience of the reader. The riyal has been pegged to the U.S. dollar since 1971. Since 1980, the peg has been effectively set at a fixed exchange rate of 3.64 riyals per U.S. dollar and this rate was officially adopted in 2001. Accordingly, translations of amounts from riyals to U.S. dollars have been made at this exchange rate for all periods presented in this Prospectus.

Certain financial information included in this Prospectus has been rounded and, as a result, the totals of the information presented may vary slightly from the actual arithmetic totals of such information.

Financial Information

QP's audited consolidated financial statements for the year ended 31 December 2019 (with comparative data as at and for the year ended 31 December 2018) (the "**2019 Financial Statements**") and for the year ended 31 December 2020 (with comparative data as at and for the year ended 31 December 2019) (the "**2020 Financial Statements**") have been prepared in accordance with IFRS and have been audited by QP's independent auditor, KPMG, as stated in its audit reports for the 2019 Financial Statements and 2020 Financial Statements appearing on pages F-127 and F-4 of this Prospectus, respectively. QP's condensed consolidated interim financial report as at and for the three months ended 31 March 2021 (reviewed) (with comparative data for the three-month period ended 31 March 2020) has been prepared in accordance with IAS 34 (the "**Interim Financial Statements**" and, together with the 2019 Financial Statements and the 2020 Financial Statements, the "**Financial Statements**"). KPMG's report on the Interim Financial Statements appears on page F-254 of this Prospectus.

The financial information as at and for the year ended 31 December 2018 has been derived from the comparative column of the 2019 Financial Statements. In the preparation of its 2019 Financial Statements, QP restated certain 2018 financial information that appears in the 2018 comparative column included in the 2019 Financial Statements. In 2019, QP's board of directors (the "**Board of Directors**") decided to prepare the 2019 Financial Statements in accordance with IFRS as issued by the International Accounting Standards Board (IASB). IFRS 1 "First-time adoption of International Financial Reporting Standards" is applicable to entities preparing their first set of annual or interim financial statements in accordance with IFRS. Accordingly, the Group prepared an opening consolidated statement of financial position as of 1 January 2018 (being the date of transition to IFRS) and related reconciliations, explanatory notes and disclosures as required by IFRS 1. Previously, the consolidated financial statements of the Group were prepared in accordance with the requirements of QP's accounting policies, the Council of Ministers' decision No. 6 of 1976 (as amended) and QP Chairman Resolution No. 17 of 2013 (as amended by Resolution No. 1 of 2019) related to accounting policies. In preparing the 2019 Financial Statements, the Group made the necessary adjustments to prepare its opening IFRS consolidated statement of financial position as at 1 January 2018, consolidated statement of financial position as at 31 December 2018 and its consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018 to bring them in line with IFRS. Consequently, in the 2019 Financial Statements, the Group adjusted amounts reported previously in its consolidated financial statements for 2018 that were prepared in accordance with the abovementioned QP accounting policies. A detailed explanation of how this restatement affected the Group's financial results can be found in Note 2 of the 2019 Financial Statements.

The financial information as at and for the year ended 31 December 2019, has been derived from the comparative column of the 2020 Financial Statements. In the preparation of its 2020 Financial Statements, QP restated certain financial information that appears in the 2019 comparative column included in the 2020 Financial Statements. A detailed explanation of how this transition affected the Group's financial results can be found in Note 39 of the 2020 Financial Statements.

The financial information for the three months ended 31 March 2020 has been derived from the comparative column of the Interim Financial Statements.

IFRS differs in certain material respects from U.S. generally accepted accounting principles and, as such, QP's financial statements are not comparable to the financial statements of companies prepared in accordance with U.S. generally accepted accounting principles. This Prospectus does not include any explanation of the differences or any reconciliation between IFRS and U.S. generally accepted accounting principles with respect to any financial statements and related footnote disclosures included herein or any other financial information. It is possible that a reconciliation or other qualitative or quantitative analysis would identify material differences between the financial statements and related footnote disclosures included herein and other financial information prepared under IFRS and U.S. generally accepted accounting principles or any other systems of generally accepted accounting principles.

Prospective investors are advised to consult their professional advisors for an understanding of: (i) the differences between IFRS and U.S. generally accepted accounting principles or any other systems of generally accepted accounting principles in the jurisdiction of such prospective investor and how those differences might affect the financial information included in this Prospectus and (ii) the impact that future additions to, or amendments of, IFRS may have on QP's financial position, results of operations and cash flow, as well as on the comparability of the prior periods. In particular, the various new accounting standards adopted by QP with effect from 1 January 2018 following its transition to and adoption of IFRS are further discussed in "*Management's Discussion and Analysis of Financial Position and Results of Operations—Factors Affecting QP's Financial Position and Results of Operation—Accounting Standards*".

In addition, this Prospectus includes certain non-IFRS financial measures. See "*—Alternative Performance Measures*" below.

The financial information included in this Prospectus is not intended to comply with the applicable accounting requirements of the Securities Act and the related rules and regulations which would apply if the Bonds were being registered with the SEC.

Certain Reserves Information

All natural resources within Qatar, including hydrocarbons, are owned by the State of Qatar. Through the Concession (Decree Law No. 10 of 1974 (as amended) and Law No. 3 of 2007), the State of Qatar has granted to QP the exclusive right to explore, negotiate, contract for, develop and produce Qatar's hydrocarbon resources. See "*Business—Relationship with the State of Qatar*". Unless otherwise indicated, any reference in this Prospectus to reserves of crude oil and condensate, natural gas or other hydrocarbons are reserves owned by State of Qatar that QP has the exclusive right to operate and develop through the Concession. The Concession granted to QP has an unlimited term, it remains valid as long as QP remains in existence.

All reserves are defined in this Prospectus as initial reserves prior to any field production minus cumulative production as of 31 December 2020.

Proven reserves

QP believes that the "proven" classification is similar to, but does not directly correspond with, the definition of "proved" reserves used by the Society of Petroleum Engineers. Proven reserves are defined in this Prospectus as reserves that are equal to proven ultimate recovery minus cumulative production. Proven ultimate recovery includes:

(i) the ultimate recovery that is assigned to areas defined by wells that have penetrated the reservoirs in locations falling within areas defined by existing and committed developments, geological and engineering information, provided that there is no reasonable doubt as to their productivity;

(ii) the ultimate recovery to be obtained from reservoirs which have proved to be productive by production tests, but which are not yet developed to the stage of production; and

(iii) the ultimate recovery to be obtained from successful application of supplementary recovery methods, based on experience gained from pilot tests or actual practices in similar reservoir conditions.

Confirmed reserves

QP employs the "confirmed" reserves classification, which does not correspond with any definition used by the Society of Petroleum Engineers, to delineate the recoverable hydrocarbon volumes in the productive layers of the North Field and other fields in Qatar. This includes the Proven reserves as outlined above. In addition, the "confirmed" reserves classification is based on QP's detailed appraisal of field volumes based on technical data from multiple appraisal wells and flow tests to surface in undeveloped parts of the fields which indicate the presence of volumes from hydrocarbon-bearing layers and bounded areas.

Certain reserves information presented in this Prospectus is based on an annual review of reserves and resources compiled by QP. As of the date of this Prospectus, the most recent annual review of reserves and resources was dated as at 31 December 2020. In addition, QP also reviews its reserves and resources classification from time to time. See "*Risk Factors— Risks related to QP, its Operations and Industry— Information on QP's hydrocarbon reserves is based on QP estimates and has been presented in accordance with QP's own methodology, which differs in material respects from international standards employed by other NOCs and IOCs. Such reserves estimates have not been reviewed by an independent consultant for the purposes of this Prospectus*".

Industry and Other Information

This Prospectus includes information regarding the industry and the geographies in which QP operates and competes. QP has commissioned Wood Mackenzie Limited (the "**Industry Consultant**") to prepare information for QP. The statistical, graphical and other information contained in this Prospectus under "*Industry Overview*" has been drawn from the Industry Consultant's databases and other sources. Maps contained in this Prospectus are for reference only and do not necessarily reflect international borders or other locations accurately.

Certain economic and industry data and forecasts used in this Prospectus were obtained from internal surveys, market research, governmental and other publicly available information, independent industry publications and reports or other information prepared by industry consultants, including the information prepared for QP by the Industry Consultant. These generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. QP has not independently verified them and cannot guarantee their accuracy or completeness. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and uncertainties as the other forward-looking statements in this Prospectus. See "*Forward-Looking Statements*".

Elsewhere in this Prospectus, statements regarding the oil and gas industry and QP's position in the industry are not based on published statistical data or information obtained from independent third parties, but are based solely on QP's experience, its internal studies and estimates and its own investigation of industry conditions.

Hydrocarbon Units and Conversion Factors

In this Prospectus, QP relies on and refers to certain information, statistics and market data regarding QP's industry which has obtained from independent industry publications or other publicly available information, which does not include certain data and information pertaining to QP's hydrocarbon reserves that is prepared in accordance with QP's annual review of reserves and resources (see "*Presentation of Financial, Reserves and Certain Other Information-Certain Reserves Information*" for further information). Although QP believes that these sources are reliable, QP and the Banks have not independently verified and do not guarantee the accuracy or completeness of this information.

In this Prospectus, unless the context otherwise requires:

- "**bbl**" means barrel of oil;
- "**bscf**" means billion standard cubic feet;
- "**bscfd**" means billion standard cubic feet per day;
- "**bcm**" means billion cubic meters;
- "**boe**" means barrels of oil equivalent;
- "**btoe**" means billion tons of oil equivalent;
- "**EPC**" means engineering, procurement and construction;
- "**GDP**" means gross domestic product;
- "**GTL**" means gas to liquids;
- "**GW**" means gigawatts;
- "**kbbl**" means thousands of barrels;
- "**kbpd**" means thousand barrels per day;
- "**kta**" means kilotons per annum;
- "**LNG**" means liquefied natural gas, a product of natural gas that, through a refrigeration process, has been cooled to a liquid state, which occupies a volume that is approximately 1/600th of its gaseous state;
- "**LPG**" means liquefied petroleum gas;
- "**mbd**" means million barrels per day;
- "**MEG**" means monoethylene glycol;
- "**MIGD**" means millions of imperial gallons per day;
- "**mmbtu**" means metric million British thermal unit;
- "**mscfd**" means million standard cubic feet per day;
- "**mt**" means million tons;
- "**mtpa**" means million tons per annum;
- "**net**" means QP's effective ownership of the asset or joint venture;
- "**NGL**" means natural gas liquids;
- "**tons**" means metric tons, with one ton being equal to 1,000 kilograms;
- "**tpd**" means tons per day; and

- "**tscf**" means trillion standard cubic feet.

Information relating to production, transportation and sales of processed gas is presented in standard cubic feet. Information relating to production, transportation and sales of LNG and LPG (propane and butane) is presented in tons, a unit of measure that reflects the mass of the relevant hydrocarbon. Information relating to the production, transportation and sale of condensate and GTL products is presented in barrels. One barrel equals 42 U.S. gallons or 158.9873 litres.

All converted data in this Prospectus with respect to natural gas, LNG, condensate, LPG and dry gas are estimates only and actual volumes may differ. For information on dry gas, normal cubic meters have been converted to standard cubic feet, with one actual cubic meter equivalent to 37.32584 standard cubic feet. This is not a straight volumetric conversion, as normal cubic meters are measured at one bar and zero degrees Centigrade, while standard cubic feet are measured at one bar and 60 degrees Fahrenheit. Propane has been converted based on 12.40 barrels per ton and normal butane has been converted based on 10.94 barrels per ton.

Barrel measurements for volumes sold will vary from volumes produced and mass per barrel will differ between the oil produced onshore, which is lighter and sweeter, and the oil produced offshore, which is heavier and more sour due to higher sulphur content.

The information provided in this Prospectus on production capacity includes an allowance for plant reliability, and as a result, does not represent peak throughput capacity for the relevant plant or equipment. Production capacity data is consistent with expected typical average production rates. Volumes presented for production capacity following completion of construction are forward-looking projections based upon engineering estimates and actual performance may vary.

Alternative Performance Measures

This Prospectus includes certain non-IFRS financial measures which QP uses in the analysis of its business and financial position, each of which constitutes an Alternative Performance Measure ("**APM**") as defined in the ESMA Guidelines on Alternative Performance Measures, dated 5 October 2015.

Set out below is a summary of the APM metrics used, the method of calculation and the rationale for the inclusion of such metrics.

Metric	**Method of calculation**	**Rationale**
Earnings Before Interest, Taxes, Depreciation and Amortisation ("**EBITDA**")	Calculated as (i) profit for the year/period *adding back* (A) taxes, (B) finance charges, and (C) depreciation and amortisation.	Performance measure.
Adjusted EBITDA	Calculated as EBITDA *plus* (ii) net impairment losses and write-off of property, plant and equipment, *less* (iii) (A) dividend and interest income, and (B) profit/(loss) from discontinued operations.	Performance measure.
Capital Efficiency	Calculated as capital expenditure (being acquisition of property, plant and equipment presented in cash flow from investing) divided by cash flow from operating activities	Performance measure.
Return on Average Capital Employed ("**ROACE**")	Calculated as net profit before tax *plus* finance charges for a period as a percentage of average capital employed during that period. Average capital employed is the average of QP's total assets, *less* current liabilities at the beginning and end of the applicable period.	Performance measure.

Metric	Method of calculation	Rationale
Gearing	Calculated as net debt/(cash) (as calculated below) for a period as a percentage of net debt/(cash) *plus* equity for that same period.	Leverage/financial stability measure.
Net Debt/(Cash)	Calculated as loans and bonds *plus* lease liabilities, *minus* cash and cash equivalents.	Leverage/financial stability measure.
Net Leverage	Calculated as loans and bonds *plus* lease liabilities, *minus* cash and cash equivalents divided by Adjusted EBITDA.	Leverage/financial stability measure.
Operating Cash Flow to Gross Debt	Calculated as cash flow from operating activities, divided by loans and bonds *plus* lease liabilities.	Leverage/financial stability measure.
Free Cash Flow	Calculated as net cash from operating activities, *less* capital expenditures.	Liquidity measure.

A discussion on the APMs recorded for the years ended 31 December 2018, 2019 and 2020, the three months ended 31 March 2020 and 2021 and the twelve months ended 31 March 2021 (as applicable) is set out in "*Alternative Performance Measures*".

The above APMs have been included in this Prospectus to facilitate a better understanding of QP's historic trends of operation and financial position. QP uses APMs as supplementary information to its IFRS based operating performance and financial position. The APMs are not measurements of QP's operating performance or liquidity under IFRS and should not be used instead of, or considered as alternatives to, any measures of performance or liquidity under IFRS. The APMs relate to the reporting periods described in this Prospectus and are not intended to be predictive of future results. In addition, other companies, including those in QP's industry, may calculate similarly titled APMs differently from QP. Because companies do not calculate these APMs in the same manner, QP's presentation of such APMs may not be comparable to other similarly titled APMs used by other companies.

FORWARD-LOOKING STATEMENTS

This Prospectus may contain certain forward-looking statements with respect to QP's financial position, results of operations and business certain of QP's plans, intentions, expectations, assumptions, goals and beliefs regarding such items. These statements include all matters that are not historical fact and generally, but not always, may be identified by the use of words such as "believes", "expects", "are expected to", "anticipates", "intends", "estimates", "should", "will", "shall", "may", "is likely to", "plans" or similar expressions, including variations and the negatives thereof or comparable terminology.

Prospective investors should be aware that forward-looking statements are not guarantees of future performance and that QP's actual financial position, results of operation and business and the development of the industries in which it operates may differ significantly from those made in or suggested by these forward-looking statements. In addition, even if QP's financial position, results of operations and business and the development of the industries in which it operates are consistent with these forward-looking statements, those results or developments may not be indicative of results or developments in subsequent periods.

Factors that could cause actual results to differ materially from QP's expectations are contained in cautionary statements in this Prospectus and include, among other things, the following:

- supply, demand and price fluctuations with respect to hydrocarbons and hydrocarbon-based products;
- declines in the volume of crude oil and LNG exported from the State and a reduction in the rate of development of the North Field;
- global economic market conditions;
- natural disasters and public health pandemics or epidemics (such as COVID-19);
- competition in the industries in which QP operates;
- conditions affecting the transportation of products;
- operational risk and hazards common in the oil and gas, refining and petrochemicals industries;
- the cyclical nature of the oil and gas, refining and petrochemicals industries;
- weather conditions;
- political and social instability and unrest and actual or potential armed conflicts in the Middle East and North Africa and other areas;
- managing QP's growth;
- risks in connection with projects under development and recent and future acquisitions and joint ventures;
- managing QP's subsidiaries, joint operations, joint ventures, associates and entities in which it holds a minority interest;
- QP's exposure to interest rate risk and foreign exchange risk;
- risks related to operating in a regulated industry and changes to oil, gas, environmental or other regulations that impact the industries in which QP operates;
- international trade litigation, disputes or agreements
- changes in QP's relationship with the State of Qatar; and

- risks arising from trading activities, including compliance with competition and other laws and regulations.

The sections of this Prospectus entitled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" contain a more complete discussion of the factors that could affect QP's future performance and the industries in which it operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Prospectus may not occur.

Except as required by law, the Issuer undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Issuer or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

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OVERVIEW OF QP

The following is an overview of certain information contained in this Prospectus. It does not purport to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Prospectus. This overview does not contain all of the information that is important to making a decision to invest in Bonds. Any decision to invest in Bonds should be based on a consideration of this Prospectus as a whole. In particular, it is important to carefully consider the sections entitled "Risk Factors" prior to making an investment decision with respect to Bonds.

QP is the national oil and gas company of the State of Qatar. With a rich heritage dating back to 1974, QP's activities, undertaken directly and indirectly through subsidiaries and joint ventures, encompass the entire spectrum of the oil and gas value chain locally, regionally and internationally and include the exploration, production, processing, marketing and sales of crude oil and natural gas, LNG, GTL products, refined products, petrochemicals, fertilisers, steel and aluminium. Wholly owned by the State of Qatar, QP is an integral part of the State of Qatar's economy and the primary source of its hydrocarbon revenues. QP represents the largest single contributor to Qatar's GDP and has primary responsibility for sustainable development of Qatar's oil and gas resources and growth and diversification for the oil, gas, petrochemicals and renewables sector.

According to the BP Statistical Review of World Energy 2020, as of 2019 the State of Qatar had the world's third largest proved gas reserves. In Qatar, QP holds the exclusive right, pursuant to Law No. 3 of 2007 on Natural Resources (and its amendments), to explore, develop and produce petroleum, natural gas and other hydrocarbons and the derivatives thereof, and for the investment and development of such materials. QP's gas reserves life, based on proven reserves, is estimated to be 108 years as at 31 December 2020, after NFE and NFS Expansion projects (as defined below) are complete and operating at full production. The following table sets forth QP's total proven and confirmed reserves of crude oil and natural gas (excluding condensate) as of the dates indicated:

	As at 31 December					
	2018		2019		2020	
	Proven	*Confirmed*	*Proven*	*Confirmed*	*Proven*	*Confirmed*
Natural gas (excluding condensate) (*in trillions of cubic feet*)[1]	843.4	1,776.2	831.0	1,763.8	818.6	1,756.1
Crude oil and condensate (*in billions of barrels*)	21.4	73.9	21.8	74.2	21.8	74.2
Total barrels of oil equivalent (*in billions of barrels*)[2]	**172**	**390**	**170**	**388**	**168**	**387**

Notes:

(1) Includes North Field gas reserves.

(2) Confirmed volumes of natural gas have been converted to barrels of oil equivalent on a calorific basis according to a conversion factor of one billion cubic feet of gas (excluding condensate) to 0.178 million barrels of oil equivalent.

The following table sets forth the State of Qatar's total proven and confirmed reserves of natural gas (excluding condensate) as of the dates indicated:

	As at 31 December					
	2018		2019		2020	
	Proven	*Confirmed*	*Proven*	*Confirmed*	*Proven*	*Confirmed*
North Field gas reserves (*in trillion standard cubic feet*)	836.0	1,768.8	828.8	1,761.6	816.7	1,754.2
Other gas reserves (*in trillion standard cubic feet*)[1]	7.4	7.4	2.2	2.2	1.9	1.9
Total Qatar gas reserves (*in trillion standard cubic feet*)	**843.4**	**1,776.2**	**831.0**	**1763.8**	**818.6**	**1,756.1**

Notes:

(1) Includes associated reserves from the Dukhan, Bul Hanine and Maydan Mahzam oil fields.

Certain reserves information presented in this Prospectus is based on an annual review of reserves and resources compiled by QP. As of the date of this Prospectus, the most recent annual review of reserves and resources was dated as at 31 December 2020. For further information regarding the methodology of QP's reserves data, including the use of "proven" and "confirmed" terminology, see "*Presentation of Financial, Reserves and Certain Other Information—Certain Reserves Information*".

For the three month period ended 31 March 2021, QP generated QR 24,265.9 million (U.S.$6,666.5 million) in total income and QR 18,101.4 million (U.S.$4,972.9 million) in net profit.

For the year ended 31 December 2020 QP generated QR 84,564.5 million (U.S.$23,232.0 million) in total income as compared to QR 125,095.1 million (U.S.$ 34,366.8 million) and QR 114,394.7 million (U.S.$ 31,427.1 million) in 2018 and 2019, respectively and QR 41,212.0 million (U.S.$11,322.0 million) in net profit as compared to QR 86,530.1 million (U.S.$23,772.1 million) and QR 72,767.4 million (U.S.$19,991.0 million) in 2018 and 2019, respectively.

For the three month period ended 31 March 2021, QP generated QR 23,500.7 million (U.S.$6,456.1 million) in Adjusted EBITDA.

For the three month period ended 31 March 2021, QP generated QR 3,781.9 million (U.S.$1,038.9 million) in net cash from operating activities and negative QR 96.4 million (negative U.S.$26.6 million) of Free Cash Flow.

For the year ended 31 December 2020, QP generated QR 47,575.8 million (U.S.$13,070.3 million) in net cash from operating activities as compared to QR 43,794.6 million and QR 85,236.2 million in 2018 and 2019, respectively, and QR 34,580.7 million (U.S.$9,500.2 million) of Free Cash Flow in 2020 as compared to QR 28,621.5 million and QR 69,429.2 million in 2018 and 2019, respectively.

For the year ended 31 December 2020, QP generated QR 64,130.5 million (U.S.$17,618.3 million) in Adjusted EBITDA as compared to QR 110,637.7 million and QR 97,125.3 million in 2018 and 2019, respectively. For an explanation of the calculation of Free Cash Flow and Adjusted EBITDA and a reconciliation to the nearest financial measures calculated in accordance with IFRS, see "*Alternative Performance Measures*" and "*Presentation of Financial, Reserves and Certain Other Information—Alternative Performance Measure*".

QP is managed by a Board of Directors appointed by the Amir, with the Deputy Amir serving as Chairman. The Minister of State for Energy Affairs serves as the Deputy-Chairman and is also appointed by the Amir as President and Chief Executive Officer. The Board of Directors serves as the ultimate decision-making body of QP's business, responsible for its direction and oversight, and has the authority to make decisions on all aspects of QP's activities, except for those matters expressly reserved to the State of Qatar through the Council or the Amir. See "—*Management*" for further information. The Board of Directors is accountable to the State, acting through the Supreme Council for Economic Affairs and Investment (the "**Council**"). Distributions of cash to the State of Qatar are made periodically throughout the course of the year, after making due provisions for expenditure in line with QP's approved annual budget (including all debt service obligations). See "*Business—Relationship with the State of Qatar*" for further information.

QP has a long-term foreign currency issuer credit rating of AA- with a stable outlook from Fitch, AA- from S&P with a stable outlook and Aa3 with a stable outlook from Moody's. According to S&P, QP's standalone credit profile corresponds to a rating of AA. According to Moody's, QP's baseline credit assessment corresponds to a rating of Aa3. According to Fitch, QP's standalone credit profile corresponds to a rating of AA+.

LNG

QP partners with leading international oil and gas companies to develop its natural gas reserves, notably on its Qatargas projects. See "*Business—Natural Gas and LNG Operations—Qatar LNG Ventures*" for further information.

Virtually all of the State of Qatar's natural gas reserves are located in the north field (the "**North Field**"). QP is the 70% shareholder in Qatargas Operating Company Ltd ("**Qatargas**"), which operates 7 LNG ventures which comprise 14 LNG trains with a total annual production capacity of 77 mtpa and from which LNG is exported around the globe. In 2020 Qatar supplied approximately 21% of the world's LNG exports. These 14 LNG trains are owned by seven LNG ventures in which QP owns a majority interest: Qatar Liquefied Gas Company Limited ("**Qatargas 1**"), Qatar Liquefied Gas Company Limited (2) ("**Qatargas 2**"), Qatar Liquefied Gas Company Limited (3) ("**Qatargas 3**"), Qatar Liquefied Gas Company Limited (4) ("**Qatargas 4**"), Ras Laffan Liquefied Natural Gas Company Limited ("**RL 1**"), Ras Laffan Liquefied Natural Gas Company Limited (II) ("**RL 2**") and Ras Laffan Liquefied Natural Gas Company Limited (3) ("**RL 3**").

The following table sets forth certain information about the production of natural gas in the State of Qatar for the periods indicated:

	Year ended 31 December(1)			Three months ended 31 March(1)	
	2018	**2019**	**2020**	**2020**	**2021**
	(in billions of standard cubic feet)				
Total QP-operated fields(2)	401	426	394	98	68
PSA oil fields(3)	23	29	19	8	10
Total North Field, joint ventures and production sharing agreements	7,150	7,066	7,194	1,763	1,774
Total gas production in Qatar(4)	7,573	7,521	7,607	1,869	1,852

Notes:

(1) These figures are unaudited and are as estimated by the relevant project's management.

(2) QP-operated fields include the North Field Alpha gas development and the Dukhan, Bul Hanine, Maydan Mazhan Idd El Shargi (since October 2019) and Al-Rayyan (since 2017) oil fields.

(3) Total gas from non-operated production sharing agreement oil fields.

(4) These figures reflect total production of natural gas in the State of Qatar.

As of 2005, after 15 years of rapid development, QP called a moratorium on development of further new gas projects in the North Field to allow an extensive programme of appraisal and reservoir studies to be conducted. Following the completion of the development of the projects authorized before the moratorium to increase LNG capacity from 31 mtpa, the LNG capacity of the Qatargas operated LNG ventures reached 77 mtpa capacity by 2012. Then, in 2017, as the moratorium was lifted, QP announced new development plans in respect of the eastern side of the North Field which is currently scheduled to start production in 2025 (the "**NFE Expansion**"), and when complete is expected to increase the State of Qatar's LNG total liquefaction capacity via four new LNG mega-trains by 32 mtpa. QP estimates that the capital cost of the NFE Expansion is U.S.$28.75 billion and that it will raise the State of Qatar's total LNG output by 43% to 110 mtpa when completed, enhancing the Group's position as one of the largest and lowest cost LNG producers in the world. The NFE Expansion attained final investment decision ("**FID**") in February 2021, and key EPC contracts have been awarded.

In 2019, QP announced additional development plans for the southern side of the North Field, which is targeted to start up by 2027 and deliver an additional 16 mtpa of total liquefaction capacity of LNG via two mega-trains (the "**NFS Expansion**" and together with the NFE Expansion, the "**North Field Expansion**"). Once completed, the North Field Expansion is expected to increase the State of Qatar's LNG total liquefaction capacity by 64% from 77 mtpa to 126 mtpa. See "*— The North Field Expansion Project*".

In addition to the North Field Expansion, QP is also converting its Golden Pass LNG import facility in the United States into an LNG production and export facility, which will be QP's first such facility outside of the State of Qatar (the "**Golden Pass Export Project**"). The Golden Pass Export Project is 70% owned by QP, with ExxonMobil owning the remaining 30% share. The Golden Pass Export Project is expected to have a total send-out capacity of approximately 16 mtpa of LNG for export when fully completed, expected by 2026. The first LNG train in respect of the Golden Pass Export Project is expected to be operational by 2024. As one of the world's largest LNG exporters, the Group is considered a critical supplier to leading growth economies including China, India, Japan and South Korea. Once completed, QP expects the North Field Expansion and Golden Pass Export Project together to give QP a further competitive advantage in relation to the export of LNG, and allow QP to maintain its share of the global export market.

Through long-term commitments to special cryogenic LNG vessels, and a portfolio of long-term and short-term committed and flexible sales and purchase agreements, QP has the ability to serve the growth markets in Asia. In addition, QP is well-placed to leverage its UK and European LNG investments in the majority-owned South Hook LNG regasification terminal (with a regasification processing capacity of 15.6 mtpa) and the minority-owned Adriatic LNG regasification terminal (with a regasification processing capacity of 5.8 mtpa), for supply of LNG into Europe, as well as long-term LNG unloading services and/or regasification capacity holdings at the Zeebrugge LNG Terminal in Belgium, the Isle of Grain LNG receiving terminal in the UK, and the Montoir-de-Bretagne LNG Terminal in France.

Large-Scale Projects

QP partners with the world's largest energy companies to leverage their extensive working knowledge of the energy business and offer incremental value through superior technology, strict engineering and cost discipline, and attractive marketing proposals to form a compelling value proposition to the State of Qatar and to QP.

The Group has a long track record of successfully developing and delivering large-scale projects both in the State of Qatar and internationally:

- QP is the majority owner of the integrated assets that are operated by Qatargas. Since the delivery of the first LNG from Qatar in 1996, the Qatargas LNG ventures together are now the largest LNG producer in the world, supplying LNG to 22 countries around the world in 2020.

- In 2007, QP commissioned the first large-scale GTL plant, the Oryx GTL plant, as a joint venture between QP and Sasol Qatar, which produces 34,000 barrels per day of ultra-refined LPG, diesel and naphtha.

- In 2010, QP commissioned the world's largest ethane cracker, the Ras Laffan Cracker, through joint ventures with Total Petrochemicals and Chevron Phillips Chemical Company LLC ("**CP Chem**").

- In 2011 QP commissioned the world's largest GTL plant, the Pearl GTL project, pursuant to a production sharing agreement ("**PSA**") with Shell. It produces about 120,000 barrels per day of condensate, NGL and ethane and 140,000 barrels per day of GTL, LPG, naphtha, kerosene, gas oil, paraffins and base oils for lubricants.

- In 2012, QPI and Citadel Capital SAE (now Qalaa Holdings SAE), jointly set up Arab Refining Company ("**ARC**"). ARC and Egyptian General Petroleum Corporation subsequently set up Egyptian Refining Company ("**ERC**"). QPI's effective participation in ERC is 25.4%. This facility has a capacity of 91,000 barrels per day to process atmospheric residue (approximately 4.7 mtpa) and commenced production in November 2019.

- QP is the majority owner of Barzan Gas Company Limited ("**Barzan**"), which commenced operation in 2020, a strategic asset for the State and the local economy supplying fuel gas to the power utility companies, and ethane as a petrochemical feedstock to local industries.

- QP holds a majority stake in Industries Qatar Q.P.S.C. ("**IQ**"), one of the region's largest listed industrial groups with interests in the production, distribution and sale of a wide range of petrochemical, fertiliser and steel products.
- The Group is also one of the world's largest single-site producers of ammonia and urea, through Qatar Fertiliser Company Q.P.S.C. ("**QAFCO**") which has a production capacity of 3,800 kta of ammonia and 5,600 kta of urea.

QP operates within a prudent fiscal framework and has a disciplined approval process for new projects and debt incurrence. QP analyses future investments and projects based on strategic, operational, commercial and fiscal targets. To fund its capital requirements, QP depends primarily on internal sources of funding, but has also used facilities from financial institutions and export credit agencies of its trade partners. Many of the previous projects undertaken by QP, its subsidiaries and joint ventures have been structured as non-recourse projects (although some have required completion guarantees by QP and the other shareholders), with long-term amortising loans and repayment obligations expected to be met through the cash flows generated by each relevant project.

In May 2018, QP announced the development of a new world scale petrochemicals complex at Ras Laffan Industrial City ("**RLIC**"), the Ras Laffan Petrochemical Project ("**RLPP**"). In 2019, QP announced the selection of CP Chem as its partner in RLPP. In July 2019, QP announced plans to develop a new world-scale petrochemical project in the Gulf Coast region of the United States ("**USGC II**") in a joint venture with CP Chem.

Over the next five years (2021 – 2025), capital expenditure by QP, its subsidiaries and joint ventures is projected to be approximately QR 300.0 billion (U.S.$82.5 billion) with QP's share being approximately QR 215.0 billion (U.S.$59.1 billion) as QP pursues various expansionary projects and increases its international presence in order to diversify its operations. This projection only includes currently estimated capital expenditure on projects that are in the planning and design stage, and those that have obtained the FID.

Total capital expenditure through to completion for NFE Expansion (including capital expenditure to date) is projected to be approximately QR 104.7 billion (U.S.$28.75 billion). Total capital expenditure through to completion for Golden Pass Export Project (including capital expenditure to date) is projected to be approximately QR 38.9 billion (U.S.$10.7 billion).

Sustainability Commitment

As part of QP's sustainability commitment, QP has implemented a number of initiatives to reduce the carbon footprint of its LNG supplies. QP launched its own greenhouse gas ("**GHG**") accounting and verification programme in 2010, while its flare reduction programme was launched in 2011. As part of QP's membership in the Global Gas Flaring Reduction Partnership ("**GGFR**"), it is committed to reduce routine natural gas flaring to zero by 2030 and the Group has already achieved a 62% reduction in flaring in its RLIC facilities in 2020 as compared to 2012, and a 64% reduction in flaring in its LNG facilities in 2020 as compared to 2012. In 2019, QP launched the largest CO_2 recovery and sequestration facility in the Middle East with a capacity of 2.2 mtpa and as part of the NFE Expansion will invest U.S.$200 million in GHG reduction measures including the installation of a CO_2 capture and sequestration system, power import from solar power plants, maximisation of waste heat recovery, improved machines efficiency utilising latest available technology, and the use of Ultra Low NOx burners. These design improvements are expected to achieve an estimated 30% reduction in GHG emissions, compared to similar existing LNG facilities. See "*Business — Sustainability, Health and Safety and Environment*" for further information.

In addition to its low carbon intensity LNG commitment, QP is focused on creating low carbon energy by growing its renewable energy capacity, with an ambition to have a solar power plant portfolio of 4 GW by 2030. To this end, the Siraj Energy originally a joint venture between QP and Qatar Electricity and Water Company ("QEWC") was incorporated in 2017 with the objective to develop renewable sources of energy and diversify Qatar's sources of energy production, however, QP signed amended and restated shareholders agreement with QEWC for Siraj which became effective 1 January 2021. As per this revised agreement, QP has power to govern the relevant activities of

Siraj and accordingly, QP obtained control of Siraj as per the terms of this agreement thereby making Siraj a subsidiary with effect from 1 January 2021. The venture is already developing a solar power plant - in partnership with a Marubeni - TotalEnergies consortium - the Siraj 1 Solar Power Project ("**Siraj 1**") which is expected to produce 800 MW of solar electricity by 2022. Siraj 1 is expected to contribute to a carbon footprint reduction of 26 mt of CO_2. QP is also independently pursuing the development of two solar power plants in its industrial cities, one in RLIC and the other in Mesaieed ("**Industrial Cities Solar**") which aim to further reduce QP's carbon footprint and also diversify its energy mix. Industrial Cities Solar is expected to produce approximately 800 MW of solar electricity. See "*Carbon Energy Reduction*" for further information.

Strategies

In 2018, as part of QP's Strategy & Values campaign, QP's senior management announced a corporate strategy to establish QP as one of the best national oil and gas companies in the world, with a strong international presence while maintaining its roots in the State of Qatar. This strategy, which includes the North Field Expansion, is expected to maintain the Group's position as the world's largest LNG producer, and is expected to raise the State of Qatar's LNG production capacity from its current 77 mtpa to 126 mtpa once the North Field Expansion is fully completed, targeted for the end of 2027. In addition, approximately 16 mtpa of QP controlled LNG production capacity is also due by 2026 with the expected due completion of the Golden Pass Export Project. The North Field Expansion is also expected to increase QP's petrochemical capacity in Qatar by utilising the enhanced ethane production from the North Field.

Key pillars of QP's Strategy include:

- Strengthen QP's technical capabilities and operating model in Qatar
- Maximise upstream value to the State of Qatar
- Reinforce the State of Qatar's LNG and global gas position
- Maximise downstream added value
- Promote energy efficiency and optimum energy mix in the State of Qatar

Competitive Strengths

- Integral to the global economy
- QP is the leading LNG production company and its gas reserves are managed for the long-term
- QP is leading in the technology and operations of LNG with a strong track record as a reliable supplier
- Strong governance, policies, sustainable and ethical standards
- Strategic importance of QP to the State of Qatar
- Strong historical financial performance with high long-term visibility leading to a fortress balance sheet
- Strong relationships and investment portfolio

OVERVIEW OF THE TERMS AND CONDITIONS OF THE BONDS

Capitalised terms not otherwise defined in this overview have the same meaning as in the Conditions. See "Terms and Conditions of the Bonds" for a more detailed description of the Bonds.

Issuer	Qatar Petroleum.
2026 Bonds	U.S.$1,500,000,000 aggregate principal amount of 1.375% Bonds due 2026.
2031 Bonds	U.S.$3,500,000,000 aggregate principal amount of 2.250% Bonds due 2031.
2041 Bonds	U.S.$3,500,000,000 aggregate principal amount of 3.125% Bonds due 2041.
2051 Bonds	U.S.$4,000,000,000 aggregate principal amount of 3.300% Bonds due 2051.
Issue Price of 2026 Bonds	99.905% of the principal amount of the 2026 Bonds, together with accrued interest, if any, from 12 July 2021.
Issue Price of 2031 Bonds	98.937% of the principal amount of the 2031 Bonds, together with accrued interest, if any, from 12 July 2021.
Issue Price of 2041 Bonds	99.631% of the principal amount of the 2041 Bonds, together with accrued interest, if any, from 12 July 2021.
Issue Price of 2051 Bonds	100.000% of the principal amount of the 2051 Bonds, together with accrued interest, if any, from 12 July 2021.
Maturity Dates	12 September 2026 for the 2026 Bonds. 12 July 2031 for the 2031 Bonds. 12 July 2041 for the 2041 Bonds. 12 July 2051 for the 2051 Bonds.
Fiscal Agent and Principal Paying Agent	Citibank, N.A., London Branch.
Registrar	Citigroup Global Markets Europe AG.
Transfer Agent	Citibank, N.A., London Branch.
Interest	Each 2026 Bond bears interest at the rate of 1.375% per annum, payable semi-annually in arrear on 12 March and 12 September in each year until (and including) the 2026 Maturity Date, commencing on 12 March 2022. Each 2031 Bond bears interest at the rate of 2.250% per annum, payable semi-annually in arrear on 12 January and 12 July in each year until (and including) the 2031 Maturity Date, commencing on 12 January 2022.

Each 2041 Bond bears interest at the rate of 3.125% per annum, payable semi-annually in arrear on 12 January and 12 July in each year until (and including) the 2041 Maturity Date, commencing on 12 January 2022.

Each 2051 Bond bears interest at the rate of 3.300% per annum, payable semi-annually in arrear on 12 January and 12 July in each year until (and including) the 2051 Maturity Date, commencing on 12 January 2022.

For the 2026 Bonds, the payment on the first Interest Payment Date shall be in respect of interest accrued from and including 12 July 2021 to but excluding 12 March 2022. For the 2031 Bonds, the 2041 Bonds and the 2051 Bonds, the payment on the first Interest Payment Date shall be in respect of interest accrued from and including 12 July 2021 to but excluding 12 January 2022.

The amount of interest payable for the first Interest Payment Date shall be (i) in respect of the 2026 Bonds, U.S.$9.167 per U.S.$1,000 in principal amount of such series of Bonds, (ii) in respect of the 2031 Bonds, U.S.$11.250 per U.S.$1,000 in principal amount of such series of Bonds, (iii) in respect of the 2041 Bonds, U.S.$15.625 per U.S.$1,000 in principal amount of such series of Bonds, and (iv) in respect of the 2051 Bonds, U.S.$16.500 per U.S.$1,000 in principal amount of such series of Bonds.

Form and Denomination

The Bonds will be issued in registered form, without interest coupons attached, in a minimum denomination of U.S.$200,000 or any amount in excess thereof which is an integral multiple of U.S.$1,000. The Unrestricted Bonds will be represented by Unrestricted Global Bonds for each series of Bonds and the Restricted Bonds will be represented by one or more Restricted Global Bonds for each series of Bonds. The Global Bonds will be exchangeable for individual certificates in definitive form in the limited circumstances specified in the Global Bonds.

Initial Delivery of Bonds

On or about the Closing Date, the Unrestricted Global Bonds will be deposited with a common depositary for, and in respect of interests held through, Euroclear and Clearstream, Luxembourg and the Restricted Global Bonds will be deposited with the Custodian and registered in the name of Cede & Co. as nominee for DTC.

Status of the Bonds

The Bonds constitute and will constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer. The Bonds rank and will rank without any preference among themselves and equally with all other unsecured and unsubordinated Indebtedness of the Issuer.

Redemption at the Option of the Issuer (Issuer Make-whole Call)

The Issuer may redeem in whole or in part, at any time, the 2026 Bonds, the 2031 Bonds and/or the 2041 Bonds, and may redeem in whole or in part, at any time on or after 12 July 2026, the 2051 Bonds, without the consent of the relevant series of Bondholders at a redemption price equal to the greater of (a) the outstanding

	principal amount of the relevant series of Bonds being redeemed plus accrued but unpaid interest, if any, plus accrued additional amounts payable pursuant to Condition 8 (*Taxation*), if any, thereon up to but excluding the date fixed for redemption, and (b) an amount equal to the sum of the net present value of the then remaining scheduled payments of principal and interest on the relevant series of Bonds being redeemed, discounted to such date fixed for redemption on a semi-annual basis at the Treasury Rate for such Bonds being redeemed plus (i) in the case of the 2026 Bonds, 10 basis points, (ii) in the case of the 2031 Bonds, 15 basis points, and (iii) in the case of the 2041 Bonds or the 2051 Bonds, 20 basis points.
Redemption at the Option of the Issuer (Issuer Maturity Par Call)	Unless a Put Notice has been given pursuant to Condition 6(e) (*Purchase of Bonds upon a Change of Control*), the Issuer may: (a) in respect of the 2026 Bonds, at any time on or after the date which is one month prior to the 2026 Maturity Date, redeem the 2026 Bonds then outstanding in whole, but not in part, in accordance with Condition 6(c)(i) (*Redemption at the Option of the Issuer (Issuer Maturity Par Call)*); (b) in respect of the 2031 Bonds, at any time on or after the date which is three months prior to the 2031 Maturity Date, redeem the 2031 Bonds then outstanding in whole, but not in part, in accordance with Condition 6(c)(ii) (*Redemption at the Option of the Issuer (Issuer Maturity Par Call)*); (c) in respect of the 2041 Bonds, at any time on or after the date which is six months prior to the 2041 Maturity Date, redeem the 2041 Bonds then outstanding in whole, but not in part, in accordance with Condition 6(c)(ii) (*Redemption at the Option of the Issuer (Issuer Maturity Par Call)*); and (d) in respect of the 2051 Bonds, at any time on or after the date which is six months prior to the 2051 Maturity Date, redeem the 2051 Bonds then outstanding in whole, but not in part, in accordance with Condition 6(c)(iii) (*Redemption at the Option of the Issuer (Issuer Maturity Par Call)*).
Redemption for tax reasons	The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, due to tax reasons, in accordance with Condition 6(d) (*Redemption for tax reasons*).
Purchase of Bonds upon a Change of Control	If a Change of Control occurs at any time, then the Issuer must make a Change of Control Offer to each Bondholder to purchase such Bondholder's Bonds, at a purchase price in cash in an amount equal to the principal amount thereof plus accrued and unpaid interest, if any, to but excluding the Change of Control Purchase Date.
Events of Default	Events of Default under the Bonds include: non-payment of principal or interest under the Bonds, breach of the covenants and other terms contained in the Conditions or the Deed of Covenant, bankruptcy or insolvency of the Issuer, and unlawfulness or

	invalidity, in each case, subject to the qualifiers, remedy periods and other the provisions set out in Condition 9 (*Events of Default*).
Taxation	The Issuer will make all payments on the Bonds without deducting or withholding any present or future taxes imposed by the State of Qatar or any political subdivision or any authority thereof or therein having power to tax, unless such deduction or withholding is required by law. If the Issuer is required to deduct or withhold such taxes, subject to certain exceptions, it will pay the Bondholders the additional amounts required to ensure that they receive the same amount as they would have received without this deduction or withholding.
Listing and Admission to Trading	Application has been made for the Bonds to be admitted to listing on the official list of the Financial Conduct Authority (the "**FCA**") and to trading on the Main Market of the London Stock Exchange. Application will be made to the Taipei Exchange in the Republic of China for the listing of the 2051 Bonds. Admission to the listing and trading of the 2051 Bonds on the TPEx shall not be taken as an indication of the merits of the Issuer or the 2051 Bonds. No assurance can be given that such application will be approved, or that the TPEx listing will be maintained. No application is being made to the Taipei Exchange for the listing of the 2026 Bonds, the 2031 Bonds or the 2041 Bonds.
Governing Law	The Bonds, the Fiscal Agency Agreement and the Deed of Covenant, and any non-contractual obligations arising out of or in connection with the Bonds, the Fiscal Agency Agreement and the Deed of Covenant, will be governed by, and construed in accordance with, English law.
Selling Restrictions	The Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds may be sold in other jurisdictions (including the United Kingdom, the EEA, Canada and Taiwan) only in compliance with applicable laws and regulations. See "*Subscription and Sale*".
Use of Proceeds	The Issuer intends to use the net proceeds from the issue of the Bonds for operational and investment purposes, including in connection with the North Field Expansion and other capital expenditure.
Ratings	The Issuer has been assigned a long term credit rating of AA- with a stable outlook by Fitch, AA- with a stable outlook by S&P and Aa3 with a stable outlook by Moody's. It is expected that each series of Bonds will be rated AA- by S&P, AA- by Fitch and Aa3 by Moody's. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by

the assigning rating organisation. The credit ratings included or referred to in this Prospectus will be treated for the purposes of the UK CRA Regulation as having been issued by S&P, Fitch and Moody's. S&P, Fitch and Moody's are not established or registered in the UK under the UK CRA Regulation, but credit ratings issued by S&P have been endorsed by S&P Global Ratings UK Limited, credit ratings issued by Fitch have been endorsed by Fitch Ratings Ltd and credit ratings issued by Moody's have been endorsed by Moody's Investors Service Limited, each of which is an entity established in the United Kingdom and is registered under the UK CRA Regulation. Each of these agencies is included in the list of credit rating agencies published by the FCA on its website (https://www.fca.org.uk/markets/credit-rating-agencies/registered-certified-cras) in accordance with the UK CRA Regulation.

ISIN, Common Code and CUSIP of 2026 Bonds

Unrestricted Bonds

ISIN: XS2357493860

Common Code: 235749386

Restricted Bonds

ISIN: US74730DAB91

Common Code: 235795345

CUSIP: 74730DAB9

ISIN, Common Code and CUSIP of 2031 Bonds

Unrestricted Bonds

ISIN: XS2357494322

Common Code: 235749432

Restricted Bonds

ISIN: US74730DAC74

Common Code: 235795361

CUSIP: 74730DAC7

ISIN, Common Code and CUSIP of 2041 Bonds

Unrestricted Bonds

ISIN: XS2359548935

Common Code: 235954893

Restricted Bonds

ISIN: US74730DAE31

	Common Code: 236170969
	CUSIP: 74730DAE3
ISIN, Common Code and CUSIP of 2051 Bonds	*Unrestricted Bonds*
	ISIN: XS2357494751
	Common Code: 235749475
	Restricted Bonds
	ISIN: US74730DAD57
	Common Code: 235795370
	CUSIP: 74730DAD5

RISK FACTORS

Prospective investors should carefully consider the risks described below before making an investment decision. If any of the risks described below materialise, QP's business, financial position, cash flow and results of operations and the trading price of the Bonds may be materially adversely affected. In such case, investors in the Bonds may lose all or part of their investment. Additional risks and uncertainties not currently known to QP or that QP currently deems immaterial may also materially and adversely affect QP and the trading price of the Bonds.

Risks Related to Macro-Economic Environment and External Factors

Fluctuations in global demand and prices for hydrocarbons have a significant impact on QP's results of operations and cash flow

QP's revenues are significantly affected by international oil and natural gas prices, which have fluctuated significantly over the past two decades. Prices at which QP sells hydrocarbons are impacted by changes in world supply of, and demand for, crude oil and natural gas, and may fluctuate substantially due to a variety of factors beyond the control of QP. These factors may include the ability or willingness of the Organization of Petroleum Exporting Countries ("**OPEC**") and non-OPEC countries, such as Russia, to set and adhere to agreed crude oil production quotas, pandemic diseases, war, terrorism, changes in government regulation and international relations, social and political conditions in oil and gas producing countries generally, global economic conditions, prevailing weather patterns and meteorological phenomena such as storms and hurricanes and the availability of alternative sources of energy. Future oil and gas price movements cannot be predicted with any certainty.

Oil

Since January 2020, the coronavirus ("**COVID-19**") outbreak and fear of further spread of COVID-19 have caused significant disruptions in international economies and international financial and oil markets, including a substantial decline in the price of oil. During March and April 2020, the price of Brent crude oil fell by 82.6% to a low of U.S.$9.12 per barrel (Europe Brent Spot Price FOB) on 21 April 2020, which was in part due to a dispute over production levels between Russia and Saudi Arabia, as a result of which Saudi Arabia increased its production to record levels. Global consumption of crude oil fell sharply in 2020 by 10% year-on-year (Source: Wood Mackenzie Ltd) as a result of reduced economic activity and reduced usage of transport fuels due to COVID-19 lockdown measures. In April 2020, OPEC took the decision to implement certain oil production cuts in order to stabilise the oil markets. Subsequently, OPEC took the decision to gradually ease such production cuts and increase oil production starting January 2021 in response to the improved oil market conditions, while Saudi Arabia voluntarily took the decision to reduce its crude oil production starting February 2021, which was followed by an increase in demand for crude oil due to easing of COVID-19 lockdown measures. According to the World Bank (Commodity Price Forecast, 20 April 2021), oil prices are estimated to average U.S.$56.00 per barrel in 2021. As at 1 June 2021, the price of Brent crude oil was U.S.$70.03 per barrel (Europe Brent Spot Price FOB). There can be no assurance that oil prices will remain at current levels or that prices will not decrease again in the future.

Natural Gas and Petrochemicals

Furthermore, as crude oil prices provide an indexation benchmark for LNG and petrochemical feedstock prices, then changes in crude oil prices have also had an impact on LNG and petrochemical prices. International prices for LNG have fluctuated significantly in the past depending on global supply and demand and the availability and price of alternative energy sources. The development of fracking technology in the United States has increased both United States gas reserves and gas production, which has led to depressed pipeline natural gas prices in the United States and a divergence of those natural gas prices from prices in Asia and Europe. QP's ability to benefit from higher Asian and European natural gas prices may be negatively affected by a number of LNG projects that have come or are expected to come on stream in the next several years that will significantly increase the supply of LNG, including large LNG projects in Russia, the United States, Mozambique and Papua New Guinea which can also compete in the Asian LNG market. Consequently, any surplus delivered to the Asian market may negatively impact the Asian LNG market in terms of putting downward pressure on LNG pricing due to excess supply. This, together with other factors such as a global economic downturn, could put further downward pressure on LNG prices. In addition QP's ability to export petrochemicals to Asia may be negatively affected by Saudi Arabia, Iran and the UAE all aiming to increase their petrochemicals export capacity.

Limitations on Increased Oil and Gas Production

Qatar's oilfields are mature. Production peaked in 2007 at approximately 900 kbpd and has since declined gradually to around 550 kbpd. QP has undertaken and continues to undertake projects to maintain production levels and slow the decline, including various field development, rehabilitation, life extension and production enhancement projects, including drilling of new wells and replacing infrastructure. Such activities typically involve capital expenditures in new technologies and alternative methods of extracting reserves from such fields. QP may not be able to maintain the same levels of oil production from mature oil fields in the future and no assurance can be given that field rehabilitation and production enhancement projects will achieve the desired results, particularly in geographically and technically challenging areas. Non-implementation of these activities in part or at all or in a cost-efficient manner could result in decreases in production or the profitability of such oil production, which could, in turn have a material adverse effect on the QP's business, prospects, financial condition, cash flows or results of operations.

The self-imposed moratorium on the development of new gas projects in the State of Qatar's North Field that had been in place since 2005 was lifted in April 2017, and QP has approved the developments of the NFE Expansion and NFS Expansion projects. QP does not have approved plans for new gas projects in the State of Qatar after NFS Expansion and NFE Expansion. Commercial development of LNG facilities is a long-term proposition (currently estimated to take at least four years per train), which requires a substantial capital investment, and may be delayed by factors such as increased construction costs, availability of skilled resources and manufacturing yards, economic downturns, increases in interest rates or other events including events that may affect the availability of sufficient financing for liquefaction projects on commercially reasonable terms, any significant explosion, spill or similar incident involving an LNG facility or LNG vessel and other factors described herein. Any material delay or material change in scope in the development of the NFS Expansion and NFE Expansion projects may materially adversely impact QP's revenues and financial condition.

Climate change concerns and impacts could reduce global demand for hydrocarbons and hydrocarbon-based products and could cause QP to incur costs or invest additional capital

Climate change concerns manifested in public sentiment, government policies, laws and regulations, international agreements and treaties, new technologies and other actions may reduce global demand for hydrocarbons and propel a shift to lower carbon intensity fossil fuels such as gas or alternative energy sources. In particular, increasing pressure on governments to reduce GHG emissions has led to a variety of actions that aim to reduce the use of fossil fuels, including, among others, carbon emission cap and trade regimes, carbon taxes, increased energy efficiency standards and incentives and mandates for renewable energy and other alternative energy sources. For example, in 2015, the district court of The Hague (the administrative capital of the Netherlands) made a landmark climate ruling against the Dutch government, and more recently in 2021 the same court has ordered Royal Dutch Shell to cut its direct and indirect emissions by at least 45% at the end of 2030, relative to 2019 levels. In addition, international agreements that aim to limit or reduce GHG emissions are currently in various stages of implementation. For example, the Paris Agreement became effective in November 2016, and many of the countries that have ratified the Paris Agreement are adopting domestic measures to meet its goals, which include reducing their use of fossil fuels and increasing their use of alternative energy sources.

The landscape of GHG related laws and regulations has been in a state of constant re-assessment and, in some cases, it is difficult to predict with certainty the ultimate impact GHG related laws, regulations and international agreements will have on QP. In some of the areas in which QP operates, such as the United Kingdom, GHG emissions are regulated by the UK Emissions Trading Scheme. In the future, areas in which QP operates that are not currently subject to GHG regulation may become regulated and existing GHG regulations may become more stringent. See "*Business—Sustainability, Health and Safety and Environment*".

There are numerous regulatory approaches currently in effect or being considered to address GHGs. Other future legislation and regulations, such as those relating to the transportation and security of LNG exported from LNG terminals or those relating to hydraulic fracturing, could cause shortages in the supply of natural gas, additional expenditures, restrictions and delays to QP's business and to QP's proposed expansion, the extent of which cannot be predicted and which may require QP to limit substantially, delay or cease operations in some circumstances.

Further, existing and future climate change concerns and impacts, including physical impacts to infrastructure, and related laws, regulations, treaties, protocols, new technologies, policies and other actions could shift demand to other sources of energy, reduce demand for hydrocarbons and hydrocarbon-based products and result in increased compliance costs or additional operating or construction costs and restrictions, and have a material adverse effect on QP's business, financial position and results of operations.

In an effort to comply with its obligations under the Paris Agreement and its climate change strategy, QP aims to reduce the net carbon intensity of its LNG facilities by 25% and that of its upstream facilities by 15% by 2030, and is also sponsoring engineering studies to convert Qatargas's QFlex and QMax (45 out of the total 69 ships leased today) LNG vessels from using 0.5%-sulphur fuel oil to instead use zero-sulphur LNG. These improvements to QP's LNG vessels are expected to cause QP to incur additional costs and if QP does not have access to or keep up with the right technology or does not deploy these effectively, there could be a material adverse effect on its ability to execute its strategies. On the other hand, for its NFE Expansion, NFS Expansion and Golden Pass Export Project, QP intends to acquire LNG vessels that primarily use zero-sulphur LNG as the bunker fuel (all vessels will have dual fuel capability).

QP could face significant liabilities under environmental and safety laws

Oil, gas and petrochemical production involve handling large quantities of toxic, environmentally hazardous, flammable and/or explosive materials. QP must comply with national and local environmental laws and regulations which address these risks in the countries in which it operates, which may affect QP's operations. These laws and regulations set various standards regulating certain aspects of health, safety, security and environmental quality, provide for civil and criminal penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted. In addition, special provisions may be appropriate or required in environmentally sensitive areas of operation. It is not possible for QP to estimate exactly the amount and timing of all future expenditures related to environmental matters because of:

- the discovery of new environmental conditions or additional information about existing conditions;
- the uncertainties in estimating pollution control and clean-up costs;
- the uncertainty in quantifying liability under environmental laws and regulations that impose liability without fault on potentially responsible parties; and
- the evolving nature of environmental laws and regulations and their interpretation and enforcement.

Any or all of these hazards, and the possible legal liability to QP or governmental or regulatory action against QP arising therefrom for damages, clean-up costs and penalties and/or compensation, could have a material adverse effect on QP's business, financial position and results of operations.

QP operates in a highly competitive global environment. Competitive pressure could have a material adverse impact on the prices at which it sells its hydrocarbon products

The sale of LNG, pipeline gas, crude oil, condensates and related products outside of the State of Qatar is very competitive. QP's primary competitors for the sale of crude oil and natural gas outside of the State of Qatar include National Oil Companies ("**NOCs**") and International Oil Companies ("**IOCs**"), many of which have substantial crude oil and natural gas reserves, capacity to produce hydrocarbon-based products, and financial resources. The primary factors affecting competition are the cost of production, quantity and quality of the hydrocarbons. Increased competitive pressures could have a material adverse impact on prices at which QP can sell hydrocarbons and its regional and global market share.

Additionally, competitive pressures and climate change initiatives may cause the oil and gas sector customers to shift away from hydrocarbon products to other types of energy or cause QP to renegotiate the prices of its hydrocarbon products or duration of its contracts with such contracts, which may in turn cause QP to incur additional costs or have a material adverse impact on prices at which QP can sell hydrocarbons and its regional and global market share

In addition, outside of the State of Qatar, QP is subject to competition in the geographies to which it sells hydrocarbon products. Competitors include, but are not limited to, production facilities and gas liquefaction plants located in, or in close proximity to, the relevant market. Operating efficiencies, security of supply and production costs (including in relation to clean LNG) are key factors affecting competition for LNG and associated by-products, such as condensate and LPG, natural gas processing and hydrocarbon-based products and chemicals. Accordingly, if the present high operating efficiencies and production costs of QP's production facilities are not sufficiently sustained in the long term to levels not sufficiently competitive in the geographies they serve, QP's business, financial position and results of operations could be materially and adversely impacted.

The COVID-19 pandemic has caused significant disruption to economies and businesses around the world, including those countries in which QP operates and the outbreak of other global transmissible variations and other communicable diseases around the world may cause further disruption

The global outbreak of COVID-19 at the end of 2019 and into 2020 has had a significant impact on economic activity around the world, materially adversely affecting demand for hydrocarbons. The globally adopted restrictions on travel and prolonged closures of workplaces have impacted trade and transportation of goods and severely disrupted economies around the world, including those in which QP operates. This has caused equity and bond markets to be highly volatile, resulted in increased levels of unemployment, and negatively impacted the demand and global price for hydrocarbons.

In the State of Qatar, public health authorities have taken various measures to combat the spread of COVID-19. For example, in April 2021, the public health authorities imposed nationwide lockdown measures and restricted social and economic mobility to subdue a renewed rise of COVID-19 cases.

COVID-19 had a material adverse impact on global growth rates in 2020, and in particular has negatively impacted the economies of the State of Qatar and other countries in which QP operates.

The precise scope of the continuing impact of COVID-19 on QP's business, financial condition and results of operations is not possible to assess as at the date of this Prospectus. It will depend, among other things, on how long hydrocarbon prices continue to remain volatile and the manner in which any preventive measures which impact QP remain in place, and on how different economic sectors respond to any removal, lifting or re-introduction of preventive measures, as well as any longer term impact of these measures, and similar measures in other countries, together with any wider impact of COVID-19 more generally, all of which are highly uncertain and are outside of QP's control. Furthermore, if COVID-19 adversely affects the availability of liquidity in the international financial markets, this may also adversely affect QP's future financing plans.

There can be no assurance that COVID-19 or the outbreak of other global transmissible variations or new diseases will not result in a prolonged decline in hydrocarbon and hydrocarbon-based product prices and have a prolonged adverse effect on QP's business, financial condition and results of operations.

QP exports a substantial portion of its LNG to customers in Asia and Europe, and adverse economic or political developments in Asia could impact its results of operations

QP exports a substantial portion of its LNG to customers in Asia and Europe. In 2018, 2019 and 2020, customers in Asia purchased 80.2%, 80.8% and 82.2%, respectively, of its LNG exports by value and while customers in Europe purchased 17.7%, 19.2% and 17.5%, respectively, of its LNG exports by value. See "*Management's Discussion and Analysis of Financial Position and Results of Operations*".

Since early 2020, economic conditions in Asia have been significantly impacted by the outbreak of COVID-19. If there is a prolonged slowdown in economic growth, an economic recession or other adverse economic or political development in Asia, QP may experience a material reduction in demand for its products by its customers located in the region. Moreover, any such development in other parts of the world (including political and social instability or armed conflict in the MENA region) may result in other producers supplying surplus capacity to Asia, thereby increasing competition for customers in Asia and affecting the prices at which QP sells its products to customers there. A significant decrease in demand for QP's products in Asia could have a material adverse effect on its business, financial position and results of operations.

Risks related to QP, its Operations and Industry

QP's ability to achieve its strategic growth objectives depends on the successful delivery of several large investment projects over the next six years

QP's growth strategy is based on substantial capital investment in increasing upstream gas production in the North Field over the coming six years and liquefaction and shipping of the LNG, amongst other significant planned or contemplated investments in its upstream and downstream businesses. Any delays to the completion of all or any of these major projects or any significant over-expenditure, could impact the timing and/or the quantum of anticipated revenues and other commercial benefits to be derived by QP from the projects. Any such delays or over-expenditure could also divert the attention of QP's senior management, create additional expenses or liabilities for QP or have other negative repercussions on QP's business, financial position or results of operations.

QP is reliant on the oil and gas resources contained in the North Field, which is its sole source of LNG and contributes significantly to QP's profitability

Virtually all of Qatar's proven reserves of natural gas and condensate are located in the North Field, which is the sole source of QP's LNG. Accordingly, QP's long-term financial condition is dependent on its ability to continue to access the oil and gas reserves contained in the North Field and its ability to continue to produce and export LNG using the reserves in the North Field.

In addition, a portion of the North Field extends into Iranian territorial waters. Qatar and Iran concluded a maritime border agreement in 1969, and the boundary between the two countries (including a designated "no–drill zone") has not been disputed. Any adverse development at the North Field which impacts QP's ability to continue to access its oil and gas reserves, or any adverse change in respect to the aforementioned agreement could have a material adverse effect on QP's business, financial position and results of operations.

QP relies heavily on the ability to transport its products and receive key components for its production activities by ship through the Straits of Hormuz, Bab-el-Mandeb, the Malacca Strait, the Taiwan Strait and the Suez Canal

All of QP's LNG, oil and major chemicals exports use maritime supply routes. Additionally, QP utilises such maritime supply routes to procure certain key components in its production process. In the event that QP can no longer source such components from QP's current suppliers via its usual maritime supply routes, QP may incur additional costs or face business interruption due to a delay in sourcing these components. In particular, the Straits of Hormuz, Bab-el-Mandeb, the Suez Canal, the Taiwan Strait and the Malacca Strait are key shipping routes for QP and are located in areas subject to political or armed conflict from time to time. For example, in May 2019, four oil tankers, including two owned by the National Shipping Company of Saudi Arabia-Bahri, were sabotaged near the Strait of Hormuz and, in July 2019, a British oil tanker was seized by Iranian forces in the Strait of Hormuz. In addition, in April and July 2018, Yemen's Houthi group attacked tankers operated by the National Shipping Company of Saudi Arabia-Bahri off the coast of Yemen. In March 2021, the Suez Canal was blocked for six days after a 20,000 TEU container ship was grounded across the waterway with its bow and stern stuck in the canal banks. As a result, all traffic through the canal was blocked, which had a negative impact on global trade. Any political or armed conflict or other disruptions that impact QP's use of the Straits of Hormuz, Bab-el-Mandeb, Malacca Strait, Taiwan Strait or the Suez Canal or other international shipping routes could cause disruptions to QP's production cycle or result in QP incurring additional costs (including if any of the components that QP requires for LNG and gas processing are only available at a higher cost) and have a material adverse effect on QP's business, financial position and results of operations.

QP relies on the pipelines and distribution facilities for the transportation and distribution of domestic and export gas to its customers. An extended disruption or other adverse events affecting these pipelines or the distribution facilities could materially adversely affect QP's results of operations

Qatar's export of gas to the UAE and Sultanate of Oman is transported via an export pipeline from the Dolphin Gas Processing Plant in RLIC to various receiving facilities in the UAE. QP currently distributes all of the gas which it supplies to Qatar's domestic market using pipelines from the piped-gas producing plants (e.g., Al-Khaleej Gas, Barzan) North Field Alpha, Khuff Gas Plants, Mesaieed NGL Plants) to various gas stations that are connected to the cross-country sales gas grid maintained by QP, for distribution to various industrial and power plant customers. An extended disruption or other adverse events affecting QP's pipelines or the distribution facilities, such as operational problems, natural disaster, terrorist attack, casualty or accident (including accidents caused by dragging anchors or other operations carried out by third parties), would prevent QP from delivering gas to some or all of its customers, exposing QP to potential contractual liabilities and potential termination of such agreements and therefore could materially and adversely affect QP's business, results of operation and financial condition.

An extended disruption or other adverse events affecting QP's pipelines or distribution facilities could also force QP to curtail production of gas, petrochemicals and associated by-products. In the event of a disruption in the midstream operations that prevents QP from taking delivery of export gas, QP would only be able to continue production of gas, petrochemicals and associated gas by-products on a curtailed basis. A disruption in the midstream operations could materially and adversely affect QP's business, results of operation and financial condition.

The State of Qatar may alter its relationship with QP or direct QP to undertake projects or provide assistance for initiatives outside QP's core business, which may not be consistent with QP's immediate commercial objectives

QP was established by decree and operates within a set legal framework that is defined by the virtue of the Decree Law 10 of 1974 (as amended), pursuant to which QP has been granted a wide responsibility to ensure that it carries out all the activities related to the oil and gas sector in Qatar in all its phases. The State of Qatar has the ability to limit or change the scope of QP's mandate, if it were to change the laws that set out QP's exclusive role as the national oil corporation of the State of Qatar. In particular, under Law No.3 of 2007, QP has the exclusive right to conduct or authorise all petroleum operations in the State of Qatar. If the State of Qatar changes the laws that regulate or impact the oil and gas sector in Qatar in a manner that affects the status or the operations of QP, QP's revenues may be adversely affected.

Furthermore, the State of Qatar may in the future direct QP, as a strategic state-owned company, to undertake projects or provide assistance for initiatives outside QP's core business and long-term commercial interests in furtherance of the State's macroeconomic, social or other objectives, leveraging QP's know-how, resources and operational capabilities. Such projects and initiatives may be of national importance to the State, but outside of QP's core business and may not be consistent with QP's immediate commercial objectives. If the State directs QP to undertake future projects other than on a commercial basis, QP's financial position and results of operation may be materially and adversely affected. In addition, such projects may create conflicts of interest, which may impact

QP's results of operations and financial condition. See "*Business — Relationship with the State of Qatar*" and *"Related Party Transactions – Transactions with the Government of Qatar."*

The State of Qatar, through the Council ultimately owns QP and could, for reasons of national priority, restrict QP's capital budget and therefore its ability to deliver future revenues.

QP needs to maintain high capacity utilisation rates in its gas liquefactions, refineries and petrochemicals plants in order to support its profit margins

Earnings in the gas liquefaction, petrochemicals and refinery businesses are closely tied to global demand, feedstock prices, industry inventory levels and plant capacity utilisation. QP's ability to maintain profitability depends on its ability to maintain high-capacity utilisation rates in its LNG liquefaction plants, petrochemicals plants and refineries. If the markets for QP's products do not grow as QP has anticipated, QP risks under-utilisation of its facilities, which thus reduces its profit. The failure by QP to maintain high-capacity utilisation rates in its LNG liquefaction plants may materially adversely impact QP's revenues and financial condition.

QP's revenues may be negatively impacted as a result to changes to its long-term sale and purchase agreements, or if QP, its group companies and its joint ventures are unable to deliver LNG or natural gas under long-term sale and purchase agreements

Recent changes in global oil and gas markets, such as the shift from long-term sale and purchase agreements for the supply of LNG or natural gas to shorter term or smaller scale contracts could have a material adverse effect on QPs operations in the future (if the pricing reflected in QP's long-term sale and purchase agreements could not be replicated in shorter term sale and purchase agreements) and could increase QP's exposure to downwards fluctuations in LNG market prices.

In addition, QP and certain of QP's joint ventures and group companies have entered into long-term sale and purchase agreements for the supply of LNG or natural gas to third parties. If any of QP's or its group companies drilling, shipping or other transportation activities were to permanently cease to operate or be interrupted in the future, for reasons other than force majeure, these joint ventures and companies may be exposed to significant contractual liabilities, which may negatively impact QP's financial condition and results of operations. Furthermore, such cessation or interruption could result in lost or deferred sales with a corresponding decrease or deferral of revenue, irrespective of whether or not due to force majeure.

QP's revenues could also be negatively impacted by: (i) decreases in the market price of LNG; (ii) downward revisions of the LNG price formulas, and/or changes to the basis/formulas used to calculate prices, used in QPs long-term LNG sale and purchase agreements as a result of periodic price reviews (i.e., mechanisms that require the parties from time to time to renegotiate the price formula in an LNG sale and purchase agreement and that may give an arbitral tribunal or independent expert power to revise the price in the absence of mutual agreement of the parties); and/or (iii) decreases in component prices (such as index prices or oil prices) to which the LNG price may be linked under LNG price formulas in QPs LNG sale and purchase agreements.

QP has established a trading business to manage to build a global and diversified portfolio of third party and equity LNG supply and tasked to manage its price risk exposure, which is subject to a number of risks and uncertainties

In 2020 QP established a wholly owned subsidiary to conduct its trading business, QP Trading LLC ("**QP Trading**"), to build a global and diversified portfolio of third party and equity LNG supply and manage its price risk exposure, through physical and derivatives trading. QP Trading will enter into derivative transactions to manage exposure to movements in LNG price, however there can be no assurance that QP Trading would not be adversely affected by increases in prices, or other changes in general economic and market conditions.

QP Trading's business could be affected by conditions in the global financial markets and economic conditions that are outside of its control, including but not limited to changes in, commodity prices, interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation), currency exchange rates and controls and other national and international political and economic circumstances. Any unfavourable commodity prices or interest rate fluctuations or adverse economic and financial conditions could have an adverse effect on QP Trading's business, financial position and results of operations.

QP is subject to operational risks and hazards that may have a significant impact on its operations or result in significant liabilities and costs

QP is subject to operational risks common in the oil and gas industry, including:

- crude oil or gas spills, pipeline leaks and ruptures, storage tank leaks, and accidents involving explosions, fires, blow outs and surface cratering;
- power shortages or failures;
- mechanical or equipment failures;
- transportation interruptions and accidents;
- storms, floods and other natural disasters; and
- chemical spills, discharges or releases of toxic or hazardous substances or gases.

Many of these risks are beyond QP's control and could result in damage to, or destruction of, QP's properties and facilities, death or injury to people and harm to the environment, which could have a significant impact on its operations or result in significant liabilities and remediation costs. In addition, QP is not insured against all risks and insurance in connection with certain risks and hazards may not be available. See "*—QP could be subject to losses from risks related to insufficient insurance*". To the extent a subcontractor was responsible for the damage, QP's recourse to the relevant subcontractor may be limited by contract or the financial viability of such subcontractor. Such occurrences could also interrupt QP's operations, delay QP's projects or damage its reputation, which could have a material adverse effect on its business.

A disaster involving hydrocarbons could have a materially adverse effect on the revenues or assets of QP, either from direct losses, such as the loss of export revenue, or liability to third parties or from indirect losses, such as unrecovered clean-up costs from third parties or unmitigated environmental damage. Although QP has not to date experienced a significant disaster involving hydrocarbons, QP cannot guarantee that such an event will not occur in the future.

Information on QP's hydrocarbon reserves is based on QP estimates and has been presented in accordance with QP's own methodology, which differs in material respects from international standards employed by other NOCs and IOCs. Such reserves estimates have not been reviewed by an independent consultant for the purposes of this Prospectus

The information on natural gas, crude oil and other hydrocarbon reserves contained in this Prospectus is based on an annual review of reserves and resources compiled by QP as of 31 December 2020. Neither QP nor the Banks have engaged an independent consultant or any other person to conduct a review of Qatar's natural gas, crude oil or other reserves in connection with this offering. QP, as general practice, does not engage third parties for independent audit or certification of its reserves and resources, in its entirety of parts thereof. All reserve estimates presented herein are based on data maintained by QP, and are based on QP's proprietary "proven" and "confirmed" methodologies, which do not correspond with the methodologies allowed or endorsed by the SEC or the Society of Petroleum Engineers. Application of such other methodologies would yield materially different data regarding QP's hydrocarbon reserves. Accordingly, the reserves data presented herein is not comparable with, or benchmarkable to, reserves data presented by other NOCs and IOCs.

Reserves assessment is a process of estimating underground accumulations of crude oil and natural gas that cannot be measured in an exact manner. The accuracy of any reserve estimate depends on the quality and reliability of available data, engineering and geological interpretations and subjective judgment. Additionally, estimates may be revised based on subsequent results of drilling, testing and production. The proportion of reserves that can ultimately be produced, the rate of production and the costs of developing the fields are difficult to estimate and, therefore, the reserve estimates may differ materially from the ultimately recoverable quantities of natural gas, crude oil and other hydrocarbons.

QP could be subject to losses from risks related to insufficient insurance

The operations of QP are subject to hazards and risks inherent in, among other things, the handling, storage and disposal of hazardous materials, refining and petrochemicals operations and in transporting and storing crude oil and refined products. Such hazards and risks include fires, explosions, pipeline ruptures and spills, storage tank leaks, chemical spills, discharges or releases of hazardous substances or gases and other environmental risks, mechanical failure of equipment at QP's facilities, war, terrorism, sabotage and natural disasters. In addition, many of these operating and other risks may cause personal injury and loss of life, severe damage to or destruction of QP's properties and the properties of others and environmental pollution which may result in suspension of operations and the imposition of civil or criminal penalties.

QP does not insure against all risks and its insurance may not protect it against liability from all potential events. In addition, it does not maintain business interruption insurance for disruptions to its operations. Furthermore, there can be no assurance that QP can continue to renew its existing levels of coverage on commercially acceptable terms, or at all. As a result, it could incur significant losses from uninsured risks or risks for which its insurance does not cover the entire loss. Any such losses could have a material adverse effect on QP's business, financial position and results of operations.

QP is exposed to counterparty credit risk

QP is exposed to counterparty credit risk, including from financial institutions, hedging counterparties corporates, joint venture partners, suppliers and contractors (including EPC contractors) failing to perform contractual or financial obligations, risks of non-compliance with regulations, and risks of defaults on receivables. QP also relies on its joint venture partners in the operation of its international projects.

Such failures of counterparties to perform could be due to circumstances such as bankruptcy, financial constraints and/ or political restrictions. If any counterparty were unable to meet its commitments to QP under such contracts or arrangements, in whole or in part, and if there is no form of security in place, there is a risk that such failure could have a material impact on QP's profitability. Any such failure of a counterparty to a contract could materially and adversely affect QP's business, financial position and results of operations.

QP is dependent on senior management and key personnel

QP operates in a competitive environment, and its success depends upon its ability to identify, hire, develop, motivate and retain highly-qualified senior management and key personnel. QP's senior management and key personnel may voluntarily terminate their employment with QP or leave their positions due to reasons beyond QP's control. If QP experiences a large number of departures and retirements of its oil and gas experts in a relatively short period of time, attracting and retaining a sufficient number of replacement personnel may be challenging. If QP is unable to hire and retain senior management and key personnel with requisite skills and expertise, it could have a material adverse effect on QP's business, financial position and results of operations.

QP's operations are dependent on the reliability and security of its IT systems

In the ordinary course of QP's business, QP collects and stores sensitive data, including intellectual property, QP's proprietary business information and information regarding its suppliers and business partners, and personally identifiable information of employees, in a data centre and on QP's network. The secure processing, maintenance and transmission of this information is critical to QP's operations and business strategy. Despite QP's security measures, QP's information technology and infrastructure may be vulnerable to attacks by hackers or breaches due to employee error, malfeasance or other disruptions. Since the outbreak of COVID-19, QP has seen increased attacks of this nature. Any such attack or breach could compromise QP's network and the information stored therein could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure, loss or theft could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties for divulging shipper information, disruption of QP's operations, damage to QP's reputation and loss of confidence in QP's services, which could adversely affect QP's business.

QP's information technology infrastructure is critical to the efficient operation of its business and essential to QP's ability to perform day-to-day operations. Breaches in QP's information technology infrastructure or physical facilities, or other disruptions, could result in damage to QP's assets, safety incidents, damage to the environment, potential liability or the loss of contracts, and could materially and adversely affect QP's business, results of operation and financial condition.

Terrorist attacks may adversely impact QP's business

A terrorist attack on QP's infrastructure, including via cyber-terrorism, may result in temporary or permanent closure of existing facilities, which could increase QP's costs and decrease QP's cash flows, depending on the duration of the closure. In addition, the threat of terrorism may lead to volatility in prices for natural gas and oil that could adversely affect QP's business and joint ventures, including the ability of joint ventures to satisfy their obligations to QP under commercial agreements. Instability in the financial markets as a result of terrorism, including cyberterrorism, or war could also materially adversely affect QP's ability to raise capital for new projects. The continuation of these developments may subject QP's operations to increased risks, as well as increased costs, and, depending on their ultimate magnitude, could materially and adversely affect QP's business, results of operation and financial condition.

QP is subject to risks relating to its joint ventures, including commercial disagreements with its joint venture partners and an inability to control the decision-making processes of the joint ventures

Some of QP's current and future operations and investments are or will be in jointly controlled entities and associated companies (together referred to as "**joint ventures**"). Joint venture partners may (a) have economic or business interests or goals that are inconsistent with those of QP, (b) be unable or unwilling to fulfil their obligations under the relevant joint venture or other agreements or (c) experience financial, operational, reputational or other difficulties, any of which may materially adversely impact the success of the relevant investment. QP can give no assurance as to the performance of any of QP's joint venture partners. Differences in strategic objectives between QP and its joint venture partners could adversely impact the results of the performance of such investment, which in turn could affect QP's business, results of operation and financial condition.

QP is exposed to risks related to operations in several countries

As at 31 March 2021 approximately 1.2% of the total volume of QP's products on a consolidated basis were produced outside the State of Qatar. This percentage may increase over the next five to seven years due to expected production from Golden Pass Export Project and planned production from other international projects under development. The risks inherent to participating in joint ventures in a variety of developed and developing markets include:

- complying with, and managing changes to and developments in, a variety of laws and regulations, including price regulations and data privacy, changes in environmental regulations, forced divestment of assets, expropriation of property, cancellation or forced renegotiation of contract rights;

- complying with tax regimes in multiple jurisdictions, the imposition of new or increased withholding or other taxes or royalties on QP's income. Through the OECD Base Erosion and Profit Shifting ("**BEPS**") initiative, supported by the recent G7 Finance Ministers' announcement on global minimum tax rate and associated measures, the international tax environment is undergoing a fundamental change to make it fit for purpose for the modern global digital economy. In parallel, governments around the world are responding to the fiscal pressures from the COVID-19 pandemic, by increases taxes, primarily against corporations. QP faces the challenge of keeping updated on these dynamic tax changes and assessing the tax impact on its business. There remain risks that overseas taxes will be increased, to the detriment of QP's repatriated cash flow;

- the imposition of new, or changes to existing, transfer pricing regulations or the imposition of new restrictions on foreign trade, investment or travel;
- adverse changes in economic and trade sanctions, import or export controls and national security measures resulting in business disruptions, including delays or denials of import or export licences or blocked or rejected financial transactions;
- conducting business through a number of subsidiaries, joint operations and joint ventures and challenges implementing QP's policies and procedures in such entities; and
- fluctuations in foreign currency exchange rates.

QP's reliance on its international joint venture partners, who are frequently the operators of international projects in which QP has an economic interest, often requires significant management attention and resources. The occurrence of any of the highlighted risks may be burdensome and could have a material adverse effect on QP's business, financial position and results of operations.

QP's business, financial condition and results of operations may be negatively impacted if joint venture projects where it provides completion guarantees are delayed or cancelled

In connection with project financings where QP is one of the joint venture counterparties, it is often the case that debt associated with such project is subject to completion guarantees, which QP typically provides in proportion to its shareholding in the relevant project. As of the date of this Prospectus, QP has one completion guarantee outstanding in connection with the Barzan project. QP anticipates that further completion guarantees could be given in connection with new joint venture projects, including new petrochemical projects in the US and Qatar which have not yet achieved FID. If any joint venture project in which QP or any of its subsidiaries have provided a completion guarantee is delayed or cancelled with the result that the guarantee is called, this may negatively impact the financial condition and results of operations of QP.

QP may not realise some or all of the expected benefits of recent or future acquisitions

QP has engaged in and may continue to engage in acquisitions of businesses, interest in hydrocarbon fields, technologies, services, products and other assets from time to time. Any such acquisition entails various risks, including that QP may not be able to accurately assess the value, strengths and weaknesses of the acquisition or investment targets, effectively integrate the purchased businesses or assets, achieve the expected synergies or recover the purchase costs of the acquired businesses or assets. QP may also incur unanticipated costs or assume unexpected liabilities and losses in connection with any business or asset it acquires, including in relation to the retention of key employees, legal contingencies (such as contractual, financial, regulatory, environmental or other obligations and liabilities) and risks related to the acquired business, and the maintenance and integration of procedures, controls and quality standards. These difficulties could impact QP's ongoing business, distract its management and employees and increase its expenses, which could, in turn, have a material adverse effect on its business, financial position and results of operations.

QP has recently adopted IFRS financial reporting standards

Prior to 1 January 2019, QP prepared its annual consolidated financial statements in accordance with QP accounting principles and so its internal financial reporting system was not originally designed for the preparation of IFRS-based financial statements leading to potential inaccuracies in the production of financial statements under IFRS. With effect from 1 January 2019, QP has been preparing its annual consolidated financial statements in accordance with the IFRS reporting standards and intends to continue doing so in the future in line with its continuing obligations in accordance with the Listing Rules as an issuer with bonds listed on the Official List.

QP is taking steps to improve its internal control and reporting procedures in order to support its IFRS reporting obligations. Any failure in its attempts to improve its internal control and reporting procedures, or any failure of its existing systems, may impact QP's operations, including its ability to report its financial performance in an accurate and timely manner, and consequently may have a material adverse effect on QP's business, financial condition and results of operations.

QP's drilling, expansion or operations may be adversely affected by events beyond its control

Oil and gas drilling activities are subject to numerous risks, many of which are beyond our control. QP's operations may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of equipment and compliance with governmental requirements. Drilling may involve unprofitable efforts, not only with respect to dry wells, but also with respect to wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs.

Credit ratings may not reflect all risks

Any downgrade or negative change in outlook in QP's credit rating (whether solicited or unsolicited), or in the credit ratings of instruments issued, insured or guaranteed by QP or its subsidiaries, could negatively affect the price of the Bonds and could have a material adverse effect on QP's cost of borrowing and could limit its access to debt capital markets.

The credit ratings included or referred to in this Prospectus will be treated for the purposes of the UK CRA Regulation as having been issued by S&P, Fitch and Moody's. S&P, Fitch and Moody's are not established or registered in the UK under the UK CRA Regulation, but credit ratings issued by S&P have been endorsed by S&P Global Ratings UK Limited, credit ratings issued by Fitch have been endorsed by Fitch Ratings Ltd and credit ratings issued by Moody's have been endorsed by Moody's Investors Service Limited, each of which is an entity established in the United Kingdom and is registered under the UK CRA Regulation. Each of these agencies is included in the list of credit rating agencies published by the FCA on its website (https://www.fca.org.uk/markets/credit-rating-agencies/registered-certified-cras) in accordance with the UK CRA Regulation.

A credit rating is not a recommendation to buy, sell or hold the Bonds. Credit ratings are subject to revisions or withdrawal at any time by the assigning rating agency. QP cannot be certain that a credit rating will remain for any given period of time or that a credit rating will not be downgraded or withdrawn entirely by the relevant rating agency if, in its judgment, circumstances in the future so warrant. QP has no obligation to inform the Bondholders of any such revision, downgrade or withdrawal. A suspension, downgrade or withdrawal at any time of the credit rating assigned to QP may adversely affect the market price of the Bonds.

Legal and Regulatory Risks

QP is and has been subject to litigation, including employment and contractual litigation, and may be subject to additional litigation in the future

QP is currently not involved in any litigation that, in QP's view, may have a material effect on its financial position or profitability. However, QP anticipates that it will, in the future, be involved in litigation matters from time to time. QP cannot predict with certainty the outcome or effect of any claim or other litigation matter. Any future litigation may have an adverse effect on QP's business, results of operations and financial position, because of potential negative outcomes, the costs associated with prosecuting or defending such lawsuits, and the diversion of management's attention to these matters.

QP operates in a regulated industry and its business may be affected by regulatory changes or regulatory action

The oil and gas industry in the State of Qatar is a regulated industry. See "*Regulation of the Oil and Gas Industry in the State*" for a description of the regulations that apply to QP in the State of Qatar. Any change in the State of Qatar to the laws, regulations, policies, practices or permits to operate relating to the oil and gas industry, including if QP does not maintain the exclusive right to exploit hydrocarbons in the State of Qatar, could have a material adverse effect on QP's business, financial position and results of operations.

QP's operations are subject to stringent regulation in all the jurisdictions in which it operates and changes in law and regulation may adversely affect QP

QP's operations are subject to stringent regulation in the jurisdictions in which it operates. The laws and regulations affecting QP's business and investments include, among others, laws and regulations relating to: protection of the environment; quality, health and safety; regulation and economic conditions; and taxation. QP and its customers, contractors and joint venture partners are required to invest financial and managerial resources to comply with these laws and regulations. QP cannot predict the future costs of complying with these laws and regulations, and any new laws or regulations could materially increase QP's expenditures in the future. Existing laws or regulations or adoption of new laws imposing more stringent exploration or production activities by oil and gas companies could adversely affect QP by increasing its operating costs and costs of doing business.

QP is also subject to regulation in the markets where it sells its products and, in this context, is subject to regulatory oversight in those markets. For example, in 2018 the European Commission opened an investigation into QP's LNG supply arrangements into the European Economic Area in the context of EU competition rules, which investigation is continuing. QP is actively engaging with the relevant authorities within the European Commission to support the investigation and is working jointly with its relevant partners to provide all the information required. To date, no formal allegations have been put forward.

Notwithstanding the above, there can be no assurance that the European Commission or other applicable regulatory authorities will not seek to open other investigations into QP's supply arrangements, or allege that such supply arrangements do not comply with applicable competition or other laws or regulations. Should any such allegations be made, and be upheld, QP could be exposed to the imposition of substantial civil or criminal penalties or the requirement that it change its terms of doing business in the affected market(s), any or all of which could have a material adverse effect on QP's business and financial position.

QP is subject to a wide range of laws designed to prevent corruption, money laundering and related activities

Given its breadth of operations, QP is subject to a wide range of laws in various jurisdictions designed to prevent criminal actions such as bribery, corruption, money laundering and unfair competition. Failure to comply with any of such legislations could involve criminal sanctions, material fines and significant reputational damage.

QP regularly reviews and updates its policies and procedures and internal controls designed to provide reasonable assurance that QP, its employees and business partners and other intermediaries comply with the laws to which it is subject. However, such policies and procedures and internal controls are not always effective against this risk. Such policies and procedures and internal controls may not work effectively at all times or protect QP against liability under these or other laws for actions taken by its employees, business partners and other intermediaries with respect to its business.

QP believes that its commercial relationships have not violated, and do not violate, any applicable Sanctions. However, there can be no assurance that QP's corporate governance and compliance policies and procedures (including with respect to compliance with international sanctions and trade restrictions) will protect it from unauthorised improper conduct of its employees or business partners or other intermediaries, which conduct could result in substantial civil or criminal penalties, imposition of sanctions or other material adverse effects on its business and financial position.

Compliance with or any breach of environmental legislation may significantly increase QP's operating costs

QP's business and operations are subject to regulations controlling the discharge of materials into the environment, requiring removal and clean-up of materials that may harm the environment or otherwise relating to the protection of the environment. As an operator and/or joint venture partner, QP may be liable (under applicable laws and regulations or contractually) for damages and costs incurred in connection with spills of oil and other chemicals and substances, and emissions discharges related to its business and operations, and QP may also be subject to significant fines in connection with such spills and discharges.

Laws and regulations protecting the environment have become more stringent in recent years, and may in some cases impose strict liability, rendering a person liable for environmental damage without regard to negligence. These laws and regulations may expose QP to liability for the conduct of or conditions caused by others, or for acts that were in compliance with all applicable laws at the time they were performed. The application of these requirements or the adoption of new requirements could have a material adverse effect on QP's business, financial position and results of operations. QP may be able to obtain some degree of contractual indemnification pursuant to which its co-venture operators and contractors agree to protect, hold harmless and indemnify against liability for pollution, well and environmental damage; however, there is no assurance that QP can obtain such indemnities in all of its contracts or that, in the event of extensive pollution and environmental damage, its joint venture partners operators and contractors would have the financial capability or the willingness to fulfil their contractual obligations. Also, these indemnities may be held to be unenforceable as a result of public policy or for other reasons.

The Qatari tax system continues to develop and this may pose some risks to QP's cash flow

In recent years, the State of Qatar has undertaken several transformative measures changing the domestic tax environment, including:

- Joining the OECD Inclusive Framework on BEPS and implementing minimum BEPS standards into Qatar tax legislation.
- The establishment of separate General Tax Authority ("**GTA**") under the supervision of the Ministry of Finance acting on behalf of the Government of the State of Qatar (the "**Ministry of Finance**").
- Introduction of a new Income Tax Law (Law No. 24 of 2018) (the "**Income Tax Law**"), effective 13 December 2018, expanding the scope of income tax, withholding tax, and introducing transfer pricing regulations.
- Implementation of an electronic tax portal (Dhareeba) by the GTA for submission of tax returns, payments, and communications.

Furthermore, currently the State of Qatar imposes no Value Added Tax ("**VAT**") however, the introduction of VAT under a common VAT Gulf Cooperation Council ("**GCC**") Framework Agreement is expected, with an anticipated tax rate of 5%. Depending on the law announced, the introduction of VAT may result in additional working capital requirements for the Oil and Gas Industry especially for the mid-stream and down-stream businesses.

In this evolving tax landscape, the GTA has been progressing and evolving at a rapid pace. With the increased experience and knowledge, GTA has placed itself in a position where it can strictly enforce the new tax law and has been taking practical measures for its implementation. The tax evolution places increased responsibility on QP's Qatar joint ventures for proper tax management, including adherence to expanded tax compliance obligations and seeking to close out open tax years with the GTA. QP believes that it has complied and continues to comply with applicable tax laws, but the possibility of some adverse future findings, resulting in additional retrospective or ongoing payments, cannot be ruled out.

The Qatari legal system continues to develop and this may create an uncertain environment for investment and business activity

The State of Qatar is in the process of developing its legal and regulatory institutions. As a result, procedural safeguards as well as formal regulations and laws may not be applied consistently. In some circumstances, it may not be possible to obtain the legal remedies provided under Qatari laws and regulations in a timely manner. As the legal environment remains subject to continuous development, international investors seeking to exercise legal or other remedies in the State of Qatar may face uncertainty. Any unexpected or unanticipated changes in the legal systems in the State of Qatar may have a material adverse effect on the rights of Bondholders against QP.

Future attitudes of Qatari courts regarding interest cannot be predicted

Although, under the laws of the State of Qatar, contractual provisions for the charging and payment of interest are permissible in banking transactions only and have been routinely enforced under Qatari law, a court applying Qatari law may not enforce such a provision either to pay interest or to the extent that, on a given date, accrued but unpaid interest exceeded outstanding principal. The future attitude of Qatari courts and Qatari law regarding the payment of interest cannot be predicted.

There is no principle of binding precedent in the Qatari courts

There is no doctrine of binding precedent in the Qatari courts; decisions of the Qatari courts are not routinely published and there is no comprehensive up-to-date reporting of court decisions. As a result, any experience with and knowledge of prior rulings of the Qatari courts may not be a reliable basis from which to predict decisions that Qatari courts may adopt in the future. The outcome of any legal dispute remains uncertain.

Risks Related to the State of Qatar

Investing in securities involving issuers based in emerging markets, such as the State of Qatar, generally involves a higher degree of risk

The majority of QP's operations are based in the State of Qatar. Investing in securities involving emerging markets, such as the State of Qatar, generally involves a higher degree of risk than investments in securities of issuers from more developed countries. Investors should also note that emerging markets such as the State of Qatar, where QP has the majority of its operations are subject to rapid change and that the information set forth in this Prospectus may become outdated relatively quickly. Moreover, financial turmoil in any one emerging market country tends to demonstrate a contagion effect, in which an entire region or class of investment is disfavoured by international investors. Therefore, the State of Qatar could be adversely affected by negative economic or financial developments in other emerging market countries, which could have an adverse impact on the trading price of any securities issued by companies based in the State of Qatar, including QP. As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in the State of Qatar and adversely affect its economy, which could have an adverse impact on the trading price of any securities issued by companies based in the State of Qatar, including QP. Other higher risks relating to investing in debt securities where the Issuer is based in an emerging markets country such as the State of Qatar include, but are not limited to governmental intervention, including expropriation or nationalisation of assets or increased levels of protectionism; increased governmental regulations, or adverse governmental activities, with respect to price, import and export controls, the environment, customs and immigration, capital transfers, foreign exchange and currency controls, labour policies and land and water use and foreign ownership; arbitrary, inconsistent or unlawful government action; changing tax regimes, including the imposition or increase of taxes; and difficulties and delays in obtaining governmental and other approvals for operations or renewing existing ones. There can be no assurance that the market for securities bearing emerging market risk, such as the Bonds, will not be affected negatively by events elsewhere, especially in emerging markets.

The majority of QP's production is located in the State of Qatar in a region that is subject to ongoing geopolitical, political and security concerns, and the State of Qatar had been until recently subject to a blockade by three GCC countries and Egypt

Although Qatar has historically enjoyed domestic political stability and good international relations, the State of Qatar is located in a region that is strategically important and parts of this region are experiencing or have, at times, experienced political instability, geopolitical and diplomatic tensions, domestic turmoil and violence, and armed conflict. For example, there have been significant political changes in Tunisia and Egypt, armed conflicts in Iraq, Libya and Syria, an ongoing civil war in Yemen, as well as the multinational conflict with the Islamic State, and protests and related activities in a number of other countries in the region. These recent and ongoing developments, along with terrorist acts, acts of maritime piracy and other forms of instability in the region, that may or may not directly involve the State of Qatar, could have a material adverse effect on the State of Qatar's economy, including an effect on QP's ability to engage in international trade and destabilising effects on the domestic oil and gas market.

Relations between the State of Qatar and certain of its neighbours in the Middle East and North Africa region had in recent years become more strained. On 5 June 2017, Bahrain, Egypt, Saudi Arabia and the United Arab Emirates (the "**Quartet**") took steps to cut trade, transport and diplomatic ties with the State of Qatar (the "**Quartet Blockade**"). The measures adopted included a sudden and unprecedented closure of sea and air routes with the State of Qatar and a closure of the land border between the State of Qatar and Saudi Arabia (the State of Qatar's only land border), which created logistical challenges for the State of Qatar but this did not impact on QP's production operations or ability to export to any material extent. In January 2021, Saudi Arabia, the United Arab Emirates, Bahrain and Egypt reached an agreement with the State of Qatar to resolve the dispute between the countries, end the Quartet Blockade and restore ties between such countries. However, it remains uncertain at this stage how the restoration of such ties will impact the political and economic environments in the State of Qatar, the region or emerging markets generally.

Additionally, QP is dependent on expatriate workforce of highly skilled professionals in several industry sectors. Should regional instability increase or foreign militants commence operations in the State of Qatar, this could materially decrease the availability of expatriate labour with appropriate skills.

Risks Related to Enforcement

Qatari law relating to the enforcement of arbitral awards and foreign judgments is relatively untested and investors in the Bonds may be unable to recover in civil proceedings for any English law violations.

The Bonds, the Fiscal Agency Agreement and the other documents relating to the issue of the Bonds provide that any dispute, controversy or claim with or against the Issuer which arises out of or relates to the Bonds, the Fiscal Agency Agreement or such other document shall be referred to and be finally resolved by arbitration in accordance with the Arbitration Rules of The London Court of International Arbitration with the seat of arbitration in London, England. Qatari law relating to the enforcement of arbitral awards and foreign judgments is relatively untested.

Pursuant to Decree No. (29) of 2003, the State of Qatar joined the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958. Accordingly, whenever this convention applies to a foreign arbitral award, that award should be recognised and enforced in compliance with the requirements of this convention.

The United Kingdom and the State of Qatar do not have any treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. As a matter of Qatari law, Qatari courts will enforce a judgment or arbitral award upon the same conditions as would be determined in the foreign jurisdiction for the enforcements of Qatari judgments and arbitral awards as long as (a) the subject matter was not reserved for the exclusive jurisdiction of the Qatari courts and the foreign judgment or arbitral award has been handed down by a court of competent jurisdiction or a duly constituted arbitral panel, (b) the parties to the proceedings in which the judgment or award was rendered were properly served and represented, (c) the judgment or award is *res judicata* pursuant to the law of the court which rendered the judgment or the arbitration panel which rendered the award, and

(d) the foreign judgment or arbitral award does not contradict a decision or order rendered by a court in the State of Qatar or violates the public policy or morals of Qatar.

Articles No. 34 and 35 of the Law No. 2 of 2017 promulgating the Civil and Commercial Arbitration Law deal with the enforcement of arbitral awards in Qatari courts. Articles 34 and 35 provide, inter alia, that arbitral awards shall have the status of “res judicata” and shall be enforceable regardless of the country in which the award was issued. Recognition or enforcement of any arbitral award may not be refused, irrespective of the country where the award was rendered, except (1) where a party to the arbitration, at the time of the conclusion of the arbitration agreement, was incompetent or under some incapacity, (2) if the party against whom enforcement is sought was not notified of the proceedings or was unable to present its defence for reasons beyond its control, (3) if the award has decided matters that fall outside the scope of, or in excess of, the arbitration agreement, (4) if the composition of the arbitral tribunal, appointment of arbitrators or the arbitral proceedings was in contradiction of the law or the arbitration agreement or (5) if the award is no longer binding or has been set aside, or enforcement of the award has been stayed by a court of the country in which the award was issued.

Notwithstanding the above, there can be no assurance that arbitration in connection with the Bonds, the Fiscal Agency Agreement or the other documents relating to the issue of the Bonds would protect the interests of the Bondholders to the same extent as would the United Kingdom or Qatari courts in original proceedings.

In addition, the Issuer is a state-owned public corporation and a substantial portion of the assets of the Issuer are located outside England and Wales. As a result, it may not be possible for Bondholders to effect service of process within England and Wales upon the Issuer or to enforce English court judgments or arbitral awards against the Issuer or to enforce in Qatari courts judgments obtained in the English courts or any arbitral awards. It may not be possible to enforce, in original actions in Qatari courts, liabilities predicated solely on English law. These factors create greater judicial uncertainty than would be expected in certain other jurisdictions.

The Issuer shall, in the Conditions, irrevocably and unconditionally agree that, should any person bring legal proceedings against the Issuer or its assets in connection with any series of the Bonds, no immunity (sovereign or otherwise) from such legal proceedings (which shall be deemed to include, without limitation, suit, attachment prior to judgment, other attachment, levy, the obtaining of judgment, execution or other enforcement) shall be claimed by or on behalf of the Issuer or with respect to any of its assets. In addition, to the extent that the Issuer or any of its assets shall be entitled in any jurisdiction to any immunity from set off, banker's lien or any similar right or remedy, and to the extent that there shall be attributed, in any jurisdiction, such an immunity, the Issuer shall, in the Conditions, irrevocably agree not to claim and irrevocably waive such immunity to the fullest extent permitted by the laws of such jurisdiction with respect to any claim, suit, action, proceeding, right or remedy arising out of or in connection with any series of the Bonds. The waiver of sovereign immunity has never been tested before a Qatari court or any other authority in the State of Qatar.

In addition, the enforcement of the terms of the Bonds may be affected by (i) Article No. 402 of Qatari Law No. 22 of 2004 (the “**Civil Law**”), which provides that if a debtor establishes that settlement of an obligation has become impossible due to an extraneous cause that is beyond the debtor’s control and to which the debtor did not contribute, the obligation will be extinguished; (ii) Article No. 188 of the Civil Law, which provides that in bilateral contracts, if the performance of a party’s obligation has become impossible because of an extraneous cause in which the party played no part, this obligation and reciprocal obligations will be extinguished and the contract is *ipso facto* rescinded; (iii) Article No. 171 of the Civil Law, which provides that should any exceptional event occur which could not be foreseen, and as a consequence of which the performance of a contractual obligation, though not impossible, has become a heavy burden to the debtor threatening the debtor with excessive loss, a Qatari court may, according to the circumstances, and after considering the relative interests of the parties, reduce the onerous obligation to a reasonable extent; (iv) Article No. 204 of the Civil Law, which provides that where a person proves that damages have arisen from a cause beyond his control, such as force majeure, unforeseen event or the fault of the victim or a third party, such person shall not be liable for such damages, unless there is a provision to the contrary; (v) Article No. 256 of the Civil Law, which provides that a debtor will not be liable to compensate the creditor for any damages suffered by the creditor if the debtor proves that the non-performance or delay arose from a foreign cause beyond his control; and (vi) Article No. 375 gives the Qatari courts discretion to grant a grace period for repayment of debts.

Bondholders are subject to risks related to a possible change in law

The Bonds are governed by English law and administrative practices in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change to English law or administrative practices after the date of this Prospectus, nor can any assurance be given as to whether any such change could adversely affect the ability of the Issuer to make payments under the Bonds. No assurance can be given as to the impact of any possible judicial decision or changes in English law or administrative practice after the date of this Prospectus.

Risks Relating to the Bonds

The Bonds may not be suitable as an investment for all prospective investors in the Bonds

Each prospective investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- understand thoroughly the terms of the Bonds; and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A prospective investor should not invest in the Bonds unless it has the expertise (either alone or with the help of a financial advisor) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the prospective investor's overall investment portfolio.

The minimum denomination of the Bonds may, in certain circumstances, make the Bonds difficult to trade

The Bonds will be issued in denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. Accordingly, the Bonds may be traded in amounts in excess of U.S.$200,000 that are not integral multiples of U.S.$200,000. In such a case, a holder who, as a result of trading such amounts, holds a principal amount of less than U.S.$200,000 in their account with the relevant clearing system at the relevant time may not receive a definitive Bond in respect of such holding (should definitive Bonds be printed) and would need to purchase a principal amount of Bonds such that its holding amounts to at least U.S.$200,000 in order to receive a definitive Bond. If definitive Bonds are issued, holders should be aware that definitive Bonds that have a denomination that is not an integral multiple of U.S.$200,000 may be illiquid and difficult to trade.

The terms of the Bonds may be modified or waived without the consent of all the Bondholders

The Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally and for the passing of written resolutions of Bondholders without the need for a meeting. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting or sign the relevant written resolution and Bondholders who voted in a manner contrary to the majority.

The Conditions of the Bonds also contain a provision permitting the parties to the Fiscal Agency Agreement to agree, without the consent of the Bondholders, to any modification of any provision of the Fiscal Agency Agreement or the Bonds which is of a formal, minor or technical nature or is made to correct a manifest error. Any such modification in relation to the Bonds may adversely affect their trading price.

The Bonds are unsecured obligations of the Issuer, and there is no limitation on the Issuer's ability to issue guarantees, pari passu securities or to incur additional indebtedness in the future

The Bondholders will not have the benefit of security and as a result will not have a claim to those assets that rank senior to the claims of other creditors of the Issuer. The Issuer has in the past issued guarantees and securities, and incurred indebtedness, and intends to continue to do so from time to time in the future. In addition, there is no restriction on the amount of guarantees or securities which the Issuer may issue and rank *pari passu* with the Bonds. The issue of any such guarantees, securities and the incurrence of any such additional indebtedness may reduce the amount recoverable by the Bondholders in certain scenarios.

There is no established market for the Bonds

The Bonds are new securities for which there is currently no market. There can be no assurance that an active market for the Bonds will develop, or if it does develop, that it will continue. Moreover, if a market for the Bonds does develop, the Bonds may trade at prices that may be higher or lower than the initial offering price thereof, depending upon a number of factors, including prevailing interest rates, events in the State of Qatar or elsewhere in the Middle East and the market for similar securities. If a market for the Bonds does not develop or continue, purchasers may be unable to resell the Bonds for an extended period of time, if at all. Consequently, an investor in the Bonds may not be able to liquidate its investment readily, and the Bonds may not be readily accepted as collateral for loans.

No assurances can be given as to whether the 2051 Bonds will be, or will remain, listed on the TPEx. If the 2051 Bonds fail to or cease to be listed on the TPEx, certain investors may not invest in, or continue to hold or invest in, the 2051 Bonds.

The market price of the Bonds may be volatile

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts, as well as other factors. In addition, the market price of the Bonds could be affected by the issuance of additional indebtedness of the Issuer.

Furthermore, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could have a material adverse effect on the market price of the Bonds without regard to the Issuer's business, prospects, financial position, cash flows or results of operations. Factors, including increased competition, fluctuations in commodity prices or the Issuer's operating results, the regulatory environment, availability of reserves, general market conditions, natural disasters, pandemics, terrorist attacks and war, could have a material adverse effect on the market price of the Bonds.

The Bonds are held through DTC, Euroclear and Clearstream, Luxembourg and Bondholders must rely on procedures of those clearing systems to effect transfers of Bonds, receive payments in respect of Bonds and vote at meetings of Bondholders

The Bonds will be represented on issue by one or more Global Bonds that will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or with a nominee for DTC (see "*The Global Bonds*" and "*Clearing and Settlement*"). Except in the circumstances described in each Global Bond, investors will not be entitled to receive Bonds in definitive form. Each of DTC, Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Bond held through it.

While the Bonds are represented by a Global Bond, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants. While the Bonds are represented by Global Bonds, the Issuer will discharge its payment obligations under the Bonds by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Bond must rely on the procedures of the relevant clearing system and its participants to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Bond.

Holders of beneficial interests in a Global Bond will not have a direct right to vote in respect of the Bonds so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Changes in market interest rates may adversely affect the value of the Bonds

The Bonds bear a fixed rate of interest. Investors of fixed rate debt securities are exposed to the risk that changes in market interest rates may adversely affect the value of the debt securities. For example, if interest rates subsequently increase above the rate paid on any series of Bonds, this may adversely affect the value of such series of Bonds.

Transfer of the Bonds will be restricted

QP has not registered the offer of the Bonds under the U.S. Securities Act or any other securities laws. Bondholders may not offer or sell the Bonds, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and other applicable securities laws.

USE OF PROCEEDS

The net proceeds from the issue of the Bonds will be used by QP for operational and investment purposes, including in connection with the North Field Expansion and other capital expenditure.

CAPITALISATION

The table below sets forth QP's cash and cash equivalents and capitalisation as at 31 March 2021. Prospective investors should read this table in conjunction with "*Selected Consolidated Financial Information*", "*Management's Discussion and Analysis of Financial Position and Results of Operations*" and the Financial Statements. There has been no material change in the consolidated capitalisation of QP since 31 March 2021.

	As at 31 March 2021	
	QR	**U.S.$**
	(*in millions*)	
Cash and cash equivalents	**33,974.9**	**9,333.8**
Current liabilities	**24,901.9**	**6,841.2**
Non-current liabilities	**18,345.9**	**5,040.1**
Equity		
Capital	100,000.0	27,472.5
General Reserve	175,500.0	48,214.3
Other Reserves	(245.6)	(67.5)
Retained earnings	92,549.6	25,425.7
Equity Attributable to owner of the Corporation	**367,804.0**	**101,045.1**
Non-controlling interests	31,256.3	8,586.9
Total equity	**399,060.3**	**109,632.0**
Total capitalisation	**442,308.1**	**121,513.2**

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The financial information of QP set forth below, as at and for the years ended 31 December 2018, 2019 and 2020 and for the three months ended 31 March 2020 and 31 March 2021 has been derived from, and should be read in conjunction with, the Financial Statements contained elsewhere in this Prospectus.

Prospective investors should read the selected financial information in conjunction with the information presented under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Position and Results of Operations" and the Financial Statements and other financial data included elsewhere in this Prospectus.

Consolidated Statement of Profit or Loss Data

	Year Ended 31 December				Three Months Ended 31 March		
	2018	**2019**	**2020**	**2020**	**2020**	**2021**	**2021**
		(*QR millions*)		(*U.S.$ millions*)	(*QR millions*)		(*U.S.$ millions*)
Income							
Revenue	118,507.4	108,331.6	76,442.5	21,000.7	21,902.6	23,023.7	6,325.2
Other income	6,587.7	6,063.1	8,122.0	2,231.3	2,640.6	1,242.2	341.3
	125,095.1	**114,394.7**	**84,564.5**	**23,232.0**	**24,543.2**	**24,265.9**	**6,666.5**
Expenses							
Operating, selling and administrative expenses	(64,474.6)	(58,611.6)	(44,279.0)	(12,164.6)	(14,385.9)	(11,068.7)	(3,040.9)
Depreciation and amortisation	(9,114.8)	(9,390.5)	(10,750.0)	(2,953.3)	(2,634.7)	(2,668.6)	(733.1)
(Provision for) / reversal of expected credit losses on financial assets, net	(48.4)	(1,413.6)	(682.9)	(187.6)	5.3	0.4	0.1
	(73,637.7)	**(69,415.7)**	**(55,711.8)**	**(15,305.4)**	**(17,015.3)**	**(13,736.9)**	**(3,773.9)**
Net operating income	**51,457.4**	**44,979.0**	**28,852.7**	**7,926.6**	**7,527.9**	**10,529.0**	**2,892.6**
Share of profit of joint ventures	48,934.6	40,161.5	19,448.2	5,342.9	7,578.4	10,186.7	2,798.5
Share of profit of associates	1,050.8	473.3	311.1	85.5	74.5	115.2	31.6
Dividend and interest income	1,514.0	1,914.9	1,161.1	319.0	598.9	254.3	69.9
Finance charges	(553.7)	(533.8)	(506.0)	(139.0)	(144.3)	(110.9)	(30.5)
Profit before tax	**102,403.1**	**86,994.9**	**49,267.1**	**13,534.9**	**15,635.4**	**20,974.4**	**5,762.2**
Taxes	(15,890.1)	(14,239.7)	(8,053.9)	(2,212.6)	(2,330.0)	(2,873.0)	(789.3)
Profit for the year/ period from continuing operations	**86,513.0**	**72,755.2**	**41,213.2**	**11,322.3**	**13,305.4**	**18,101.4**	**4,972.9**
(Loss)/Profit from discontinued operations	17.1	12.2	(1.2)	(0.3)	1.0	-	-
Profit for the year/period	**86,530.1**	**72,767.4**	**41,212.0**	**11,322.0**	**13,306.4**	**18,101.4**	**4,972.9**
Attributable to:							
Owner of the Corporation	81,739.2	69,691.4	39,721.2	10,912.4	12,961.3	16,987.0	4,666.8
Non-controlling interests	4,790.9	3,076.0	1,490.8	409.6	345.1	1,114.4	306.2

Selected Consolidated Balance Sheet Data

	As at 31 December				As at 31 March	
	2018	**2019**	**2020**	**2020**	**2021**	**2021**
		(*QR millions*)		(*U.S.$ millions*)	(*QR millions*)	(*U.S.$ millions*)
Cash and cash equivalents	39,085.6	59,169.0	32,489.1	8,925.6	33,974.9	9,333.8
Investments in joint ventures	91,844.4	101,316.3	96,071.6	26,393.3	98,678.6	27,109.5
Property, plant and equipment	179,617.5	186,755.9	201,685.8	55,408.2	203,365.9	55,869.8
Total assets	462,154.2	455,897.1	422,281.4	116,011.4	442,308.1	121,513.2
Total equity	413,591.6	409,536.6	382,576.1	105,103.3	399,060.3	109,632.0
Total liabilities	48,562.6	46,360.5	39,705.3	10,908.0	43,247.7	11,881.2

Selected Consolidated Statement of Cash Flows Data

	Year Ended 31 December				Three Months Ended 31 March		
	2018	**2019**	**2020**	**2020**	**2020**	**2021**	**2021**
		(*QR millions*)		(*U.S.$ millions*)	(*QR millions*)		(*U.S.$ millions*)
Net cash from / (used in):							
Operating activities	43,794.6	85,236.2	47,575.8	13,070.3	(1,828.6)	3,781.9	1,038.9
Investing activities	25,321.5	12,479.8	(3,126.2)	(858.8)	4,739.4	(1,147.8)	(315.3)
Financing activities	(59,986.8)	(77,039.7)	(69,007.5)	(18,958.1)	(1,489.3)	(1,762.8)	(484.3)

ALTERNATIVE PERFORMANCE MEASURES

Prospective investors should read the below information in conjunction with the information presented under the headings "Risk Factors", "Selected Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Position and Results of Operations" and the Financial Statements and other financial data included elsewhere in this Prospectus.

QP supplements its use of IFRS financial measures with non-IFRS financial measures, including the APMs discussed below. These non-IFRS financial measures do not have a standardised definition and other companies may calculate them differently. Therefore, QP's non-IFRS financial measures may not be comparable to similarly titled measures presented by other companies and should not be relied upon to the exclusion of IFRS financial measures. QP believes that the historical non-IFRS financial measures are useful as an additional tool to help management and investors make informed decisions about QP's financial position and operating performance or liquidity.

Recent events related to the COVID-19 pandemic have had an impact on QP's results of operations and financial position and QP cannot predict the effects of the COVID-19 pandemic going forward. See "*Risk Factors— Risks Related to Macro-Economic Environment and External Factors— The COVID-19 pandemic has caused significant disruption to economies and businesses around the world, including those countries in which QP operates and the outbreak of other global transmissible variations and other communicable diseases around the world may cause further disruption*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations— Factors Affecting QP's Financial Position and Results of Operations—Supply, Demand and Price for Hydrocarbons*".

For a discussion of the method of calculation of the APMs discussed below, please see "*Presentation of Financial, Reserves and Other Information—Alternative Performance Measures*."

EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA are financial performance measures used by management as a proxy to QP's cash operating profitability. The following table sets forth QP's EBITDA and Adjusted EBITDA for the years ended 31 December 2018, 2019 and 2020, the three months ended 31 March 2020 and the three months ended 31 March 2021:

	Year Ended 31 December				Three Months Ended 31 March		
	2018	**2019**	**2020**	**2020**	**2020**	**2021**	**2021**
	QR	**QR**	**QR**	**U.S.$**	**QR**	**QR**	**U.S.$**
				(*in millions*)			
Profit for the Year / Period	**86,530.1**	**72,767.4**	**41,212.0**	**11,322.0**	**13,306.4**	**18,101.4**	**4,972.9**
Adding back							
Taxes	15,890.1	14,239.7	8,053.9	2,212.6	2,330.1	2,873.1	789.3
Finance Charges	553.7	533.8	506.0	139.0	144.3	110.9	30.5
Depreciation and amortisation	9,114.8	9,390.5	10,750.0	2,953.3	2,634.7	2,668.6	733.1
EBITDA	**122,088.7**	**96,931.4**	**60,521.9**	**16,626.9**	**18,415.5**	**23,754.0**	**6,525.8**
Plus							
Net impairment losses and write-off of property, plant and equipment	80.0	2,121.0	4,768.5	1,310.0	1,265.7	1.0	0.3
Less							
Dividend and Interest Income	(1514.0)	(1,914.9)	(1,161.1)	(319.0)	(598.9)	(254.3)	(69.9)
Profit/(Loss) from discontinued operations	(17.1)	(12.2)	1.2	0.3	(1.0)	-	-
Adjusted EBITDA	**110,637.7**	**97,125.3**	**64,130.5**	**17,618.2**	**19,081.3**	**23,500.7**	**6,456.2**

Free Cash Flow and Capital Efficiency

Management uses Free Cash Flow to evaluate QP's cash available for financing activities, including dividend payments. Capital Efficiency is a key financial measure that is used by management to assess QP's ability to fund its capital expenditure from its operating cash flow. The following table sets forth QP's Free Cash Flow and Capital Efficiency for the years ended 31 December 2018, 2019 and 2020, the three months ended 31 March 2020, the three months ended 31 March 2021, and the twelve months ended 31 March 2021:

	Year Ended 31 December				**Three Months Ended 31 March**			**Twelve Months Ended 31 March**	
	2018	**2019**	**2020**	**2020**	**2020**	**2021**	**2021**	**2021**	**2021**
	QR	**QR**	**QR**	**U.S.$**	**QR**	**QR**	**U.S.$**	**QR**	**U.S.$**
	(in millions, except percentages)								
Net cash from / (used in) operating activities	43,794.6	85,236.2	47,575.8	13,070.3	(1,828.6)	3,781.9	1,038.9	53,186.3	14,611.6
Capital expenditures.....	(15,173.1)	(15,807.0)	(12,995.1)	(3,570.1)	(3,289.1)	(3,878.3)	(1,065.5)	(13,584.3)	(3,732.0)
Free Cash Flow	**28,621.5**	**69,429.2**	**34,580.7**	**9,500.2**	**(5,117.7)**	**(96.4)**	**(26.6)**	**39,602.0**	**10,879.6**
Capital Efficiency *(%)* .	**34.6**	**18.5**	**27.3**	**27.3**	**n.m**	**102.5**	**102.5**	**25.5**	**25.5**

ROACE

ROACE measures the efficiency of QP's utilisation of capital. ROACE is a key performance measure that is used by management to assess QP's efficiency in generating operating profit by employing available capital. The following table sets forth QP's ROACE for the years ended 31 December 2018, 2019 and 2020 and the three months ended 31 March 2021:

	Year Ended 31 December				**Three Months Ended 31 March**	
	2018	**2019**	**2020**	**2020**	**2021**	**2021**
	QR	**QR**	**QR**	**U.S.$**	**QR**	**U.S.$**
	(in millions, except percentages)					
Profit before tax	102,403.1	86,995.0	49,267.1	13,534.9	20,974.4	5,762.2
Finance charges	553.7	533.8	506.0	139.0	110.9	30.5
Net profit before finance charges and income taxes (EBIT)	**102,956.8**	**87,528.8**	**49,773.1**	**13,673.9**	**21,085.3**	**5,792.7**
As at period start:						
Total Assets	428,951.8	462,154.3	455,897.1	125,246.5	422,281.4	116,011.4
Current Liabilities...	(25,858.2)	(32,556.4)	(29,817.4)	(8,191.6)	(21,192.5)	(5,822.1)
Capital employed	**403,093.6**	**429,597.9**	**426,079.7**	**117,054.9**	**401,088.9**	**110,189.3**
As at period end:						
Total Assets	462,154.3	455,897.1	422,281.4	116,011.4	442,308.1	121,513.2
Current Liabilities...	(32,556.4)	(29,817.4)	(21,192.5)	(5,822.1)	(24,901.9)	(6,841.2)
Capital employed	**429,597.9**	**426,079.7**	**401,088.9**	**110,189.3**	**417,406.2**	**114,672.0**
Average capital employed...	**416,345.7**	**427,838.8**	**413,584.3**	**113,622.1**	**409,247.6**	**112,430.7**
ROACE *(%)*...	**24.7**	**20.5**	**12.0**	**12.0**	**20.6[(1)]**	**20.6[(1)]**

Notes:

(1) Calculated and presented on an annualised basis by extrapolating the EBIT value for the full 2021 financial year based on the data recorded for the three months ended 31 March 2021.

Net Debt and Gearing

QP believes Net Debt is a useful liquidity metric for monitoring the level of indebtedness. QP believes Gearing provides useful information regarding its amount of leverage and helps monitor its financial stability. The following table sets forth QP's Net Debt and Gearing ratio for the years ended 31 December 2018, 2019 and 2020 and the three months ended 31 March 2021:

	Year Ended 31 December				Three Months Ended 31 March	
	2018	2019	2020	2020	2021	2021
	QR	QR	QR	U.S.$	QR	U.S.$
Loans and Bonds	7,853.4	7,589.1	7,548.3	2,073.7	7,256.0	1,993.4
Lease Liabilities	2,804.9	2,781.3	2,986.6	820.5	2,924.2	803.3
Total Borrowing	**10,658.3**	**10,370.4**	**10,534.9**	**2,894.2**	**10,180.2**	**2,796.7**
Cash and Cash Equivalents	39,085.6	59,169.0	32,489.1	8,925.6	33,974.9	9,333.8
Net Debt/(Cash)	**(28,427.3)**	**(48,798.6)**	**(21,954.2)**	**(6,031.4)**	**(23,794.7)**	**(6,537.1)**
Equity	413,591.6	409,536.6	382,576.1	105,103.3	399,060.3	109,632.0
Net Debt/(Cash) and Equity	**385,164.3**	**360,738.0**	**360,621.9**	**99,071.9**	**375,265.6**	**103,094.9**
Gearing *(%)*	**(7.4)**	**(13.5)**	**(6.1)**	**(6.1)**	**(6.3)**	**(6.3)**

Net Leverage

Net Leverage ratio is a key financial measure that is used by management to assess the borrowing capacity of QP. The following table sets forth QP's Net Leverage ratio for the years ended 31 December 2018, 2019 and 2020 and the three months ended 31 March 2021:

	Year Ended 31 December				Three Months Ended 31 March	
	2018	2019	2020	2020	2021	2021
	QR	QR	QR	U.S.$	QR	U.S.$
	(in millions, except multiple denominated as "x" times)					
Net Debt/(Cash)	(28,427.3)	(48,798.6)	(21,954.2)	(6,031.4)	(23,794.7)	(6,537.1)
Adjusted EBITDA	110,637.7	97,125.3	64,130.5	17,618.3	23,500.7	6,456.2
Annualised Adjusted EBITDA	-	-	-	-	94,002.4	25,824.8
Net Leverage *(x)*	**(0.3)**	**(0.5)**	**(0.3)**	**(0.3)**	**(0.3)[(1)]**	**(0.3)[(1)]**

Notes*:*

(1) Calculated and presented on an annualised basis. Annualised Adjusted EBITDA refers to an extrapolated Adjusted EBITDA value for the full 2021 financial year based on Adjusted EBITDA value recorded for the three months ended 31 March 2021.

Operating Cash Flow to Gross Debt

Operating Cash Flow to Gross Debt is measure that is used by management to assess how long would it take for QP to repay its debt if it utilised all of its operating cash flows solely for the repayment of such debts. The following table sets forth QP's Operating Cash Flow to Gross Debt ratio for the years ended 31 December 2018, 2019 and 2020 and the twelve months ended 31 March 2021:

	Year Ended 31 December				Twelve Months Ended 31 March	
	2018	2019	2020	2020	2021	2021
	QR	QR	QR	U.S.$	QR	U.S.$
	(in millions, except multiple denominated as "x" times)					
Net cash from / (used in) operating activities	43,794.6	85,236.2	47,575.8	13,070.3	n.a	n.a
Cash flow from operating activities for last twelve months	n.a	n.a	n.a	n.a	53,186.3	14,611.6
Gross Debt (total borrowings)	10,658.3	10,370.4	10,534.9	2,894.2	10,180.2	2,796.7
Operating Cash Flow to Gross Debt *(x)*	**4.1**	**8.2**	**4.5**	**4.5**	**5.2[(1)]**	**5.2[(1)]**

Notes*:*

(1) Calculated and presented based on the last twelve months from such period end.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following management’s discussion and analysis of QP’s financial position and results of operations should be read in conjunction with the information presented under the heading “Selected Consolidated Financial Information” and the Financial Statements, included elsewhere in this Prospectus. This management’s discussion and analysis contains forward-looking statements, which involve risks and uncertainties. See “Forward-Looking Statements”. QP’s future actual results could differ materially from those anticipated in the forward-looking statements contained herein for several reasons, including those presented under the heading “Risk Factors” and elsewhere in this Prospectus.

In the preparation of its 2019 Financial Statements, QP restated certain financial information that appears in the 2018 comparative column included in the 2019 Financial Statements in order to reflect QP’s transition to adopting IFRS effective 1 January 2018. The financial information as at and for the year ended 31 December 2018 has been extracted from the 2018 comparative column of the 2019 Financial Statements. Further, in preparation of its 2020 Financial Statements, QP restated certain financial information that appears in the 2019 comparative column included in the 2020 Financial Statements. The financial information as at and for the year ended 31 December 2019 has been extracted from the 2019 comparative column of the 2020 Financial Statements.

The consolidated financial information of QP set forth below as at and for the years ended 31 December 2018, 2019 and 2020, for the three months ended 31 March 2020 and as at and for the three months ended 31 March 2021 has been derived from, should be read in conjunction with, the Financial Statements contained elsewhere in this Prospectus.

Volumes-related information presented in the following management’s discussion and analysis represents volumes from QP’s own operations, consolidated subsidiaries and its share of production from PSAs, which may differ to volumes-related information presented elsewhere in this Prospectus.

Overview

QP is the national oil and gas company of the State of Qatar. With a rich heritage dating back to 1974, QP’s activities, undertaken directly and indirectly through subsidiaries and joint ventures, encompass the entire spectrum of the oil and gas value chain locally, regionally and internationally and include the exploration, production, processing, marketing and sales of crude oil and natural gas, LNG, GTL products, refined products, petrochemicals, fertilisers, steel and aluminium. Wholly owned by the State of Qatar, QP is an integral part of the State of Qatar’s economy and the primary source of its hydrocarbon revenues. QP represents the largest single contributor to Qatar’s GDP and has primary responsibility for sustainable development of the State of Qatar’s oil and gas resources and growth and diversification for the oil, gas, petrochemicals and renewables sector.

For the three month period ended 31 March 2021, QP generated QR 3,781.9 million (U.S.$1,038.9 million) in net cash from operating activities and negative QR 96.4 million (negative U.S.$26.6 million) of Free Cash Flow, which was largely driven by the North Field Expansion and other ongoing capital expenditure of QR 4,124.0 million (U.S.$1,133.0 million) offsetting the net cash from operating activities. For the year ended 31 December 2020, QP generated QR 47,575.8 million (U.S.$13,070.3 million) in net cash from operating activities as compared to QR 43,794.6 million and QR 85,236.2 million in 2018 and 2019, respectively, and QR 34,580.7 million (U.S.$9,500.2 million) of Free Cash Flow in 2020 as compared to QR 28,621.5 million and QR 69,429.2 million in 2018 and 2019, respectively. For the year ended 31 December 2020, QP generated QR 64,130.5 million (U.S.$17,618.3 million) in Adjusted EBITDA as compared to QR 110,637.7 million and QR 97,125.3 million in 2018 and 2019, respectively. For an explanation of the calculation of Free Cash Flow and Adjusted EBITDA and a reconciliation to the nearest financial measures calculated in accordance with IFRS, see “*Alternative Performance Measures*” and “*Presentation of Financial, Reserves and Certain Other Information—Alternative Performance Measure*”.

QP categorises its consolidated revenues from its upstream and downstream business segments into a single operating revenue segment that comprises all of QP’s oil and gas operations. For the years ended

31 December 2020, 2019 and 2018, QP's revenue and other income was QR 84,564.5 million (U.S.$23,232.0 million), QR 114,394.7 million and QR 125,095.1 million, respectively. For the three months ended 31 March 2021, QP's revenue and other income was QR 24,265.9 million (U.S.$6,666.5 million).

For the years ended 31 December 2020, 2019 and 2018, QP recorded a profit for the year of QR 41,212.0 million (U.S.$11,322.0 million), QR 72,767.4 million and QR 86,530.1 million, respectively. For the three months ended 31 March 2021, QP recorded a profit for the period of QR 18,101.4 million (U.S.$4,972.9 million). As at 31 December 2020, QP had total assets of QR 422,281.4 million (U.S.$116,011.4 million) as compared to total assets of QR 455,897.1 million as at 31 December 2019 and QR 462,154.3 million as at 31 December 2018. As at 31 March 2021, QP had total assets of QR 442,308.1 million (U.S.$121,513.2 million).

Factors Affecting QP's Financial Position and Results of Operations

The following is a discussion of the most significant factors that have affected, or are expected to affect, QP's financial position and results of operations.

Supply, Demand and Price for Hydrocarbons

QP's consolidated results of operations are driven primarily by its sales of natural gas, condensate, crude oil and refined products which depend on global demand and prices for these products, particularly in Asia and Europe. QP produces natural gas, condensate, crude oil, GTL products, refined & petrochemical products, fertilisers and steel & aluminium through its own operations and certain of its consolidated subsidiaries as well as through its joint operations. In addition to the profitability from its consolidated operations, a significant portion of QP's overall profitability is generated through its share of profit of the LNG joint ventures operated by Qatargas.

The sales of natural gas, condensate, crude oil and refined products are the largest components of QP's consolidated revenue and other income, together accounting for 87.5%, 87.0% and 78.5% of its consolidated revenue and other income for the years ended 31 December 2018, 2019 and 2020, respectively, and 80.8% for the three months ended 31 March 2021. Accordingly, QP's results of operations and cash flow are significantly impacted by the price at which it sells such products.

International crude oil prices have fluctuated significantly in the past and may remain volatile. Between 1 January 2020 and 31 December 2020, Brent prices generally fluctuated between U.S.$18.0 and U.S.$64.0 per barrel. These fluctuations were in part response to the COVID-19 pandemic and its impact on worldwide demand for hydrocarbons and economic activity as well as other supply and demand factors. As at 31 March 2021, Brent price for oil was U.S.$65.0 per barrel and fluctuated between U.S.$55.0 and U.S.$73.0 between 1 January 2021 and 18 June 2021. Because the consequences and duration of these events are uncertain, QP is not able to predict the full extent and impact that lower prices will have on its results of operations and cash flow.

Other factors affecting the market price for natural gas, condensate, crude oil and refined products include, but are not limited to:

- market expectations with respect to future supply of natural gas, condensate, crude oil and refined products, demand and price changes;
- global economic and political conditions and geopolitical events, including any that impact international trade (including trade routes);
- decisions regarding production levels by the State of Qatar or other producing states;
- the impact of natural disasters and public health pandemics or epidemics (such as the novel strain of coronavirus causing COVID-19) on the supply and demand for natural gas, condensate, crude oil and refined products, general economic conditions and the ability to deliver such products;

- the development of new natural gas and crude oil exploration, production and transportation methods or technological advancements in existing methods, including hydraulic fracturing or "fracking";
- capital investments of oil and gas companies relating to the exploration, development and production of natural gas and crude oil reserves;
- the impact of climate change on the demand for, and price of, hydrocarbons (see "*Risk Factors— Risks Related to Macro-Economic Environment and External Factors— Climate change concerns and impacts could reduce global demand for hydrocarbons and hydrocarbon-based products and could cause QP to incur costs or invest additional capital*");
- changes to environmental or other regulations or laws applicable to natural gas, crude oil, and related products or the energy industry (see "*Risk Factors—Legal and Regulatory Risks— QP operates in a regulated industry and its business may be affected by regulatory changes or regulatory action*");
- prices of alternative energies, including renewable energy, based on ratio of supply and demand;
- the electrification of transportation, technological developments in the cost or endurance of fuel cells for electric vehicles and changes in transportation-mode preferences, including ride-sharing;
- weather conditions affecting supply and demand;
- fluctuations in the value of the U.S. Dollar, the currency in which natural gas and crude oil is priced globally; and
- natural gas, condensate, crude oil and refined products trading activities (including cargo-based hedging where feasible).

Upstream Business — Natural Gas

QP has developed its LNG business through joint ventures and strategic partnerships with a number of the world's leading oil and gas companies. By investing across the entire LNG value chain, QP enjoys meaningful cost advantages in the gas sector due to significant economies of scale and a low cost structure. Given that most of the natural gas in the North Field is "rich", meaning it is associated with other hydrocarbons, such as condensate, QP's LNG business also produces significant quantities of condensate and NGL which in turn create value added downstream opportunities.

QP's major gas interests are as follows: LNG joint ventures through and operated by Qatargas; QP's production of natural gas for its own account, including the North Field; the production of associated gas from Dukhan and certain offshore oil fields through various production and development agreements with international oil and gas companies; GTL production through the Pearl and Oryx projects; and pipeline gas through the Al Khaleej, Dolphin, and the Barzan projects (which has been in operation since 1 April 2020 and supplies pipeline natural gas to Qatar's domestic market). QP expects that with the completion of the North Field Expansion, its consolidated production of natural gas will increase significantly thereby increasing its overall profitability. QP is also pursuing investment and joint venture opportunities outside of the State of Qatar in LNG projects (such as the Golden Pass Export Project) and may pursue additional opportunities elsewhere in the near future.

The following table highlights QP's consolidated production volumes in relation to natural gas for the years ended 31 December 2018, 2019 and 2020 and the three months ended 31 March 2021 and 2020:

	Year Ended 31 December			Three Months Ended 31 March	
	2018	2019	2020	2020	2021
	(in billions of standard cubic feet)				
Pipeline Natural Gas (domestic)	981.6	965.8	839.6	204.8	171.2
Pipeline Natural Gas (exported)	562.0	548.3	531.4	93.6	95.8
Total Pipeline Natural Gas produced	**1,543.6**	**1,514.1**	**1,371.0**	**298.4**	**267.0**

Upstream — Crude Oil and Condensates

QP is involved in the exploration, development and production of crude oil in Qatar both through its own operations and in conjunction with major international oil and gas companies pursuant to PSAs and joint ventures or joint operations. QP produces crude oil from the onshore Dukhan oil field, and the offshore Idd El-Shargi North Dome, Idd El-Shargi South Dome, Bul Hanine, Maydan Mahzam and Al Rayyan oil fields. For the year ended 31 December 2020, QP's consolidated production of crude oil and condensates decreased by 0.3% to 182,884 kbbl from 183,368 kbbl for the year ended 31 December 2019. For the year ended 31 December 2019 and 2018, QP's consolidated production of crude oil and condensates was 183,368 and 183,532 kbbl, respectively.

QP produces multiple types of condensate from the North Field and the Dukhan oil field. QP's condensate is primarily exported to Asia, including Japan, South Korea, Singapore, Taiwan, Malaysia, Indonesia and Thailand. Naphtha-based petrochemicals companies are QP's main customers in relation to condensates.

The following table sets forth the production and sales of condensate for the periods indicated:

	Year Ended 31 December			**Three Months Ended 31 March**	
	2018	**2019**	**2020**	**2020**	**2021**
			(in millions of barrels)		
Condensate total production	75.616	75.690	71.793	15.276	14.726
Condensate total sales	67.873	63.479	59.355	13.403	12.440

QP's PSAs are structured to make it economically attractive for the contractor to develop the field and fully exploit its reserves, whilst at the same time protecting QP's economic interests. QP generally takes physical delivery of its share of the crude oil produced under PSAs for export, with the net proceeds from the sale of such crude oil being transferred directly to the Ministry of Finance.

In general, QP's oil fields are mature and crude oil production is expected to remain at a similar level over the next five years. The following table sets forth the production and sales of crude oil for the periods indicated:

	Year Ended 31 December			**Three Months Ended 31 March**	
	2018	**2019**	**2020**	**2020**	**2021**
			(in millions of barrels)		
Crude oil total production	107.916	107.678	111.091	27.129	26.476
Crude oil total sales	86.314	83.364	88.030	19.015	19.225

Downstream

QP continues to develop its natural gas resources beyond the LNG industry by implementing a downstream strategy driven by opportunities to generate additional revenue from its existing oil and gas production. QP has developed pipeline gas projects both for regional export markets and for domestic petrochemicals, power generation plants and industrial consumption. In addition, QP is the majority shareholder in a number of industrial companies (including, for example, IQ, Mesaieed Petrochemical Holding Company Q.P.S.C. ("**MPHC**") and Qatar Aluminium Manufacturing Company ("**QAMCO**") located primarily at RLIC and Mesaieed Industrial City, which use natural gas as feedstock and/or fuel to produce various value-added products, such as refined products, petrochemicals, fertiliser, steel and aluminium, both for domestic consumption and for export.

Downstream — Refined Products

The QP Oil Refinery ("**QP Refinery**") is located at Mesaieed Industrial City and takes the crude oil and condensate supplied from QP's domestic production and processes them into various finished petroleum products, including LPG, naphtha, gasoline, kerosene, jet fuel, diesel fuel and fuel oil. These finished products are mainly used to meet domestic demand with any surplus being exported. In addition, QP has a share in the output of the Pearl GTL project pursuant to a development and production sharing agreement with Shell.

For the year ended 31 December 2020, QP's production of refined products was stable at 51,397 kbbl from 51,248 kbbl for the year ended 31 December 2019. For the year ended 31 December 2019, QP's production of refined products increased by 8.1% to 51,248 kbbl from 47,077 kbbl for the year ended 31 December 2018, primarily due to higher production from QP Refinery and Pearl GTL refinery. In the 2020 Financial Statements, QP no longer reported "Natural Gas Liquids" as a separate line item in its consolidated revenues, and as such all revenues were included in the line items for "Refined Products" and "Natural Gas" accordingly.

Downstream **—** *Fertilisers and Petrochemicals*

QP produces fertilisers and petrochemicals at the Mesaieed Industrial City. For the year ended 31 December 2020, QP's production of fertilisers and petrochemicals increased by 3,121% to 4.146 mtpa from 0.132 mtpa for the year ended 31 December 2019, primarily due to a change in accounting for QAFCO (effective 1 January 2020) from being considered as a joint venture in 2019 to a subsidiary in 2020 following QP's purchase of a 25% share in QAFCO from Yara Nederland B.V. (and, as at the date of this Prospectus, QAFCO is wholly owned by IQ as a result of a transfer by QP of its holdings in QAFCO following the acquisition). For the year ended 31 December 2019, QP's production of fertilisers and petrochemicals decreased by 2.9% to 0.132 mtpa from 0.136 mpta for the year ended 31 December 2018. QP expects that with the planned expansion of both domestic and international petrochemical projects (in the United States and Qatar), its petrochemical production will increase in the next 5-7 years.

Changes in the Share in Profit from Joint Ventures and Associates

QP has a long track record of successfully executing some of the world's largest upstream and downstream capital projects in the LNG industry. QP holds significant interests, both directly and through its subsidiaries, in a number of joint ventures and associates, including the Qatargas LNG ventures, QAPCO, QAFAC, Q Chem and Q Chem II (as defined below), the North Oil Company, Barzan, the Golden Pass entities, the South Hook entities, and Qatar Aluminium Limited Q.S.C. ("**Qatalum**"). The interests of QP and its subsidiaries in joint ventures are accounted for using the equity method of accounting. Under the equity method, QP's consolidated statement of profit or loss reflects the share of the Group in the net profit or loss of the joint ventures as a single line item in its Financial Statements.

An associate on the other hand is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investees but does not have control or joint control over those entities. QP's consolidated statement of profit or loss reflects the share of QP in the net profit or loss of the associate as a single line item in its Financial Statements.

QP participates in various domestic and international joint ventures which operate on various oil and gas projects. For the years ended 31 December 2020, 2019 and 2018, QP derived a significant portion of its profit for the year from its share of profit of joint ventures and associates of QR 19,759.3 million (U.S.$5,428.4 million) (or 47.9% of profit for the year in 2020), QR 40,634.8 million (or 55.8% of profit for the year in 2019) and QR 49,985.4 million (or 57.8% of profit for the year in 2018), respectively. Accordingly, QP's profitability has been and is expected to continue to be, materially affected by the results of operations of such joint ventures over which it does not exercise full control.

The following table illustrates the share of QP's profit from joint ventures by product group for the years ended 31 December 2018, 2019 and 2020:

	Year ended 31 December					
	2018		**2019**		**2020**	
	Amount	**Percentage of total Share of Profit**	**Amount**	**Percentage of total Share of Profit**	**Amount**	**Percentage of total Share of Profit**
	(*QR in millions, unless otherwise indicated*)					
LNG	43,279.0	88.4%	33,520.1	83.5%	17,957.9	92.3%
Crude oil	1,370.5	2.8%	1,857.8	4.6%	1,695.0	8.7%
Refined products	(293.6)	(0.6)%	93.5	0.2%	(705.5)	(3.6%)
Petrochemicals	4,658.2	9.5%	4,109.8	10.2%	1,132.0	5.8%
Natural gas	(1,495.6)	(3.1%)	(298.2)	(0.7%)	(1,087.4)	(5.6%)
Metals	223.2	0.5%	145.7	0.4%	101.5	0.5%
Others	1,192.9	2.4%	732.8	1.8%	354.7	1.8%
Total	**48,934.6**	**100.0%**	**40,161.5**	**100.0%**	**19,448.2**	**100.0%**

A substantial portion of QP's profit for the year is derived from its share of profit from the Qatargas operated LNG businesses. The majority of Qatar's LNG sales are currently derived from long-term sale and purchase agreements, which provide certainty of volume offtake. However, such long-term sale and purchase agreements are subject to price fluctuations as many of the prices set in such agreements are linked to an oil price or other similar index. Further, from time to time, LNG cargoes may be diverted in order to maximise the commercial benefit and improve the profitability of such cargoes to QP and the State of Qatar. However, the benefit of such diverted LNG cargoes is largely influenced by commercial negotiations on, among other terms, volume size, destination and price, and there can be no assurance on the success of any such negotiations which could in turn affect QP's results of operations.

LNG was sold to customers in 22 countries in the year ended 31 December 2020, mainly through long-term sale and purchase agreements. In 2020, QP's main destinations for its exports of LNG were to Asia (including Japan, South Korea, India, China, Pakistan and Taiwan) and Europe (including the United Kingdom, Italy, Spain and Belgium). The following table highlights the value of QP's share of Qatargas' LNG export destinations for each of the years ended 31 December 2020, 2019 and 2018:

	Year Ended 31 December			
	2018	**2019**	**2020**	**2020**
		(in QR millions)		*(U.S.$ millions)*
Region:				
Asia	71,321.7	64,574.2	43,798.2	12,032.5
Europe	15,697.4	15,338.1	9,320.1	2,560.5
North America	115.7	–	–	-
Other	1,784.6	–	144.0	39.6
Total international liquefied natural gas revenues	**88,919.4**	**79,912.3**	**53,262.3**	**14, 632.5**

See "*Business—Natural Gas and LNG Operations*" for more information on QP's LNG projects.

Impact of COVID-19

The global COVID-19 pandemic and measures taken to combat it have severely impacted economic activity and led to lower demand for natural gas, condensate, crude oil, refined products and petrochemicals, which resulted in significant volatility in the margins related to such products — key drivers of QP's results of operations and cash flows.

The ultimate impact of COVID-19 on QP's financial performance will depend on future developments, including, amongst others, the ultimate geographic spread and severity of the virus, the consequences of governmental and other measures designed to prevent the spread of the virus, the development and dispatch of effective treatments and vaccinations, the duration of the outbreak, actions taken by governmental authorities, customers, suppliers and other third parties, workforce availability, and the timing and extent to which normal economic and operating conditions resume.

The State of Qatar Regulatory and Legal Framework; Taxation and Royalties

The following is a summary of the principal Qatari taxes of QP, which is based upon (i) the tax law of Qatar, (ii) formal communications issued by the Ministry of Finance and (iii) practices that has been adopted and agreed with the Ministry of Finance and the GTA, each as in effect on the date of this document. The views expressed in this document are subject to any subsequent change in Qatari law, regulations and practice that may come into effect as of such date.

Qatar tax treatment of QP

The Income Tax Law came into force on 13 December 2018 replacing Law No. 21 of 2009. Article 2 of the Preamble to the Income Tax Law provides (except for application of Qatar withholding tax under article 9(2) and contract reporting under article (13)) the articles of the Income Tax Law shall not apply to public corporations. In a letter dated 5 November 2019 to QP, the GTA confirmed QP's activities that are performed on a standalone basis (which refers to activities and operations that are performed by QP in its own name rather than by its subsidiaries or joint venture partners) are not covered by the Income Tax Law. In the same letter, the GTA also advised that it would not comment on any existing income tax and royalty payments made directly to the Ministry of Finance.

Notwithstanding that Income Tax Law No. 18 of 1974 has been replaced, in a letter from the Minister of Finance, dated 10 February 2020 to Minister for Energy Affairs, QP was requested not to alter the current royalties and income tax payments to the State of Qatar and to continue to follow the existing practise for payments of these liabilities. QP interprets this request as a compulsory obligation to make payments to the State of Qatar and therefore it is appropriate to classify the payments as income taxes and royalties.

Accordingly, QP's practice in respect of its income tax liability is based on article 2 of Income Tax Law No. 18 of 1974 which states the following:

"If the taxable establishment derives its income or any part therefore from work in the field of production of oil and exporting it from Qatar or from the sale or resale of oil exported from Qatar, this income shall be subject to a tax amounting to 85 per cent, irrespective of the provisions of Article (2) and the provision of Paragraph (1) of this Article. An amount equivalent to the compulsory sums payable by such establishment against the taxable year shall be deducted from the amount of the established tax."

In addition QP's practice in respect of its royalty liability is based on article 3 of Income Tax Law No. 18 of 1974 which states the following:

"Royalties which a taxable person pays on oil produced in Qatar and then exported from it shall be to an extent equivalent to 20 per cent of the value of this oil. This value shall be estimated on the basis of the prices posted in Qatar."

Through dialogue and engagement with the Ministry of Finance, the practice for determining income taxes and royalties has been refined to include other petroleum products and the basis for determining annual tax-adjusted income. The agreed mechanism between QP and the Ministry of Finance for determining income taxes and royalties is as follows:

Applied tax rates:

	Royalty Rate (%)	Income Tax Rate (%)
Land crude	20.0	85.0
Marine crude	20.0	85.0
Liquefied gas products, natural gas and condensate	12.5	50.0
Refined products	20.0	85.0

Determining annual tax-adjusted income, subject to income tax:

Parameter	Interpretation
Income	Restricted to export sales from land crude, marine crude, refined products, LPG, gas and condensate and refined products and it is originated from either QP operations or State of Qatar's share of exploration production sharing agreements / development production sharing agreement operations.
Less expenses	
Tax paid on behalf ("**TPOB**")	TPOB of PSAs applicable to export sales apportioned based on the export and local sales proportion.
Royalties	QP royalties (at the applicable rate of 20% or 12.5%, based on the product, as detailed above) on export sales.
Production costs	Production costs apportioned to export sales and including depreciation of assets.
Marketing fees	Fees for marketing services of export products (whether paid by way of a fee or margin allowed for deduction from the sales invoice of a product) which are due and payable to a marketing agent in accordance with the marketing services.
Stock adjustments	Difference between the value of opening and the closing stock allocated to export products recorded in QP's accounts as stocks for the period under consideration.

QP is currently seeking to formalise the mechanism for the payment of income taxes and royalties with the Ministry of Finance through legislation applicable to QP.

Qatar tax treatment of QP's wholly-owned subsidiaries

Subsidiaries of QP are subject to the articles of the Income Tax Law, and in accordance with article 4(10) of the law, are treated as being exempt from income tax by virtue of being wholly owned by a Qatari judicial person, namely QP.

Qatar tax treatment of QP's joint ventures

In accordance with article 9(1) of the Income Tax Law, provided the income tax rate under a joint venture agreement relating to petrochemical activities and petroleum operations as defined by Law No. 3 of 2007 exceeds 35%, the tax rate and all other tax incentive and conditions under such agreements shall apply. Tax incentives can include:

- Accelerated tax depreciation;
- Extension of tax life of tax losses carried forward;
- Certain kinds of income tax exemptions; and
- Clarification on tax treatment of certain costs, including decommissioning.

In general, under the joint venture agreements supported by article 4(11) of the Income Tax Law, tax-adjusted profit of QP joint ventures are subject to income tax, including the profit attributable to QP's shareholding.

Accounting Standards

QP's results of operations have in the past, and may continue in the future, to be affected by the adoption of new IFRS and other accounting standards.

First-time adoption of IFRS

In 2019, the Board of Directors decided to prepare the 2019 Financial Statements in accordance with IFRS as issued by the International Accounting Standards Board (IASB). IFRS 1 "First-time adoption of International Financial Reporting Standards" is applicable to entities preparing their first set of annual or interim financial statements in accordance with IFRS. Accordingly, the Group prepared an opening consolidated statement of financial position as of 1 January 2018 (being the date of transition to IFRS) and related reconciliations, explanatory notes and disclosures as required by IFRS 1.

Previously, the consolidated financial statements of the Group were prepared in accordance with the requirements of QP's accounting policies, the Council of Ministers' decision No. 6 of 1976 (as amended) and QP Chairman Resolution No. 17 of 2013 (as amended by Resolution No. 1 of 2019) related to accounting policies. In preparing the 2019 Financial Statements, the Group made the necessary adjustments to prepare its opening IFRS consolidated statement of financial position as at 1 January 2018, consolidated statement of financial position as at 31 December 2018 and its consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018 to bring them in line with IFRS. Consequently, in the 2019 Financial Statements, the Group adjusted amounts reported previously in its consolidated financial statements for 2018 that were prepared in accordance with the abovementioned QP accounting policies.

A detailed explanation of how this transition affected the Group's financial results can be found in Note 2 of the 2019 Financial Statements.

Other Adopted Standards or Future Standards in the 2020 Financial Statements

See Notes 2.4 and 2.5 of the 2020 Financial Statements.

Components of Results of Operations

Revenue

Revenue primarily consists of revenues from contracts with customers and, to a minor extent, from insurance contracts. Revenue derived from contracts with customers is presented in line with IFRS 15 "Revenue from Contracts with Customers" which outlines a single comprehensive model of accounting for revenue arising from contracts with customers and includes, amongst other things, the sale of petroleum and related products and the sales of metal products. Revenue derived from insurance contracts comprises premiums and reinsurance premiums that are taken into income over the terms of the policies to which they relate. Total insurance and reinsurance written premiums comprise the total premium receivable for the whole period of cover provided by contracts entered into during the accounting period. They are recognised on the date on which the policy commences.

During the 2018, 2019 and 2020 financial years, the sale of petroleum and related products accounted for the largest source of revenue for QP. Such revenue is recognised at a point-in-time (or when the control is transferred) or over time (as and when the control transfers). See Note 3 of the 2020 Financial Statements for further information.

Other Income

Other income mainly comprises revenues from recoveries, rental income, berthing fees and other revenue sources outside of contracts with customers and insurance contracts.

Operating, Selling and Administrative Expenses

Operating, selling and administrative expenses consist of costs related to supporting the operations and services of QP and certain other expenses, including (without limitation):

- direct costs (which include, without limitation, operating costs under PSAs as well as costs and expenses relating to contractors and materials);
- taxes paid on behalf of taxable income generated by QP's joint venture companies and taxable income of operators that are parties to certain PSAs;
- royalties due to the Ministry of Finance (on behalf of the Government) that are applied on the export sale of crude oil, refined products and gas including condensate (and such royalties are deductible for tax calculation purposes);
- impairment losses on property, plant and equipment, investment in associates and investments in joint ventures;
- employee salaries and other related costs (such as expenses related to employee benefit programs); and
- foreign exchange losses and write-off of property, plant and equipment, if any.

See Note 28 of the 2020 Financial Statements for further information.

Depreciation and Amortisation

Depreciation is attributable to right-of-use assets, property, plant and equipment. Amortisation is attributable to capitalised costs, which are intangible assets (such as intellectual property) and are thus amortised rather than depreciated.

Provision for Expected Credit Losses on Financial Assets

The Group recognises a loss allowance for expected credit losses ("**ECL**") on investments in debt instruments that are measured at amortised cost, due from related parties, loans to related parties, short-term deposits and financial guarantee contracts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime ECL for trade receivables and loans to related parties. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including the time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Share of Profit of Associates and Joint Ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. An associate is an entity over which the Group has significant influence (being the power to participate in the financial and operating policy decisions of the investees but does not have control or joint control over those entities). The share of profit of joint ventures and associates includes QP's share of profit related to such entities that are accounted for using the equity method of accounting. See Note 3.9 of the 2020 Financial Statements.

Dividend Income

Dividend income is recognised when the Group's right to receive payment is established, which is the earlier of when the Group receives the dividends or dividends are approved by the shareholders of the investee companies.

Interest Income and Expenses

Interest income and expense for all financial instruments except for those classified as held for trading or those measured or designated as at fair value through profit or loss ("**FVTPL**") are recognised as 'interest income' and 'finance charges', respectively, in profit or loss using the effective interest method. Interest on financial instruments measured as at FVTPL is included within the fair value movement during the period.

Taxes

Income tax expense comprises current and deferred tax. Current tax comprises the expected tax payable on the taxable income for the year and any adjustment to the tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantially enacted at the reporting date. Current tax also includes any tax arising from dividends. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. See Note 3.27 of the 2020 Financial Statements for further information.

Discontinued Operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which (i) represents a separator major line of business or geographical area of operation, (ii) is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations, or (iii) is a subsidiary acquired exclusively with a view to resale. The classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

Consolidated Results of Operations for the Years ended 31 December 2018, 2019 and 2020 and the Three Months Ended 31 March 2020 and 2021

The following table sets forth QP's consolidated statement of profit or loss for the years ended 31 December 2018, 2019 and 2020 and the three months ended 31 March 2020 and 2021:

	Year Ended 31 December				Three Months Ended 31 March		
	2018	2019	2020	2020	2020	2021	2021
		(*QR millions*)		*(U.S.$ millions)*	(*QR millions*)		*(U.S.$ millions)*
Income							
Revenue	118,507.4	108,331.6	76,442.5	21,000.7	21,902.6	23,023.7	6,325.2
Other income	6,587.7	6,063.1	8,122.0	2,231.3	2,640.6	1,242.2	341.3
	125,095.1	**114,394.7**	**84,564.5**	**23,232.0**	**24,543.2**	**24,265.9**	**6,666.5**
Expenses							
Operating, selling and administrative expenses	(64,474.6)	(58,611.6)	(44,279.0)	(12,164.6)	(14,385.9)	(11,068.7)	(3,040.9)
Depreciation and amortisation	(9,114.8)	(9,390.5)	(10,750.0)	(2,953.3)	(2,634.7)	(2,668.6)	(733.1)
(Provision for)/reversal of expected credit losses on financial assets, net	(48.4)	(1,413.6)	(682.9)	(187.6)	5.3	0.4	0.1
	(73,637.7)	**(69,415.7)**	**(55,711.8)**	**(15,305.4)**	**(17,015.3)**	**(13,736.9)**	**(3,773.9)**
Net operating income	**51,457.4**	**44,979.0**	**28,852.7**	**7,926.6**	**7,527.9**	**10,529.0**	**2,892.6**
Share of profit of joint ventures	48,934.6	40,161.5	19,448.2	5,342.9	7,578.4	10,186.7	2,798.5
Share of profit of associates	1,050.8	473.3	311.1	85.5	74.5	115.2	31.6
Dividend and interest income	1,514.0	1,914.9	1,161.1	319.0	598.9	254.3	69.9
Finance charges	(553.7)	(533.8)	(506.0)	(139.0)	(144.3)	(110.9)	(30.5)
Profit before tax	**102,403.1**	**86,994.9**	**49,267.1**	**13,534.9**	**15,635.4**	**20,974.4**	5,762.2
Taxes	(15,890.1)	(14,239.7)	(8,053.9)	(2,212.6)	(2,330.0)	(2,873.0)	(789.3)
Profit for the year / period from continuing operations	**86,513.0**	**72,755.2**	41,213.2	**11,322.3**	**13,305.4**	**18,101.4**	**4,972.9**
Profit/ (Loss) from discontinued operations	17.1	12.2	(1.2)	(0.3)	1.0	-	-
Profit for the year / period	**86,530.1**	**72,767.4**	**41,212.0**	**11,322.0**	**13,306.4**	**18,101.4**	**4,972.9**
Attributable to:							
Owner of the Corporation	81,739.2	69,691.4	39,721.2	10,912.4	12,961.3	16,987.0	4,666.8
Non-controlling interests	4,790.9	3,076.0	1,490.8	409.6	345.1	1,114.4	306.2

Comparison of the Three Months Ended 31 March 2020 and the Three Months ended 31 March 2021

Revenue and Other Income

For the three months ended 31 March 2021 and 2020, QP's consolidated revenue was QR 23,023.7 million (U.S.$ 6,325.2 million) and QR 21,902.6 million, respectively. The 5.1% increase was primarily attributable to the higher average realised price across most products during the three months ended 31 March 2021.

For the three months ended 31 March 2021 and 2020, QP's consolidated other income was QR 1,242.2 million (U.S.$ 341.3 million) and QR 2,640.6 million, respectively. The 53.0% decrease was primarily attributable to the fair value gain and bargain purchase gain of QR 1,409.8 million on acquisition of QAFCO, recorded during the three months ended 31 March 2020 and Nil in three months ended 31 March 2021.

The following table presents QP's revenues derived from contracts with customers by product and from insurance contracts for the three months ended 31 March 2021 and 2020:

	Three months ended 31 March			
	2020		2021	
	Amount	Percentage of total revenue	Amount	Percentage of total revenue
	(*QR millions*)		(*QR millions*)	
Crude oil	3,923.3	17.9%	4,153.2	18.0%
Condensate	3,279.8	15.0%	3,347.2	14.5%
Natural gas	5,572.6	25.5%	5,958.0	25.9%
Refined products	6,139.7	28.1%	6,145.1	26.8%
Steel products	1,302.1	5.9%	1,227.9	5.3%
Fertilisers	443.2	2.0%	1,611.9	7.0%
Petrochemicals	117.2	0.5%	130.2	0.6%
Services	545.5	2.5%	180.6	0.8%
Other	508.7	2.3%	168.8	0.7%
Revenue from contracts with customers	**21,832.1**	**99.7%**	**22,923.0**	**99.6%**
Revenue from insurance contracts	70.5	0.3%	100.7	0.4%
Total	**21,902.6**	**100%**	**23,023.7**	**100%**

Crude Oil

Revenues from contracts with customers in respect of crude oil were QR 4,153.2 million (U.S.$1,141.0 million) for the three months ended 31 March 2021, as compared to QR 3,923.3 million for the three months ended 31 March 2020, representing a 5.9% increase over the period, which was primarily attributable to a 9.4% increase in the average realised price of crude oil from U.S.$54.0 per barrel for the three months ended 31 March 2020 to U.S.$59.1 per barrel for the three months ended 31 March 2021.

Condensate

Revenues from contracts with customers in respect of condensate were QR 3,347.2 million (U.S.$919.6 million) for the three months ended 31 March 2021, as compared to QR 3,279.8 million for the three months ended 31 March 2020, representing a 2.1% increase over the period, which was primarily attributable to an 8.2% increase in the average realised price of condensate from U.S.$52.2 per barrel for the three months ended 31 March 2020 to U.S.$56.5 per barrel for the three months ended 31 March 2021.

Natural Gas

Revenues from contracts with customers in respect of natural gas were QR 5,958.0 million (U.S.$1,636.8 million) for the three months ended 31 March 2021, as compared to QR 5,572.6 million for the three months ended 31 March 2020, representing a 6.9% increase over the period, which was primarily attributable to a 15.3% increase in the average realised price of natural gas, from U.S.$1.3 per mmbtu for the three months ended 31 March 2020 to U.S.$1.5 per mmbtu for the three months ended 31 March 2021, which was partially offset by lower sales volume.

Refined Products

Revenues from contracts with customers in respect of refined products were QR 6,145.1 million (U.S.$1,688.2 million) for the three months ended 31 March 2021, as compared to QR 6,139.7 million for the three months ended 31 March 2020, representing a 0.1% increase over the period, which was primarily attributable to higher level of sales by Qatar Fuel Company Q.P.S.C ("**WOQOD**").

Steel Products

Revenues from contracts with customers in respect of steel products were QR 1,227.9 million (U.S.$337.3 million) for the three months ended 31 March 2021, as compared to QR 1,302.1 million for the three months ended 31 March 2020, representing a 5.7% decrease over the period, which was primarily attributable to lower sales volumes due to the mothballing of certain plants and lower demand realised as a result of the impact of the COVID-19 pandemic which in turn affected sales volumes. This was partially offset by higher market prices for steel products, increasing from U.S.$475.3 per ton for the three months ended 31 March 2020 to U.S.$570.6 per ton for the three months ended 31 March 2021.

Fertilisers

Revenues from contracts with customers in respect of fertilisers were QR 1,611.9 million (U.S.$442.8 million) for the three months ended 31 March 2021 as compared to QR 443.2 million for the three months ended 31 March 2020, which was attributable to a 41.8% increase in the average realised price of fertilisers from U.S.$230.0 per ton for the three months ended 31 March 2020 to U.S.$326.1 per ton for the three months ended 31 March 2021 and due to revenue from fertiliser being recorded as part of natural gas being deemed as value added revenue from natural category during the period QP had entered into a processing agreement with QAFCO for QAFCO plants 1 to 4.

Petrochemicals

Revenues from contracts with customers in respect of petrochemicals were QR 130.2 million (U.S.$35.8 million) for the three months ended 31 March 2021, as compared to QR 117.2 million for the three months ended 31 March 2020, representing an 11.1% increase over the period, which was primarily attributable to a 26.0% increase in the average realised price of petrochemical products from U.S.$818.2 per ton for the three months ended 31 March 2020 to U.S.$1,031.2 per ton for the three months ended 31 March 2021.

Services

Revenues from contracts with customers in respect of services offered by QP were QR 180.6 million (U.S.$49.6 million) for the three months ended 31 March 2021, as compared to QR 545.5 million for the three months ended 31 March 2020, representing a 66.9% decrease over the period, which was primarily attributable to decline in activity at WOQOD’s service stations.

Other

Revenues from contracts with customers in respect of other products and services were QR 168.8 million (U.S.$46.4 million) for the three months ended 31 March 2021, as compared to QR 508.7 million for the three months ended 31 March 2020, representing a 66.8% decrease over the period, which was primarily attributable to lower revenues generated from Gulf Drilling International Ltd. (“**GDI**”) and WOQOD due to a decline in economic activity as a result of the COVID-19 pandemic.

Revenue from Insurance Contracts

Revenues from insurance contracts were QR 100.7 million (U.S.$27.7 million) for the three months ended 31 March 2021, as compared to QR 70.5 million in for the three months ended 31 March 2020, representing a 42.8% increase which was largely due to an increase in medical insurance premiums and the issuance of new policies.

Expenses

Operating, Selling and Administrative Expenses

For the three months ended 31 March 2021 and 31 March 2020, QP incurred QR 11,068.7 million (U.S.$ 3,040.9 million) and QR 14,385.9 million in operating, selling and administrative expenses, respectively. This 23.1% decrease was primarily attributable to no further impairment provisions, due to the mothballing of certain plants being recorded by Qatar Steel Company Q.P.S.C (“**QASCO**”) (QR 1,225.0 million was recorded for the three months ended 31 March 2020 compared to nil for the three months ended 31 March 2021), the expiry of TPOB for joint ventures (QR 679.6 million was recorded for the three months ended 31 March 2020 compared to nil for the three months ended 31 March 2021), QR 922.9 million reduction in realised foreign exchange losses and a general decrease of other expenses in an amount equal to QR 489.5 million.

Depreciation and Amortisation

For the three months ended 31 March 2021 and 2020, QP recognised depreciation and amortisation expenses of QR 2,668.5 million (U.S.$733.1 million) and QR 2,634.7 million, respectively. This 1.3% increase was primarily attributable to the capitalisation of new assets.

Expected Credit Losses on Financial Assets

For the three months ended 31 March 2021 and 2020, QP made a reversal of expected credit losses on financial assets, net amounting to QR 0.4 million (U.S.$0.1 million) and QR 5.2 million, respectively. The 92.3% decrease was primarily attributable to a revised estimate for expected credit losses in respect of WOQOD.

Share of Profit of Joint Ventures

For the three months ended 31 March 2021 and 2020, QP recorded a share of profit of joint ventures of QR 10,186.7 million (U.S.$2,798.5 million) and QR 7,578.4 million, respectively. The 34.4% increase was primarily a result of a higher share of profits from the Qatargas joint ventures driven by higher LNG prices for the three months ended 31 March 2021.

Share of Profit of Associates

For the three months ended 31 March 2021 and 2020, QP recorded a share of profit of associates of QR 115.2 million (U.S.$31.6 million) and QR 74.5 million, respectively. The 54.6% increase was primarily due to higher share of profit from Total E&P Congo as a result of higher crude prices for the three months ended 31 March 2021.

Dividend and Interest Income

For the three months ended 31 March 2021 and 2020, QP realised dividend and interest income of QR 254.3 million (U.S.$69.9 million) and QR 598.9 million, respectively. This 57.5% decrease was primarily attributable to a 43.0% reduction in short-term deposits in 2021.

Finance Charges

For the three months ended 31 March 2021 and 2020, QP incurred finance charges of QR 110.9 million (U.S.$30.5 million) and QR 144.3 million, respectively. This 23.0% decrease was primarily due to lower outstanding loan balance during the 3 months ended 31 March 2021 and a decline in LIBOR rates from approximately 1.4% for the three months ended 31 March 2020 to approximately 0.1% for the three months ended 31 March 2021.

Taxes

For the three months ended 31 March 2021 and 2020, QP incurred tax expenses of QR 2,873.1 million (U.S.$789.3 million) and QR 2,330.1 million, respectively. The 23.3% increase was attributable to an increase in the average realised prices of petroleum products for export, which contributed to an increase in revenue subject to tax and in turn pre-tax profit.

Profit from discontinued operations

For the three months ended 31 March 2020, QP realised a QR 1.0 million profit from its discontinued operations, which arose from its share of an investment in the Heron II power plant (located in Greece). QP did not realise any profit or loss from discontinued operations for the three months ended 31 March 2021.

Profit for the Period

For the three months ended 31 March 2021 and 2020, QP recorded a profit for the period of QR 18,101.4 million (U.S.$4,972.9 million) and QR 13,306.4 million, respectively. This 36.0% increase was primarily due to increases in product prices and sales volume driven by the recovery in global economic activity following the impact of the COVID-19 pandemic and lower operating, selling and administrative expenses incurred by QP during such period.

Comparison of Fiscal Year Ended 31 December 2018, Fiscal Year Ended 31 December 2019 and Fiscal Year Ended 31 December 2020

Revenue and Other Income

For the years ended 31 December 2019 and 2020, QP's revenue was QR 108,331.6 million and QR 76,442.5 million (U.S.$21,000.7 million), respectively. This 29.4% decrease was primarily attributable to the detrimental impact on product prices across QP's product portfolio as a result of the effects of the COVID-19 pandemic. For example, during this period the average realised price of crude oil decreased by 37.2%.

For the years ended 31 December 2018 and 2019, QP's revenue was QR 118,507.4 million and QR 108,331.6 million, respectively. This 8.6% decrease was primarily attributable to the impact of product prices across QP's product portfolio. For example, during this period the average realised price of crude oil decreased by 6.7%.

For the years ended 31 December 2019 and 2020, QP's other income was QR 6,063.1 million and 8,122.0 million (U.S.$2,231.3 million), respectively. This 34.0% increase was primarily due to the recognition of fair value gain and bargain purchase gain of QR 1,409.8 million in respect of the acquisition of QAFCO and the remaining was due to IQ's share in QAPCO's tax adjustment with regard to IQ's investments in its equity accounted entities being tax exempt.

For the years ended 31 December 2018 and 2019, QP's other income was QR 6,587.7 million and QR 6,063.1 million, respectively. This 8.0% decrease was primarily due to decline in recoveries and land rental income.

The following table presents QP's revenues derived from contracts with customers by product and from insurance contracts for the years ended 31 December 2020, 2019 and 2018:

	Year ended 31 December					
	2018		**2019**		**2020**	
	Amount	**Percentage of total revenue**	**Amount**	**Percentage of total revenue**	**Amount**	**Percentage of total revenue**
	(*QR in millions, unless otherwise indicated*)					
Crude oil	25,906.4	21.9%	22,443.8	20.7%	13,633.8	17.8%
Condensate	20,718.9	17.5%	16,938.0	15.6%	10,579.2	13.8%
Natural gas	30,468.0	25.7%	28,660.9	26.6%	22,709.6	29.7%
Refined products	32,370.2	27.3%	31,536.4	29.1%	19,454.5	25.4%
Steel products	5,791.0	4.9%	5,095.8	4.7%	2,994.7	3.9%
Fertilisers	–	–	–	–	3,718.3	4.9%
Petrochemicals	527.2	0.4%	517.9	0.5%	448.0	0.6%
Services	1,256.5	1.1%	1,186.3	1.1%	1,091.8	1.4%
Other	1,036.0	0.9%	1,122.6	1.0%	831.3	1.1%
Revenue from contracts with customers	**118,074.3**	**99.6%**	**107,501.7**	**99.2%**	**75,461.3**	**98.7%**
Revenue from insurance contracts	433.1	0.4%	829.9	0.8%	981.2	1.3%
Total	**118,507.4**	**100.0%**	**108,331.6**	**100.0%**	**76,442.5**	**100.0%**

Crude Oil

Revenues from contracts with customers in respect of crude oil were QR 22,443.8 million in 2019, as compared to QR 13,633.8 million (U.S.$3,745.5 million) in 2020, representing a 39.3% decrease over the period, which was primarily attributable to a 37.2% decrease in the average realised price of crude oil that was largely as a result of reduced market demand for crude oil due to the impact of the COVID-19 pandemic. The average realised price of crude oil was U.S.$64.6 per barrel in 2019 compared to U.S.$40.6 per barrel in 2020.

Revenues from contracts with customers in respect of crude oil were QR 25,906.4 million in 2018, as compared to QR 22,443.8 million in 2019, representing a 13.4% decrease over the period, which was primarily attributable to a 6.8% decrease in the average realised price of crude oil and lower sales due to a 2.0% reduction in crude oil volumes. The average realised price of crude oil was U.S.$69.3 per barrel in 2018 compared to U.S.$64.6 per barrel in 2019.

Condensate

Revenues from contracts with customers in respect of condensate were QR 16,938.0 million in 2019, as compared to QR 10,579.2 million (U.S.$2,906.4 million) in 2020, representing a 37.5% decrease over the period, which was primarily attributable to a 35.2% decrease in the average realised price of condensate that was largely a result of reduced market demand for condensates due to the impact of the COVID-19 pandemic. The average realised price of condensate in 2019 was U.S.$60.0 per barrel compared to U.S.$38.9 per barrel in 2020.

Revenues from contracts with customers in respect of condensate were QR 20,718.9 million in 2018, as compared to QR 16,938.0 million in 2019, representing an 18.2% decrease over the period, which was primarily attributable to a 15.2% reduction in the average realised price of condensate. The average realised price of condensate in 2018 was U.S.$70.7 per barrel compared to U.S.$60.0 per barrel in 2019.

Natural Gas

Revenues from contracts with customers in respect of natural gas were QR 28,660.9 million in 2019, as compared to QR 22,709.6 million (U.S.$6,238.9 million) in 2020, representing a 20.6% decrease over the period, which was primarily attributable to a 20.2% reduction in the average realised price of natural gas, which was largely a result of reduced market demand for natural gas due to the impact of the COVID-19 pandemic. The average realised price of natural gas in 2019 was U.S.$1.83 per mmbtu compared to U.S.$1.46 per mmbtu in 2020.

Revenues from contracts with customers in respect of natural gas amounted to QR 30,468.0 million in 2018, as compared to QR 28,660.9 million in 2019, representing a 5.9% decrease over the period, which was primarily attributable to lower production from the Al Khaleej gas field.

Refined Products

Revenues from contracts with customers in respect of refined products were QR 31,536.4 million in 2019, as compared to QR 19,454.5 million (U.S.$5,344.6 million) in 2020, representing a 38.3% decrease over the period, which was primarily attributable to a 32.6% decrease in the average realised price of refined products. The average realised price of refined products in 2019 was U.S.$69.9 per barrel compared to U.S.$47.1 per barrel in 2020.

Revenues from contracts with customers in respect of refined products were QR 32,370.2 million in 2018, as compared to QR 31,536.4 million in 2019, representing a 2.6% decrease over the period, which was primarily attributable to a 13.2% reduction in the average realised price of refined products, partly offset by higher sales generated by WOQOD. The average realised price of refined products in 2018 was U.S.$80.6 per barrel compared to U.S.$69.9 per barrel in 2019.

Steel Products

Revenues from contracts with customers in respect of steel products were QR 5,095.8 million in 2019, as compared to QR 2,994.7 million (U.S.$822.7 million) in 2020, representing a 41.2% decrease over the period, which was primarily attributable to lower volumes sold due to the mothballing of certain plants and lower market demand realised as a result of the impact of the COVID-19 pandemic.

Revenues from contracts with customers in respect of steel products were QR 5,791.0 million in 2018, as compared to QR 5,095.8 million in 2019, representing a 12.0% decrease over the period, which was primarily attributable to a 12.0% reduction in the average realised price of steel products. The average realised price of steel products in 2018 was U.S.$545.3 per ton compared to U.S.$480.1 per ton in 2019.

Fertilisers

Revenues from contracts with customers in respect of fertilisers were QR 3,718.3 million (U.S.$1,021.5 million) in 2020 as compared to nil in 2019, primarily due to a change in accounting for QAFCO (effective 1 January 2020) from being considered as a joint venture in 2019 to a subsidiary in 2020 following QP's purchase of a 25% share in QAFCO from Yara Nederland B.V. Similar to 2019, QP did not record any fertiliser sales in 2018 as QAFCO was considered a joint venture. As at the date of this Prospectus, QAFCO is wholly owned by IQ as a result of a transfer by QP of its holdings in QAFCO.

Petrochemicals

Revenues from contracts with customers in respect of petrochemicals were QR 517.9 million in 2019, as compared to QR 448.0 million (U.S.$123.1 million) in 2020, representing a 13.5% decrease over the period, which was primarily attributable to an 8.3% decrease in the average realised price of petrochemical products. The average realised price of petrochemical products in 2019 was U.S.$1,059.5 per ton compared to U.S.$971.5 per ton in 2020.

Revenues from contracts with customers in respect of petrochemicals were QR 527.2 million in 2018, as compared to QR 517.9 million in 2019, representing a 1.8% decrease over the period, which was primarily attributable to a 9.4% reduction in the average realised price of petrochemical products. The average realised price of petrochemical products in 2018 was U.S.$1,169.2 per ton compared to U.S.$1,059.5 per ton in 2019.

Services

Revenues from contracts with customers in respect of services offered by QP were QR 1,186.3 million in 2019, as compared to QR 1,091.8 million (U.S.$299.9 million) in 2020, representing an 8.0% decrease over the period, which was primarily attributable to a decline in economic activity due to COVID-19. The revenues primarily relate to income generated by WOQOD.

Revenues from contracts with customers in respect of services offered by QP were QR 1,256.5 million in 2018, as compared to QR 1,186.3 million in 2019, representing a 5.6% decrease over the period, which was primarily attributable to a decline in the storage and handling services fees generated by WOQOD in 2019.

Other

Revenues from contracts with customers in respect of other products and services were QR 1,122.6 million in 2019, as compared to QR 831.3 million (U.S.$228.4 million) in 2020, representing a 25.9% decrease over the period, which was primarily attributable to a decline in economic activity due to the COVID-19 pandemic.

Revenues from contracts with customers in respect of other products and services were QR 1,036.0 million in 2018, as compared to QR 1,122.6 million in 2019, representing an 8.4% increase over the period, which was primarily attributable to a rise in the sales of non-fuel products at WOQOD's petrol stations.

Revenue from Insurance Contracts

Revenues from insurance contracts were QR 981.2 million (U.S.$269.6 million) in 2020, as compared to QR 829.9 million in 2019, representing an 18.2% increase which was largely due to an increase in the General Insurance and medical insurance income of Al Koot as all major clients for general and medical insurance were renewed and two clients were won.

Revenues from insurance contracts were QR 433.1 million in 2018, as compared to QR 829.9 million in 2019, representing a 91.6% increase which was largely due to an increase in the general insurance and medical insurance income of Al Koot as all major clients for general and medical insurance were renewed and many major clients were won.

Expenses

Operating, Selling and Administrative Expenses

For the years ended 31 December 2019 and 2020, QP incurred QR 58,611.6 million and QR 44,279.0 million (U.S.$12,164.6 million) in operating, selling and administrative expenses. This 24.4% decrease was primarily attributable to lower direct costs on account of QP's cost optimisation efforts, lower TPOB on account of a lower profit realised by TPOB beneficiaries, the expiry of the joint ventures' TPOB regime and reduced royalties due to lower export sales driven by reduced market prices for hydrocarbon products, such as crude oil (which, for example, decrease from an average realised price of U.S.$64.6 per barrel in 2019 to U.S.$40.6 per barrel in 2020).

For the years ended 31 December 2018 and 2019, QP incurred QR 64,474.6 million and QR 58,611.6 million in operating, selling and administrative expenses. This 9.1% decrease was mainly a result of lower TPOB on account of a lower profit realised by TPOB beneficiaries and a partial expiry of RL 3 and a complete expiry of Idd El Shargi North Dome & Idd El Shargi South Dome TPOB regimes and reduced royalties due to lower export sales driven by reduced market prices for hydrocarbon products, such as crude oil (which, for example, decreased from an average realised price of U.S.$69.3 per barrel in 2018 to U.S.$64.6 per barrel in 2019).

Depreciation and Amortisation

For the years ended 31 December 2019 and 2020, QP recognised depreciation and amortisation expenses of QR 9,390.5 million and QR 10,750.0 million (U.S.$2,953.3 million), respectively. This 14.5% increase was primarily attributable to the full acquisition of QAFCO by IQ (as at the date of this Prospectus, IQ wholly owns QAFCO). As a result, there was a line-by-line consolidation of the accounts which replaced the use of equity accounting and resulted in an increase in depreciation and amortisation expenses. There was also increased investment in capital expenditure at the QP standalone level (right of use and an increase in operating wells).

For the years ended 31 December 2018 and 2019, QP recognised depreciation and amortisation expenses of QR 9,114.8 million and QR 9,390.5 million, respectively. This 3.0% increase was primarily attributable to increased capital expenditure.

Provision for Expected Credit Losses on Financial Assets

For the years ended 31 December 2019 and 2020, QP made provision for expected credit losses on financial assets in an amount equal to QR 1,413.6 million and QR 682.9 million (U.S.$187.6 million), respectively. This 51.7% decrease was primarily attributable to additional provisions made in 2020 being lower than the significant provision made in 2019 on loans to related parties, including joint ventures such as Laffan Refinery Company Limited 2 ("**LR2**") in the 2020 financial year.

For the years ended 31 December 2018 and 2019, QP made provision for ECL on financial assets in an amount equal to QR 48.4 million and QR 1,413.6 million, respectively. This 2,820.7% increase was primarily attributable to the provisioning on loans to related parties, including joint ventures such as LR2 during the 2019 financial year due to reduced margins resulting in net loss.

Share of Profit of Joint Ventures

QP recorded a share of profit of joint ventures of QR 40,161.5 million and QR 19,448.2 million (U.S.$5,342.9 million) for the years ended 31 December 2019 and 2020, respectively. The 51.6% decrease was primarily a result of a lower share of profit from the Qatargas group of companies which was principally driven by decreased LNG prices that were a result of reduced market demand for LNG in light of the impact of the COVID-19 pandemic on market conditions.

QP recorded a share of profit of joint ventures of QR 48,934.6 million and QR 40,161.5 million for the years ended 31 December 2018 and 2019, respectively. The 17.9% decrease in share of profit was largely a result of a lower share of profit from the Qatargas group of companies driven by lower LNG and crude oil prices.

Share of Profit of Associates

QP recorded a share of profit of associates of QR 473.3 million and QR 311.1 million (U.S.$85.5 million) for the years ended 31 December 2019 and 2020, respectively. The 34.3% decrease was primarily due to a lower share of profits from Total E&P Congo which was partly offset by a reversal of impairment losses recorded in 2020 due to the transfer of investment in Qatar Melamine Company, which was previously considered for accounting purposes as an associate in 2019 and subsequently incorporated as a subsidiary of QP which took effect on 1 January 2020.

QP recorded a share of profit of associates of QR 1,050.8 million and QR 473.3 million for the years ended 31 December 2018 and 2019, respectively. The 55.0% decrease in share of profit was largely a result of a lower share of profit generated from associates, and losses incurred by Qatar Melamine Company during 2019.

Dividend and Interest Income

For the years ended 31 December 2019 and 2020, QP realised dividend and interest income of QR 1,914.9 million and QR 1,161.1 million (U.S.$319.0 million), respectively. This 39.4% decrease was primarily attributable to a 50.0% decrease in short-term deposits in 2020 due to QP's reduction of international investments and lower average interest rates on deposits in 2020 as compared to 2019.

For the years ended 31 December 2018 and 2019, QP realised dividend and interest income of QR 1,514.0 million and QR 1,914.9 million, respectively. This 26.5% increase was primarily attributable to a 67.4% increase in short-term deposits in 2019 and higher average interest rates on deposits in 2019 as compared to 2018.

Finance Charges

For the years ended 31 December 2019 and 2020, QP incurred finance charges of QR 533.8 million and QR 506.0 million (U.S.$139.0 million), respectively- This 5.2% decrease was primarily due to lower outstanding loan balance during 2020 and a decline in LIBOR rates from approximately 2.2% during 2019 to approximately 0.7% during 2020.

For the years ended 31 December 2018 and 2019, QP incurred finance charges of QR 553.7 million and QR 533.8 million, respectively. This 3.6% decrease was primarily due to lower outstanding loan balance during 2019 partly offset by an increase in LIBOR rates from approximately 2.0% during 2018 to approximately 2.2% during 2019.

Taxes

For the years ended 31 December 2019 and 2020, QP incurred tax expenses of QR 14,239.7 million and QR 8,053.9 million (U.S.$2,212.6 million), respectively. This 43.4% decrease was mainly attributable to a decline in the average realised prices of petroleum products leading to lower revenue and consequently decreased pre-tax profit.

For the years ended 31 December 2018 and 2019, QP incurred tax expenses of QR 15,890.1 million and QR 14,239.7 million. The 10.4% decrease was primarily attributable to a decline in the average realised prices of petroleum products leading to lower revenue and consequently decreased pre-tax profits, as well as a recognition of deferred tax assets in an amount equal to QR 462.0 million.

Profit / (Loss) from discontinued operations

For the years ended 31 December 2019 and 2020, QP realised a profit of QR 12.2 million and a loss of QR 1.2 million (U.S.$0.3 million) respectively. This 109.8% decrease was largely the result of an additional impairment on account of the investment in the Heron II power plant (located in Greece) in 2020 as compared to a reversal of impairment on the Heron II power plant in 2019.

For the years ended 31 December 2018 and 2019, QP realised a profit of QR 17.1 million and QR 12.2 million, respectively. This 28.7% decrease was primarily attributable to Al Shaheen Weatherford's joint venture's financial results which was consolidated with QP's results until it was disposed of in 2019.

Profit for the Year

For the years ended 31 December 2019 and 2020, QP recorded a profit of QR 72,767.4 million and QR 41,212.0 million (U.S.$11,322.0 million), respectively. This 43.4% decrease was primarily due to the impact of the COVID-19 pandemic which significantly contribute towards lowering prices and sales volume resulting in lower revenue, which however was partially offset by lower costs.

For the years ended 31 December 2018 and 2019, QP recorded a profit of QR 86,530.1 million and QR 72,767.4 million, respectively. This 15.9% decrease was primarily due to the impact of lower prices resulting in lower revenue, which however was partially offset by lower costs.

Liquidity and Capital Resources

The following table sets forth certain information regarding the principal items of the statement of cash flows for the periods indicated:

	Year Ended 31 December				Three Months Ended 31 March		
	2018	2019	2020	2020	2020	2021	2021
		(QR millions)		*(U.S.$ millions)*	*(QR millions)*		*(U.S.$ millions)*
Net cash from / (used in):							
Operating activities..........	43,794.6	85,236.2	47,575.8	13,070.3	(1,828.6)	3,781.9	1,038.9
Investing activities...........	25,321.5	12,479.8	(3,126.2)	(858.8)	4,739.4	(1,147.8)	(315.3)
Financing activities..........	(59,986.8)	(77,039.7)	(69,007.5)	(18,958.1)	(1,489.3)	(1,762.8)	(484.3)

QP primarily funds its operations with cash generated from operating activities. QP's primary current uses of cash are for local and international capex investments and for working capital purposes.

Net cash (used in) / from Operating Activities

QP's cash flow is primarily generated from its operations. Net cash from operating activities for the year ended 31 December 2020 amounted to QR 47,575.8 million (U.S.$13,070.3 million) as compared to QR 43,794.6 million for the year ended 31 December 2018 and QR 85,236.2 million for the year ended 31 December 2019. The 44.2% decrease from 2019 to 2020 primarily reflects decreased prices across QP's product ranges due to prevailing market conditions. The 94.6% increase from 2018 to 2019 was primarily due to favourable working capital movements.

Net cash from operating activities for the three months ended 31 March 2021 amounted to QR 3,781.9 million (U.S.$1,038.9 million) as compared to net cash used in operating activities of QR 1,828.6 million for the three months ended 31 March 2020. The 306.8% increase was mainly due to higher market prices across QP's product range as a result of improved market conditions and due to reduced working capital requirements during such period.

Net cash from / (used in) Investing Activities

Net cash used in investing activities amounted to QR 3,126.2 million (U.S.$858.8 million) for the year ended 31 December 2020 as compared to net cash from investing activities of QR 12,479.8 million for the year ended 31 December 2019 and QR 25,321.5 million for the year ended 31 December 2018. The 74.9% decrease from 2019 to 2020 was primarily due to lower dividends received from joint ventures and associates. The 50.7% decrease from 2018 to 2019 was primarily due to lower dividends received from joint ventures and associates in addition to a QR 3.4 million increase in QP's investments in joint ventures.

Net cash used in investing activities amounted to QR 1,147.8 million (U.S.$315.3 million) for the three months ended 31 March 2021 as compared to net cash from investing activities of QR 4,739.4 million for the three months ended 31 March 2020. The 124.2% decrease was primarily due to higher spending by QP on its projects under development (in particular, the North Field Expansion).

Capital Expenditures

The following table sets forth certain information regarding QP's total capital expenditures for the periods indicated:

	Year Ended 31 December				Three Months ended 31 March		
	2018	2019	2020	2020	2020	2021	2021
		(*QR millions*)		(*U.S.$ millions*)	(*QR millions*)		(*U.S.$ millions*)
Capital expenditure[(1)]	(15,173.1)	(15,807.0)	(12,995.1)	(3,570.1)	(3,289.1)	(3,878.3)	(1,065.5)

Notes:
(1) Excludes acquisition of investment property, intangible assets, additions to investments in joint ventures and projects under development.

QP's capital expenditures were QR 15,173.1 million for the year ended 31 December 2018, QR 15,807.0 million for the year ended 31 December 2019 and QR 12,995.1 million (U.S.$3,570.1 million) for the year ended 31 December 2020. The 17.8% decrease from 31 December 2019 to 31 December 2020 was primarily due to cost optimisation measures and deferral of projects to the following year due to the impact of the COVID-19 pandemic. The 4.2% increase from 2018 to 2019 was primarily due to increased expenditures as part of QP's redevelopment of operated oil fields.

QP's capital expenditures were QR 3,878.3 million (U.S.$1,065.5 million) for the three months ended 31 March 2021 and QR 3,289.1 million for the three months ended 31 March 2020. The 17.9% increase was largely due to the addition of four QP North Field appraisal wells.

QP expects capital expenditures to be between QR 10,000 million and QR 11,000 million for the year ending 31 December 2021. See also "*Business—Capital Expenditures*" for further information on current capital investment programmes.

Net cash used in Financing Activities

Net cash used in financing activities amounted to QR 69,007.5 million (U.S.$18,958.1 million) for the year ended 31 December 2020 as compared to QR 77,039.7 million for the year ended 31 December 2019 and QR 59,986.8 million for the year ended 31 December 2018. The 10.4% decrease from 2019 to 2020 was primarily due to lower dividend payments to the Ministry of Finance as a result of the decreased profit realised by QP in 2019. Conversely, the 28.4% increase from 2018 to 2019 was primarily due to higher dividend payments to the Ministry of Finance as a result of the increased profit realised by QP in 2018.

Net cash used in financing activities amounted to QR 1,762.8 million (U.S.$484.3 million) for the three months ended 31 March 2021 as compared to QR 1,489.2 million for the three months ended 31 March 2020. The 18.4% increase was primarily due to a 90.9% reduction in proceeds from loans to QP during such period.

Significant Non-Cash Transactions

In the years ended 31 December 2018, 2019 and 2020 and the three month periods ended 31 March 2021 and 2020, QP entered into a number of significant non-cash activities which were not reflected in the consolidated statement of cash flows on the basis that they represent intra-account transfers from QP's non-current assets (for example, the transfer from project under development to property, plant and equipment) and adjustments (for example, the recognition of additional right-of-use assets and lease liabilities) (see Note 41 of the 2020 Financial Statements for further information).

During the three months ended 31 March 2021, QP recorded: (i) a transfer from capital work-in-progress to intangible assets in an amount of QR 198.4 million (U.S.$54.4 million) as compared to QR 1.9 million during the equivalent period of 2020; and (ii) the recognition of additional right of use assets and lease liabilities in an amount of QR 52.8 million (U.S.$14.5 million) as compared to QR 46.0 million during the equivalent period of 2020.

In the year ended 31 December 2020, QP recorded: (i) a transfer from capital work-in-progress to intangible assets in an amount of QR 130.0 million (U.S.$35.7 million); (ii) the recognition of additional right of use assets and lease liabilities amounting to QR 1,012.7 million (U.S.$278.2 million); and (iii) the transfer from other non-current assets (being projects under development) to property, plant and equipment in an amount of QR 1,693.0 million (U.S.$465.1 million).

In the year ended 31 December 2019, QP recorded: (i) a transfer from capital work-in-progress to intangible assets in an amount of QR 173.0 million; and (ii) the recognition of additional right of use assets and lease liabilities in an amount of QR 643.1 million.

In the year ended 31 December 2018, QP recorded: (i) a transfer from capital work-in-progress to intangible assets in an amount of QR 801.0 million; and (ii) the recognition of additional right of use assets and lease liabilities in an amount of QR 150.6 million.

Transfers to Ministry of Finance and Dividends

Transfers to Ministry of Finance

On a monthly basis, QP directly transfers any tax paid on behalf (as described below) to the GTA and makes transfers in respect of the following to the Ministry of Finance: (i) royalties payable by QP; (ii) taxes payable by QP; and (iii) royalties payable by QP's joint ventures. The royalties and taxes payable by QP to the Ministry of Finance are offset against QP's export revenue received by the Ministry of Finance, described further below; however, all royalties paid by QP's joint ventures are paid to QP and then immediately transferred to the Ministry of Finance, and as such are not included on QP's income statement. In general, QP's joint ventures are also required to pay an annual statutory tax to the GTA. For further information regarding the tax treatment of QP and its Group, see "*The State of Qatar Regulatory and Legal Framework; Taxation and Royalties*".

The Ministry of Finance also receives, on behalf of QP, monthly payments in respect of revenues derived from the export of regulated products where QP is the producing entity, since such payments are made directly to the Ministry of Finance.

Dividend

QP's obligation with respect to dividends are regulated pursuant to Decree Law No. 10 of 1974 and subsequent amendments thereof. QP pays annual profits as dividend to Ministry of Finance, on behalf of the Supreme Council for Economic Affairs and Investment of the State of Qatar.

QP routinely transfers cash surplus after making due provisions for expenditure and investments in line with QP's approved annual budget (including all debt service obligations). All of the transfers made to the Ministry of Finance by QP are consolidated at the end of each financial year. If QP has made an over-payment (or an under-payment) to the Ministry of Finance, such amount is taken into account with respect to the annual dividend payment payable to the Ministry of Finance and recorded in QP's annual financial statements as either amounts "due from" or "due to" the Ministry of Finance. As at the date of this Prospectus, there have not been any amounts "due to" the Ministry of Finance.

Historically, dividend declared represent between approximately 90% to 95% of QP's net profit attributable to Owner of the Corporation. For the years ended 31 December 2018 and 2019, QP declared a dividend of QR 73,143.2 million and QR 65,999.7 million (U.S.$18,131.8 million) respectively.

Commitments

See Note 34 to the 2020 Financial Statements, Note 36 of the 2019 Financial Statements and Note 26 of the Interim Financial Statements.

As at 31 March 2021, the capital commitments of the Group (excluding its share of joint ventures and associates' capital commitments) amounted to QR 21,106.6 million (U.S.$5,798.5 million) as compared to QR 3,956.1 million, QR 15,380.0 million and QR 25,584.1 million (U.S.$7,028.6 million) as at 31 December 2018, 2019 and 2020, respectively. These primarily relate to commitments of within Qatar Petroleum International Limited ("**QPI**").

As at 31 March 2021, the Group's share of joint ventures' capital commitments amounted to QR 12,582.8 million (U.S.$3,456.8 million) as compared to QR 14,265.6 million, QR 27,871.7 million and QR 12,717.7 million (U.S.$3,493.9 million) as at 31 December 2018, 2019 and 2020, respectively. These primarily relate to commitments of joint ventures within the QP group, mainly within QPI and the award of drilling, engineering, procurement and construction contracts in connection with the North Field Expansion.

In February 2019, QP and ExxonMobil took the FID to proceed with the QR 38.9 billion, or U.S.$10.7 billion, Golden Pass Export Project. See "*Business—Natural Gas and LNG Operations— Golden Pass LNG Terminal (United States)*" for more information.

Purchase and Supply Commitments

As at 31 December 2020, QP had the following material purchase and supply commitments:

- purchase from the State of Qatar and AKG Marketing Company Limited (formerly known as ExxonMobil Middle East Gas Marketing Limited), under a gas supply agreement dated 4 June 2006, certain quantities of gas per day over a period of 25 years.
- supply natural gas to Dolphin Energy Limited, for export to the UAE, on behalf of the State of Qatar, together with Dolphin Investment Company, Total E&P Dolphin Upstream Limited, and Oxy Dolphin E&P LLC, per year over a period of 25 years from 21 July 2007. Qatar Petroleum commitment is the share of the State of Qatar under a development and production sharing agreement for the Dolphin project.
- supply Dolphin Energy Limited, for export to the United Arab Emirates, certain quantities of gas over a period of ten years starting on 1 July 2016.
- purchase from the State of Qatar and Qatar Shell GTL Limited under an ethane sale and purchase agreement dated 22 November 2018 certain quantities of ethane per day.
- purchase from the State of Qatar and Dolphin Energy Ltd under an Ethane Sale and Purchase Agreement dated 11 March 2009 certain quantities of ethane per day.
- purchase from Barzan under a gas supply agreement dated 8 December 2011, certain quantities of gas per day over a period of 21 years from 21 February 2020.

Liquidity

QP believes that its existing cash and cash equivalents balance, together with amounts available under its borrowing arrangements and cash generated from operations, will be sufficient to meet its working capital requirements for at least the next 12 months. Certain of QP's subsidiaries also have entered into and have access to credit facilities or other financing.

As at 31 December 2020, QP had a total of QR 7,548.3 million (U.S.$2,073.7 million) in loans and bonds from QR 7,589.1 million as at 31 December 2019. Cash that may be temporarily available as surplus to QP's immediate needs is carefully managed based on counterparty quality and investment guidelines to ensure it is secure and readily available to meet QP's cash requirements.

Interest Bearing Loans

Between May 2011 and 2017, GDI, an onshore and offshore oil and gas drilling company and indirect subsidiary of QP, entered into various unsecured borrowing arrangements with different banks in an aggregate amount of QR 8,303.0 million (U.S.$2,281.0 million). All of these facilities bear interest at rates varying between three months

LIBOR plus 1.35% - 2.70% and the loans are generally required to be repaid in quarterly instalments. As at 31 December 2020, the principal amount outstanding was equal to QR 4,310.0 million (U.S.$1,184.1 million), a total of nine outstanding facilities from a consortium of lenders and commercial banks.

In May 2017, GDI entered into a master murabaha facility agreement with Qatar Islamic Bank in an amount equal to QR 3,367.0 million, or U.S.$925.0 million. The proceeds of this facility were used for general corporate purposes and the settlement or refinancing of various outstanding loan facilities. The loan is unsecured and has an effective interest rate of LIBOR plus 2.70% and is repayable upon maturity on 31 December 2023. As at 31 December 2020, GDI had utilised QR 2,437.0 million, or U.S.$669.5 million, from this facility.

Bond

On 17 August 2012, QP issued a bond amount to JPY 85.0 billion through a private placement. The bond bears interest at a fixed rate of 1.14% per annum payable semi-annually in arrears. The bond matures on 17 August 2022. The bond represents a direct, unconditional, unsecured and unsubordinated obligation of QP and ranks equally with all other outstanding unsecured and unsubordinated indebtedness of QP.

QP's exposure to the Japanese Yen-denominated bond was swapped to U.S. Dollars at the time of the bond issuance by entering into cross-currency swaps with various counterparties. As a result of the swaps, QP pays a fixed rate of 3.3758% per annum semi-annually in arrears. The hedge relationship is treated as a cash flow hedge and the fair value change in the cross-currency swap was recognised in QP's consolidated statements of profit and loss and other comprehensive income as a hedge reserve. As at 31 December 2020, the value of the foreign currency swap amounted to QR 1,042.0 million (U.S.$286.3 million).

Contractual Obligations

The following table sets forth the maturity profile of QP's contractual obligations as at 31 December 2020:

	Less than 1 year	1 year to 5 years	More than 5 years	Total
		(*QR millions*)		
Bond	131.8	3,207.9	–	3,339.7
Interest-bearing loans	776.7	3,707.5	–	4,484.3
Interest rate swap	–	1,042.4	–	1,042.4
Accounts payable	5,027.1	–	–	5,027.1
Due to related parties	10,389.1	–	–	10,389.1
Lease liabilities	748.7	1,824.6	947.3	3,520.6
Total	**17,073.4**	**9,782.5**	**947.3**	**27,803.3**

QP's off-balance sheet arrangements primarily relate to commitments and contingencies under guarantees issued by the Group in connection with certain financing arrangements.

The amounts due to related parties include RL 1, RL 2, RL 3, Qatargas 2, Qatargas 3, Qatargas 4, Laffan Refinery Company Limited ("**LR1**"), LR2, and North Oil Company.

In December 2011, Barzan signed a U.S.$7.25 billion facility agreement for the financing and construction of offshore and onshore gas trains and distribution facilities. The facilities were fully drawn in 2016. QP has provided a guarantee to the lenders in proportion of its shareholding amounting to approximately U.S.$4.5 billion (the equivalent of approximately QR 16.24 billion) which will be released following successful completion to be achieved prior to year-end 2022. QP has also given an undertaking to provide shareholder loans if: (i) there is a shortfall in gas sold; (ii) as a result of which Barzan has insufficient operating revenues; and (iii) to an amount equal to the relevant percentage as calculated in an offtake support commitment agreement.

In 2013, QP transferred a portion of its shares in the Qatar Chemical Company Limited ("**Q Chem**") and in the Qatar Chemical Company Limited II ("**Q Chem II**") to MPHC. QP has provided a guarantee to the other shareholders in these joint ventures with respect to the due and timely performance of all obligations of MPHC as a shareholder arising from the respective joint venture agreements.

Off-Balance Sheet Arrangements

An off-balance sheet arrangement includes any contractual obligation, agreement or transaction arrangement involving an unconsolidated entity under which a company has (i) retained a contingent interest in transferred assets, (ii) any obligation arising out of a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the company, or that engages in leasing, hedging or research and development services with the company, (iii) made guarantees, or (iv) an obligation under derivative instruments classified as equity. QP discloses contingent liabilities and commitments in its Financial Statements (see, for example, Note 34 of the 2020 Financial Statements).

Quantitative and Qualitative Disclosure about Market Risk

The finance function of each entity in the Group provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk, liquidity risk and insurance risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by QP's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. QP does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

See Notes 36 and 38 of the 2020 Financial Statements and 2019 Financial Statements for further information, respectively.

Market Risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates, will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return. The Group’s activities expose it primarily to the financial risks of changes in commodity prices, foreign currency exchange rates and interest rates.

Commodity Price Risk

Volatility in the prices of oil and gas and refined products is a pervasive element of the Group’s business environment as the Group’s production and purchase of certain products and sales of refined products and crude oil are based on international commodity prices in accordance with a commercial supply agreement entered into with sales agents. The Group’s refining margin is affected by disproportionate fluctuations in the prices of crude oil and refined products. The Group is also exposed significantly to commodity price risk, which arises from the purchase and consumption of large volumes of raw materials in its normal course of business. Raw material prices are linked to an index, which is volatile and influenced by worldwide factors such as political events and supply and demand fundamentals. The Group does not use any derivative instruments to manage commodity price risks or for speculative purposes.

Foreign Currency Risk

Although QP operates internationally, it has limited exposure to the risk of foreign currency exchange rates, as most of its foreign currency transactions are in U.S. Dollars, which are pegged to the Qatari Riyal, and its currency exposure on its bond denominated in Japanese Yen is hedged through a currency swap with U.S. Dollars. See Note 36.2 of the 2020 Financial Statements for further information. QP Treasury performs a monthly review of the foreign exchange requirements in euros and pounds sterling and will purchase foreign exchange spot as the amount is not material for any foreign exchange hedging. However, QP did foreign exchange hedging in December 2019 on U.S. dollars and Brazilian real (BRL) by engaging in foreign exchange deliverable forwards in tranches, with in-depth discussions with banks in executing the foreign exchange strategy with the approval of top management.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's financial assets and liabilities with floating interest rates. These financial assets and liabilities with floating interest rates include cash and bank balances, loans and advances to related parties and interest-bearing loans, which are mostly on floating rate basis. QP Treasury performs a quarterly review of the macro interest rate environment with the banks and presents to management if there is a need to hedge the interest rate exposure.

Equity Price Risk

The Group's listed investments are susceptible to equity price risk arising from uncertainties about future values of the investments. The Group manages the equity price risk through diversification and placing limits on individual and total portfolio of equity instruments. Reports on the equity portfolio are submitted to QP's senior management on a regular basis and the Board of Directors of each Group entity reviews the results.

Significant Accounting Policies

See Notes 3 and 4 of the 2020 Financial Statements and 2019 Financial Statements, respectively.

Critical Judgments and Key Sources of Estimation Uncertainty

See Notes 4 and 5 of the 2020 Financial Statements and 2019 Financial Statements, respectively.

INDUSTRY OVERVIEW

Unless otherwise stated, the data and opinions in this section have been prepared by the Industry Consultant for Qatar Petroleum (QP). The energy forecasts provided by the Industry Consultant are based on integrating data and information from multiple disciplines, including macroeconomics, geopolitics, technology and technical fields. Using this information, the Industry Consultant creates energy trends for the supply and demand of a wide range of energy and petrochemicals products (including natural gas, LNG, crude oil and chemicals). The energy trends in this section are not guarantees of future performance and actual results could differ materially. The Industry Consultant provides research, data, and advisory services to major international companies, as well as public institutions. It operates in several fields and sectors, principally in energy and petrochemicals.

Overview

- The global economy is expected to fully recover to pre-pandemic levels by the end of 2021, with real global GDP growth of 5%. However, due to the economic impact of COVID-19 and measures taken to combat it, global output is expected to be below the pre-pandemic trajectory in 2025. Longer-term, real global GDP is expected to grow at a CAGR of 2.6% from 2021 to 2040, led by non-OECD countries.

- The global demand for natural gas is expected to continue to grow to 2040 at a CAGR of 1.5%. Global GDP growth is a key driver in the increased demand for natural gas, as well as coal-to-gas switching in emerging countries where gas will play a pivotal role in the energy transition. In the long term, the demand for gas is likely to peak as the world progresses towards achieving the objective of net-zero carbon emissions.

- LNG demand growth is expected to markedly outpace natural gas demand growth, rising at a CAGR of 3.6% to 2040 and sustaining positive growth until the end of the 2040s, though growth will slow from 2030 to 2040 as compared to 2025 to 2030. The engine of global LNG demand growth will shift from the mature markets of Northeast Asia in the short term to the booming economies of South and Southeast Asia in the longer term. On the supply-side, production is likely to become more and more concentrated near large resources: the US, Qatar, Russia, Australia, and East Africa.

- Oil demand is expected to reach a peak after 2035 and then turn to a decline by around 2040. However, the need to offset on-stream field declines calls for sustained upstream investment, which should support prices.

- Global demand for chemicals is expected to continue to grow faster than the wider economy, driven by an increase in demand for commodity polymers. Ethylene demand growth is expected to average 2.6% per year from 2021 to 2040.

Macro-economic and energy trends

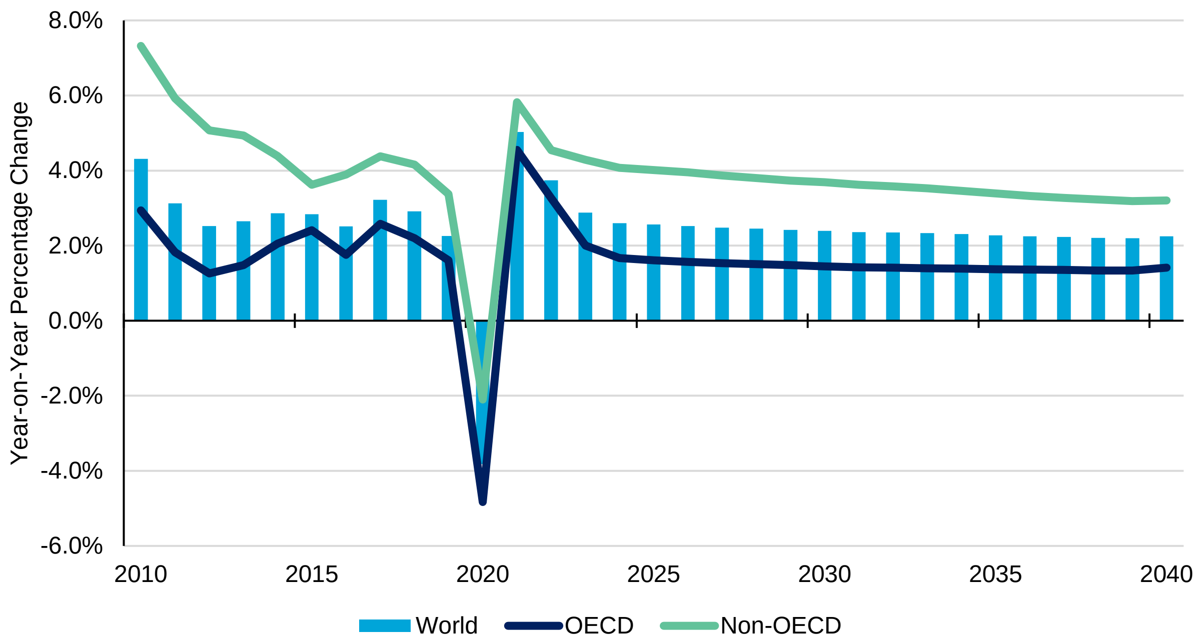
COVID-19 had a significant impact on the global economy in 2020. Every region, with the exception of China, experienced an annual contraction in GDP, as lockdowns and restrictions on everyday life came into place. Some regions were hit harder than others, but in total the global economy experienced a contraction of over 4%.

Optimism for the global economic recovery is strengthening. Global leading indicators point to robust expansion with their highest readings since August 2014. Global output is expected to fully recover in 2021 to pre-pandemic levels. Global GDP growth is forecasted at 5% in 2021 based on a 2010 constant price and exchange rate.

However, COVID-19 will affect the economic output. Global GDP will languish below the pre-pandemic trajectory in 2025. Debt burdens, higher structural unemployment and capital destruction lower the potential of economic output relative to pre-pandemic forecasts. The longer economies are subject to restrictions, the deeper these issues will become.

Over the longer term, global economic growth is slowing. In the decade leading to 2040, real GDP growth is forecasted to average 2.3% per annum, compared to 2.9% over the past decade. Demographic factors will drive this trend, notably a slowing of working-age population growth. Demographics are an important structural driver in forecasting the long-term growth potential of an economy, along with investment and growth in capital stock and productivity improvements. Despite slowing growth, the global GDP level is expected to increase by two thirds by 2040.

The following chart shows real GDP annual growth rates in OECD and non-OECD countries from 2010 to 2019 and expected annual growth rates from 2020 to 2040.



Non-OECD economies are expected to outpace OECD peers owing to their greater potential for productivity and capital growth—as well as more favourable demographics. From 2025 to 2040, non-OECD economies are forecasted to have an average GDP growth of 3.6% annually, in comparison to OECD peers' annual average of 1.4%. This underpins a gradual economic convergence between developing and developed economies, although a substantial wealth gap is expected to persist.

Global energy demand is expected to continue to increase to 2040, although demand growth will slow amid moderating intensities. After declining around 3.5% year-on-year in 2020 to 12.7 btoe due to the pandemic, total primary energy demand is reaching 15.3 btoe in 2040, which represents an average annual growth rate of 1.5% in this decade and under 0.3% in the next decade. These projections assume that supply follows course. The world needs 31% and 53% of new supply by 2030 and 2040, respectively, to meet the projected energy needs. Yet hydrocarbon demand is expected to be resilient: vehicle fleets, industrial facilities and heating supply systems are stubbornly slow to shift towards zero-carbon alternatives.

The demand for oil and gas is expected to reach peak levels around 2040, though both commodities begin to plateau from 2030. Despite a doubling of solar and wind capacity in the past five years to 1.25 terawatt, hydrocarbons still account for 84% of the total primary energy mix in 2021, and their share is expected to drop by only five percentage-points by 2040 to 79%. That means renewables did not meet the incremental energy demand let alone drive any fuel displacement.

Natural gas demand

Global natural gas demand is expected to grow through 2040 mainly due to the growth in Asia as coal to gas switching helps reduce carbon and pollution. Gas as a percentage of total primary energy demand is forecasted to increase from 24.5% in 2020 to 26.7% by 2040. At the same time, the share of coal is expected to decline significantly, from 29% to 22.6%, whilst the share of renewables is expected to increase rapidly, from 18.6% in 2020 to 34.6% in 2040.

However, gas demand is likely to peak around 2040 and decline thereafter due to the increased decarbonisation efforts globally.

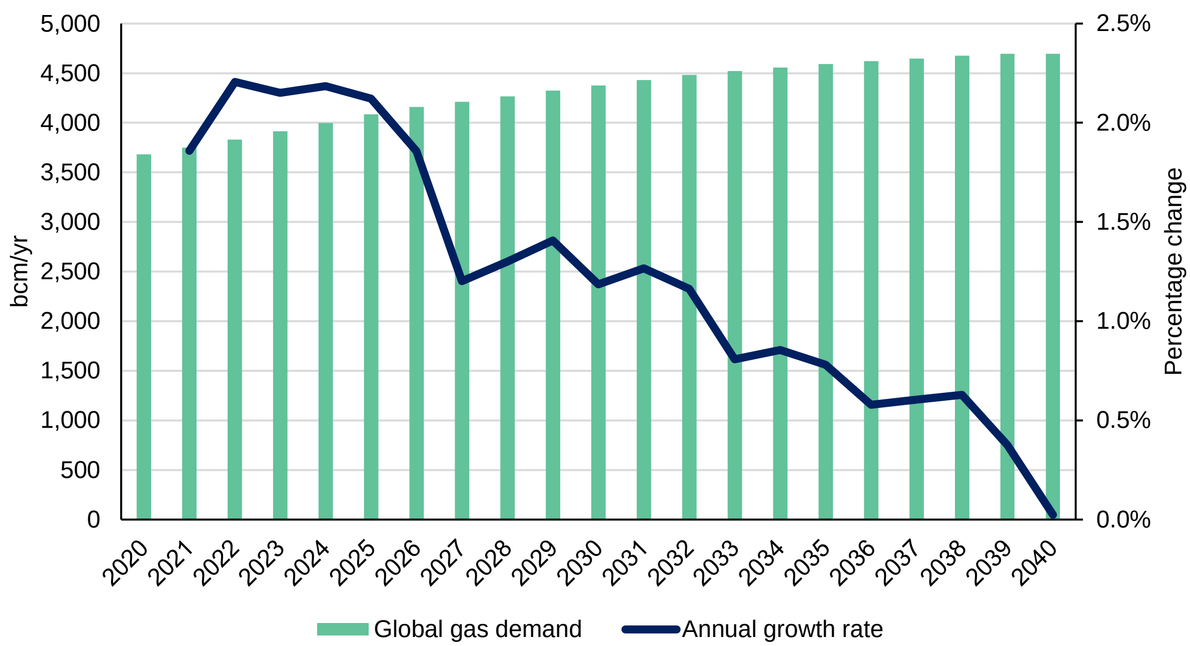
Gas demand was hit hard in early months of 2020 with COVID-19 and the subsequent lockdown measures. However, gas demand proved to be resilient throughout the year, which was largely supported by increased demand in the power sector as gas prices fell more than coal prices. But it was also driven by elevated cooling and heating demand due to weather events, and economic recovery in select countries such as China due to its success in the COVID-19 containment. Global gas demand stayed relatively flat between 2019 and 2020 despite the global pandemic.

With the vaccine roll-outs globally and economies ramping down lockdown measures, the rebound in economic activity in 2021 and 2022 is expected to propel gas demand growth in the near term. Demand is expected to strengthen further over the mid-2020s, underpinned by Asia where growth is expected to be driven by robust economic performance, expanding populations and rising demand from the power sector.

Post-2030, the effects of the energy transition are expected to take varying shapes across different markets. Developed markets will likely move away from gas in their decarbonisation efforts in both power and non-power sectors, while gas will maintain its role in reducing emissions through coal-to-gas switching in developing markets.

Gas demand is expected to peak around 2040 as energy transition efforts such as renewable generation, electrification of the heating sector, and green hydrogen displacement pull down gas demand. However, global LNG demand is forecasted to continue to grow despite peak gas demand, as falling indigenous supply makes more room for LNG imports in several countries around the world.

The following chart illustrates the expected global annual gas demand and related growth rates from 2020 to 2040.



Key upside and downside risks to the forecast for natural gas demand include:

- the pace of economic recovery and gas demand rebound in the near term;
- the pace of coal retirement globally;
- the pace of infrastructure development to unlock demand in emerging markets;
- the pace of energy transition and the routes chosen towards decarbonisation and net-zero (especially given recent pledges from major LNG importing countries such as China, South Korea, and Japan);
- in Asia specifically with respect to LNG, the pace of growth in renewable capacity and improvements in the economic viability of renewables and battery storage technologies;
- in Asia specifically with respect to LNG, the possibility for permanent shifts in regional policies away from coal and nuclear to the benefit of gas and/or renewables.

LNG demand

Global LNG demand grew to 365 mt in 2020, which represents an increase of 5 mt (1.4%) above the demand in 2019. China was the dominant driver of growth with increased demand in other markets such as Turkey and India helping to offset minor declines in LNG imports in Japan, South Korea, and Northwest Europe.

LNG demand is expected to increase continuously to 2040 at an average annual growth rate of 3.6% compared to 1.5% for global gas demand in 2020-2040. Growth is expected to slow down significantly afterwards but remain positive until 2050.

Its flexible nature allows LNG to penetrate markets that piped gas cannot once the appropriate infrastructure is in place. LNG demand is also expected to benefit from declining domestic production to act as a replacement supply source in gas markets with mature upstream sectors.

The LNG industry has put more focus on its green credentials. Carbon neutral LNG deliveries, new contracts with carbon measurement provisions, investment in carbon capture and storage ("**CCS**") facilities and development of renewable power plants at LNG facilities are all a focus amid increasing calls for a rapid energy transition in a post pandemic world. This trend is expected to continue and get stronger through 2021 and beyond.

The engine of growth is expected to be Asia-Pacific LNG demand that is expected to more than double from 339.2bcm in 2020 to 708.9 bcm in 2040, accounting for more than 70% of total growth. However, the focus of Asian LNG demand growth is expected to shift through the forecasted period from the mature markets of Northeast Asia to the booming economies of South and Southeast Asia.

Europe exhibits more modest but still robust growth, demonstrating over 50% growth over the next two decades; however, Europe's LNG demand is expected to peak in the second half of the 2030s and to engage in a rapid decline afterwards until the end of our forecast.

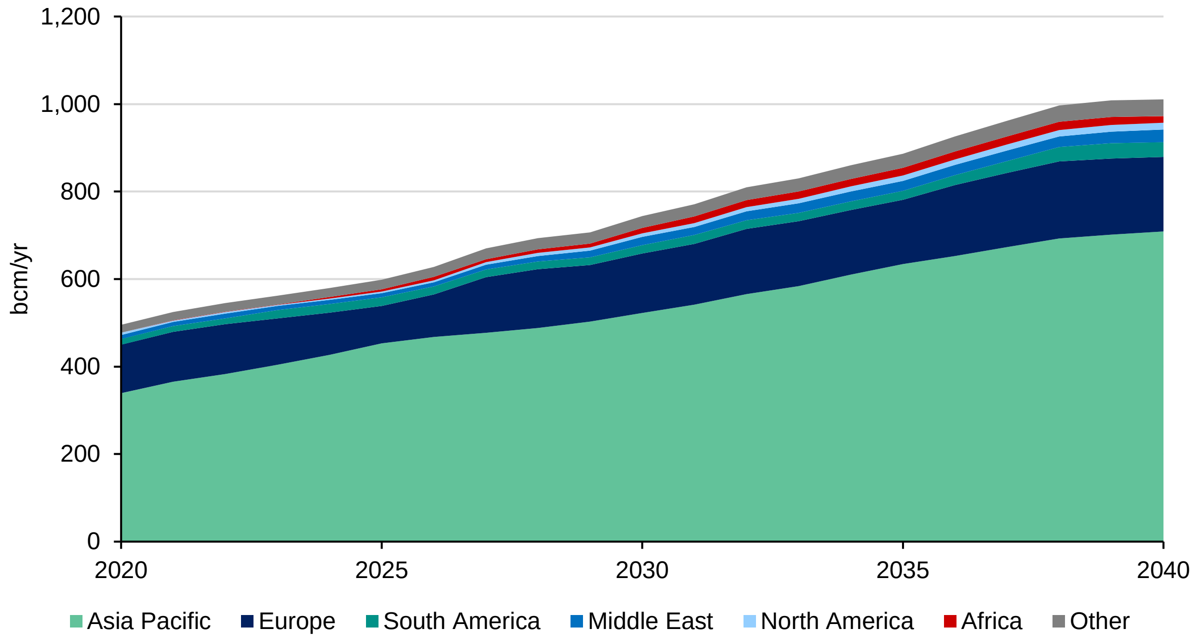
Africa shows the strongest pace of growth in imports, from a very low base, reaching 15 bcm by 2040. North America, the Middle East and Latin America see fast growth from a relatively low base too, reaching 16 bcm, 29 bcm, and 34 bcm respectively by 2040. In North America, the growth is mostly driven by marine bunker demand.

On 1 January 2020, new regulations of the International Maritime Organisation (the "**IMO**") came into force globally, putting a 0.5% cap on sulphur emissions from ships. This has given LNG a chance to break into a market mainly served by fuel oil so far, and global demand for LNG as marine bunkers is expected to reach 72.1 bcm by 2040 (7.1% of total demand).

Some of the key upside and downside risks for LNG demand forecast include:

- the pace of energy transition, especially how soon gas demand peaks, and how fast it declines thereafter;
- the need for price reform across South and Southeast Asia with higher reliance on imported LNG and exposure to global price fluctuations;
- the appetite for higher gas/LNG prices relative to coal.

The following chart shows the expected LNG gas demand by region from 2020 to 2040.



LNG supply

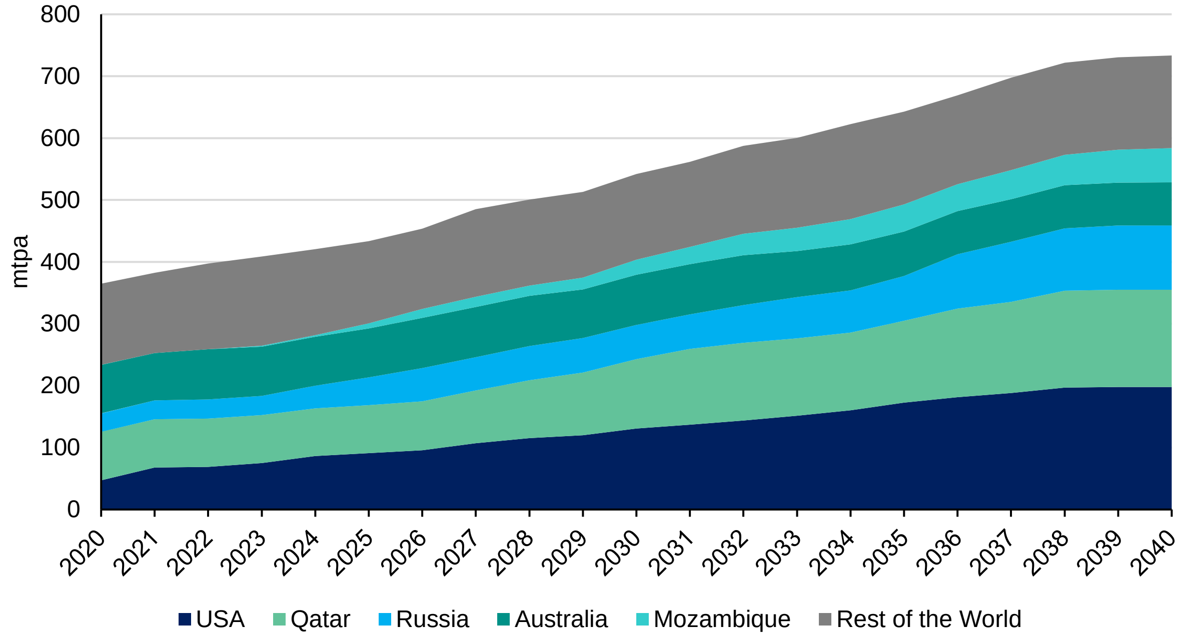
LNG production capacity growth outpaced supply growth in 2020, as new US trains Freeport LNG Train 3, Cameron LNG Trains 2 & 3, and Corpus Christi LNG Train 3 came online, while Cheniere increased the run rate of its existing trains by 1 mtpa. The rebalancing of the market was achieved through the cancellation of 15 mt of supply globally as prices collapsed, predominantly in the US but also in Egypt and Australia. Unplanned outages also contributed to the rebalancing of the market, as a further 10 mt of supply was taken out of the market, notably at Gorgon in Australia and Snohvit in Norway.

COVID-19 also hit most of the 100 mtpa of new capacity under construction as capex cuts in 2020 caused delays of one year or greater.

The lack of momentum behind most pre-FID projects, with carbon neutrality goal announced by major LNG consuming countries, is expected to delay the ramp-up for the next wave of North American LNG projects toward the end of 2030s.

In the long term, investments are likely to result in an increasing concentration of supply near large resources. The US, Qatar, Russia, and East Africa are expected to dominate the LNG landscape.

The following chart sets forth expected global annual LNG supply from 2020 to 2040:



Qatar LNG

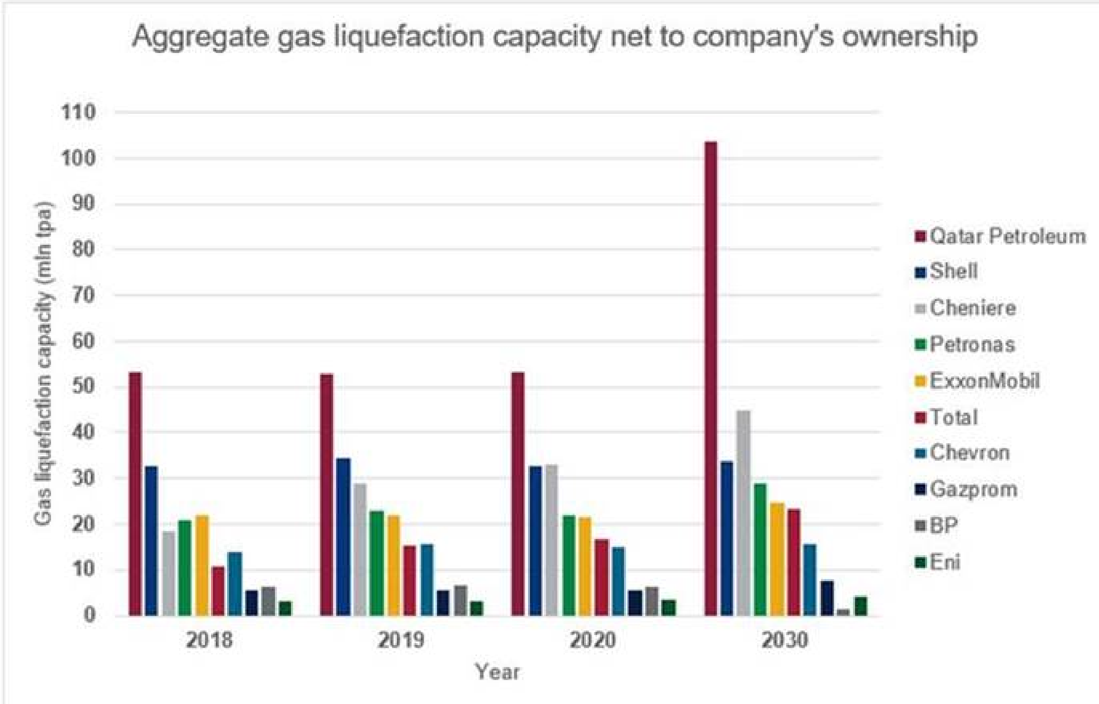
At a long-term FOB breakeven price of just over U.S.$4.0 per million btu (U.S.$/mmbtu), the NFE Expansion is towards the bottom of the LNG cost curve. Legacy assets have production costs among the lowest in the world. This is allowing the State of Qatar to go increasingly long on volume. However, by 2027, QP will have over 75 mtpa of uncontracted LNG volume to sell, which accounts for around 70% of its LNG portfolio.

QP is also focusing on GHG emissions and reducing the carbon intensity of its LNG. Elements of the NFE Expansion project will be powered from the electricity grid – where solar will make up an increasing component – and the CO_2 capture and sequestration system will reduce Scope 1 and 2 emissions from the project. This focus on low cost LNG and reducing carbon emissions is proving attractive to buyers.

Therefore, on 8 February 2021, QP announced FID and the award of the main onshore EPC contract for the NFE Expansion, the world's single, largest LNG project. QP estimates the 32 mtpa project (with four trains) cost at U.S.$28.75 billion (including the upstream part). This is expected to raise Qatar's LNG output to 110 mtpa. The EPC contract for the construction of the four 8 mtpa trains was awarded to Chiyoda and Technip Energies, with a value of U.S.$12.242 billion. The start-up on the project is targeted for the fourth quarter of 2025.

With the North Field Expansion project, QP is pursuing gas and LNG market share. The FID is likely to put pressure on other pre-FID LNG suppliers, which may find that QP has secured a foothold in the market ahead of them.

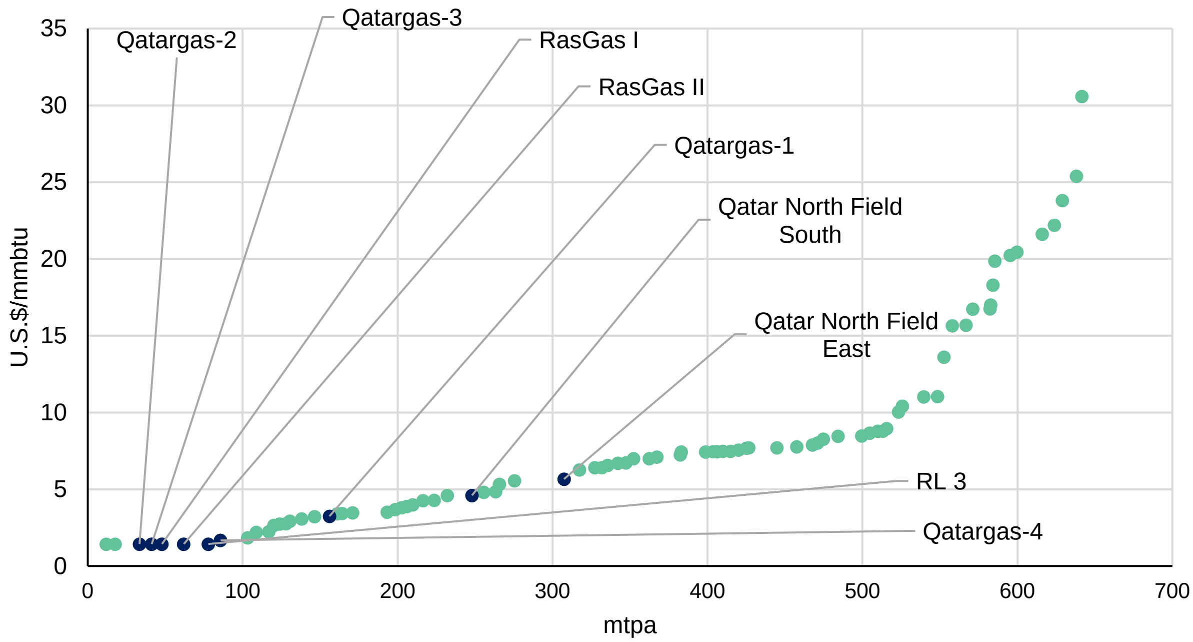
At the corporate level, the NFE Expansion and NFS Expansion projects will also strengthen QP in its position of global LNG leader, with a consolidated net production capacity of 104 mtpa by 2030, far ahead of the closest competitor. The following chart compares for the largest LNG producers the aggregate gas liquefaction capacity adjusted for the company's ownership from 2018 to 2030.

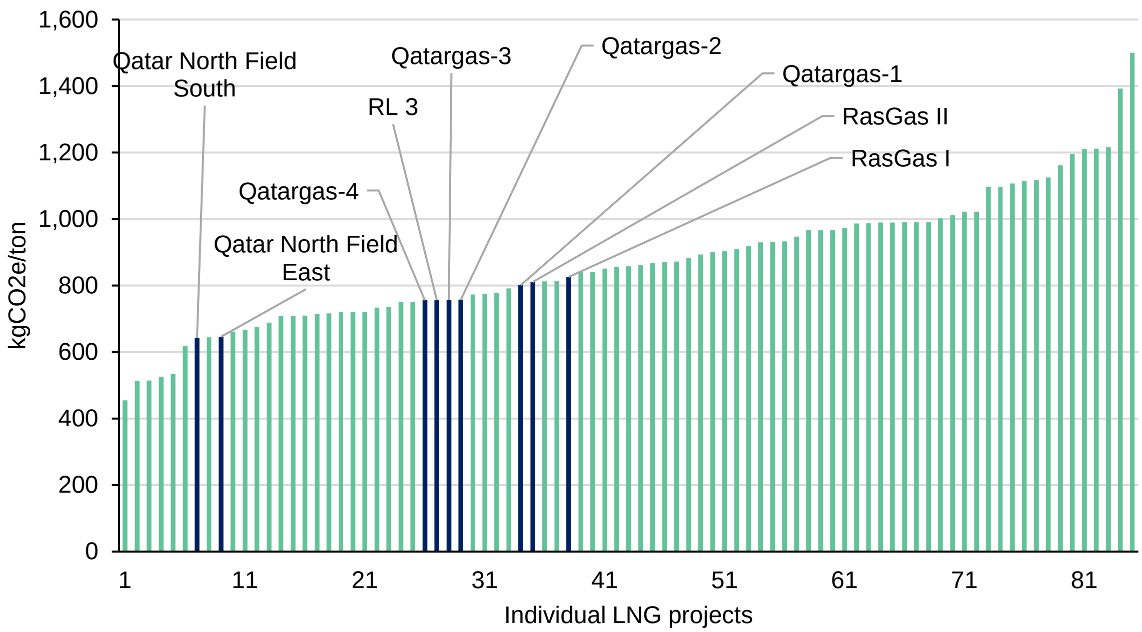


Source: Wood Mackenzie Corporate LNG Service 2021_Q1 (Operational, Under Construction, Probable LNG projects) with status of NFE and NFS updated to Under Construction and Probable respectively. Assumes QP will own 70% of NFE and NFS with the remaining 30% (approx 14 mtpa) currently unallocated but reserved for any successful bidders.

The additional LNG volumes will be targeted at global markets, especially the proximity of South Asian countries – India, Pakistan, Bangladesh, and Sri Lanka – which are forecast to have significant uncontracted demand by 2030. Additional Qatari volumes are also expected to flow into North West Europe, where Qatar has moved to secure capacity in regasification terminals.

The following charts show how QP projects compare with competing projects (delivered to Zeebrugge) in terms of costs and CO_2-intensity.





Crude oil and petroleum markets

Short-term, global oil demand is expected to recover strongly in 2021, as the roll-out of vaccines enables economies to gradually re-open. However, it is unlikely that demand will recover to pre-pandemic levels on an annual basis until 2023.

In the longer term, global liquids demand is shaped by an interplay between acceleration driven by the rise of global middle class and mitigation originating from environmental constraints. As the world population grows from 7.7 billion to 9.7 billion and the global economy doubles, this exerts strong upward pressure to global liquids demand. Yet, as the mitigating effects mount from efficiency gains and fuel switching away from oil, this curbs liquids demand growth, flattening and eventually bending the demand curve. Consequently, global total liquids demand is forecast to reach a plateau of around 110 mbd after 2035 and then turn to a decline by around 2040.

Specifically, global gasoline demand is expected to peak soon after 2030 (amid increasing efficiency of conventional vehicles and surging diffusion of electric vehicles) and diesel/gasoil demand to follow by the mid-2030s. Petrochemical feedstock demand (ethane, LPG and naphtha) continues to grow strongly, while aviation fuel demand, which was hit hard by the pandemic, also continues to rise.

Asia Pacific is expected to drive future global demand growth, with the region's oil product demand increasing to 2040 with a short-term CAGR of 3.3% and long-term CAGR of 0.6%. Smaller demand regions like the Middle East, Russia & Caspian and Sub-Saharan Arica are expected to grow with long-term CAGRs of 1.3%, 1.2% and 2.6% respectively. Meanwhile, the demand outlook for North America and Greater Europe is one of decline after initial post COVID-19 recovery.

Asia Pacific accounts for the largest oil demand growth in absolute terms. Demand is expected continue to be driven by the transport sector over the near term, but beyond 2030, growth will increasingly come from petrochemical feedstock demand. In OECD Asia (including Japan, Australia, South Korea), oil demand is expected to enter structural decline due to saturated vehicle ownership, efficiency gains, vehicle electrification and aging populations. Oil demand in emerging economies such as India, Indonesia and Vietnam is expected to grow across the forecasted period as an increasing working-age population coincides with rising income levels and vehicle ownership. China is expected to be the pivot between these two regional trends. Chinese oil demand will rise through the 2030s, increasingly due to petrochemical feedstock demand as EVs further penetrate the country's vehicle fleet, before starting a long-term decline.

The Middle East is expected to be another key region of product demand growth over the long term, with more than 100 mt expected by 2040. The petrochemical sector is expected to lead this long-term oil demand growth with Saudi Arabia, Iran and the UAE all aiming to increase their export capacity.

Sub-Saharan Africa's long-term demand potential is robust, with the region forecasted to add 85 mt of demand by 2040. This will largely be driven by demand for diesel/gasoil and gasoline as greater regional development brings higher vehicle ownership and greater demand for freight movements. By the end of the forecasted period, the region will be leading global oil demand growth with a CAGR of 2.6%.

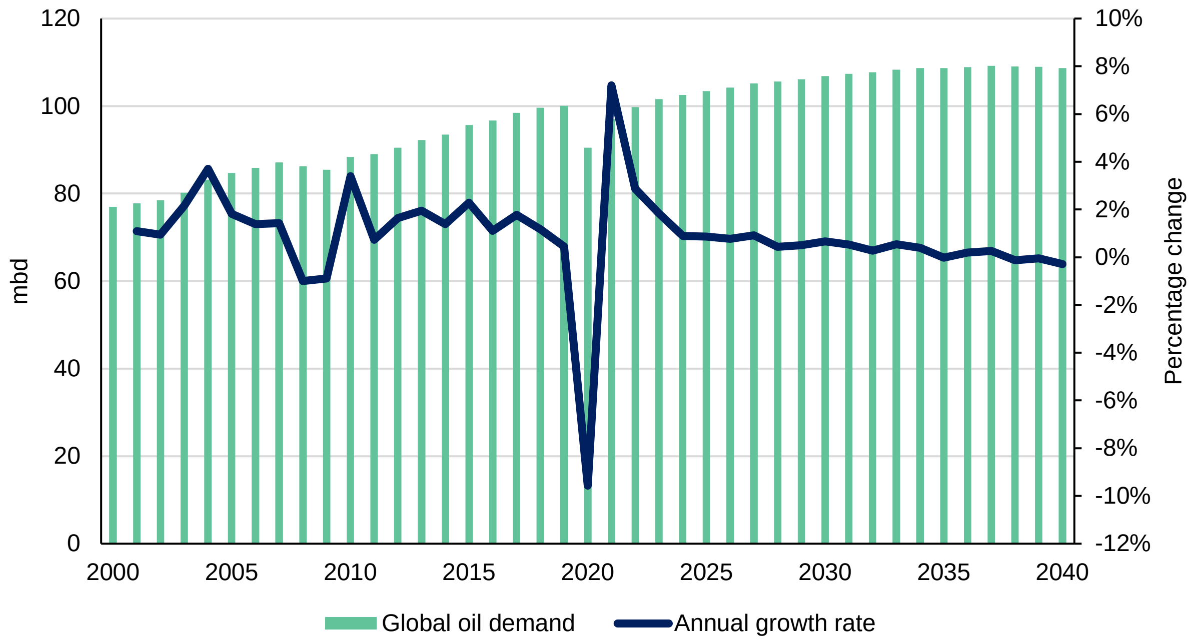
Russia and Caspian oil demand fell in 2020 but is expected to return to 2019 levels by 2021. A strong recovery in gasoline and diesel/gasoil demand drives this initial rebound. Over the long term, additions to Russia's petrochemical capacity will bolster the region's demand for LPG, naphtha, and ethane, making feedstock requirements responsible for nearly half of the region's oil demand growth by the end of the forecasted period.

The majority of oil demand in Latin America will continue to originate from the road sector. It is expected that oil demand will recover to 2019 levels of demand by 2026.

North American oil demand is expected to peak at 1.1 billion tons in 2025. The region experienced a significant drop in oil demand in 2020 due to mobility restrictions imposed in response to the pandemic. Recovery to 2019 demand levels is expected by 2025 but will coincide with an acceleration of the energy transition in the region, most notably evident in declining transport fuel demand, driving the region's pivot to negative demand growth from mid-decade onwards.

Oil demand is expected to contract in Greater Europe from 2023. The rapid decline in the demand for road transport fuel after 2025 will be a primary driver of the projected decline in the overall demand for oil and will accelerate the peak regional level of demand for oil products. The decline in the demand for road transport fuel is due to the electrification of cars.

The following chart illustrates global annual crude oil demand and growth rates from 2000 to 2019 and the expected annual crude oil demand and growth rates from 2020 to 2040.



In relation to downstream, a relatively small number of new refinery additions are required to meet the global transport fuel demand growth after 2027. However, it is likely that some additional investments will be made in the East. The capacity on the West of Suez will need to be closed, which will increasingly weigh on margins. The returns for grassroots deep conversion refineries are expected to be sub-commercial and deep petrochemical integration will become a necessity for new refineries.

With regards to upstream, despite the expected peak in world oil demand, the decline of base production points to a credible need for sustained upstream investment. Non-OPEC supply will flatten this decade and start a decline within a few years after 2030 due to the need to offset declines in conventional and unconventional production. As a result, NOCs in OPEC nations could end up carrying the greatest share of meeting demand for oil, even if it is declining.

Several factors are likely to support prices and prevent a precipitous decline. Industry finances have been hit hard by COVID-19 and companies have tightened criteria for new investment: higher hurdle rates and lower price assumptions will result in lower spending and fewer projects moving forward. The increased geopolitical risk may play a part too, as the incentive for OPEC to hold a large cushion of spare capacity vanishes and as much of supply growth after 2030 relies on OPEC members with high levels of political uncertainty (including Iraq, Iran, Venezuela, and Libya). Lastly, the need to develop resources in more frontier areas and to discover new resources will provide an upward pressure to the cost of the marginal barrel.

Chemicals

The current annual global consumption of basic chemicals is about 700 mt. The average consumption growth is dependent on economic growth and is expected to maintain a level of 2.5% - 3% per annum until 2040. The industry is estimated to be approximately U.S.$4.0 trillion, with about two thirds of the value in commodities.

Global annual consumption of commodity polymers is close to 300 mt, of which almost 60% is polyolefins. Consumption growth is expected to be averaging 3.0% CAGR from 2021 to 2040, with demand growth mainly driven by emerging markets and increasing affluence levels.

Despite a global GDP contraction in 2020, demand for ethylene grew at 1.9%. Derivatives of ethylene are usually related to consumer goods, which tend to grow faster than the wider economy. Ethylene demand was salvaged by strong polyethylene demand supported by packaging and medical uses.

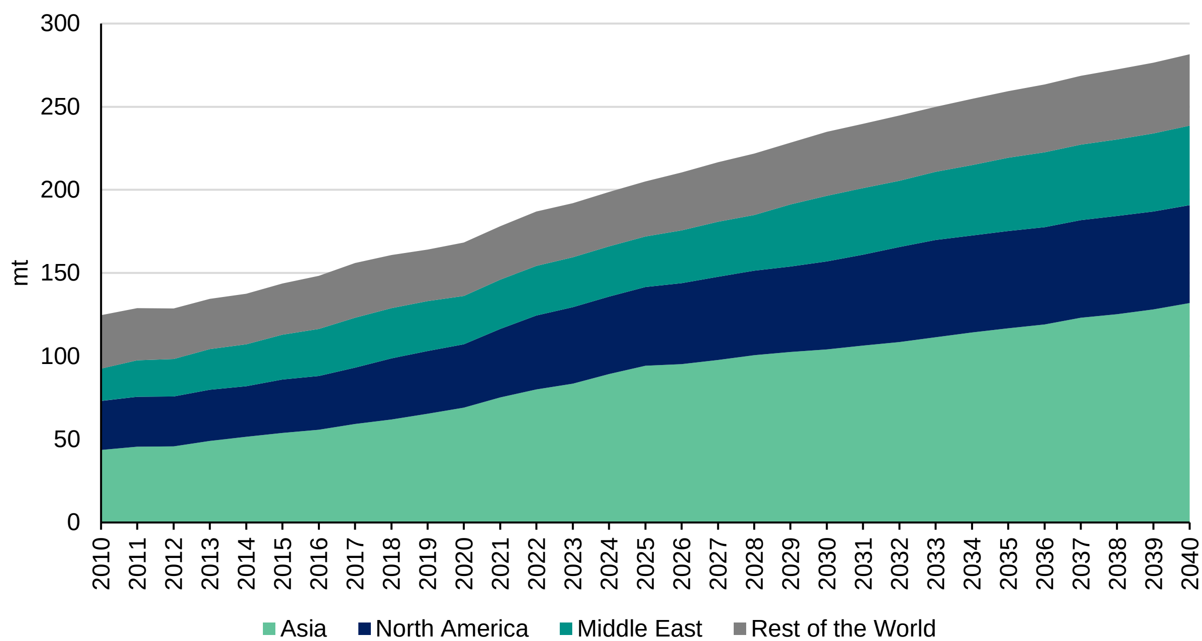
The growth in the annual demand for ethylene is expected to grow at a compound annual growth rate ("**CAGR**") of 2.6% per annum from 2021 to 2040. Growth should be especially strong in the first decade of the forecast, with a CAGR of 3.1% per annum from 2021 to 2030. The trends around sustainability and circularity are expected to play out more significantly after 2030, resulting in a gradual delink between economic growth and chemicals' demand growth.

The majority of plastic today is single use and once it has served its purpose, it is dumped in landfill or just discarded. Governments and companies are now seeking opportunities for sustainable change. The business model is likely to align with the three 'R's: reduce, re-use and recycle. The current volume of recycled plastic is modest. Out of the three main polymers used in packaging—polyethylene, polypropylene and polyethylene terephthalate (together, 85% of plastic packaging)—only 17% of current feedstock is recycled plastic. Assuming a gradual increase in waste collection rates consistent with today's trends, it is expected to increase to 40% by 2040, which would displace about 750 kbpd of liquid feedstock demand (naphtha or NGL).

However, recycling rates could increase significantly more with the adoption of binding global regulatory targets and investments into technologies, such as chemical recycling, as well as new capacity post-2030 to enable the recycling of a much wider range of harder-to-recycle applications. Should this happen, there are potentially significant implications on the demand for oil. The petrochemicals industry currently accounts for 13 mbd of global oil demand and it is expected to be the main driver of demand growth for the next two decades.

On the supply-side, aggressive investments began in 2015. As a result, the ethylene chain has entered a down-cycle. Ethylene oxide, styrene monomer and polyethylene are expected to experience capacity growth that outweighs demand growth until the mid-2020s. However, operating rates are forecast to return to pre-down cycle levels post 2030, as strong demand growth absorbs excess supply.

The following chart shows the global domestic demand for ethylene by region from 2010 to 2019 and expected domestic demand for ethylene from 2020 to 2040.



BUSINESS

Overview

QP is the national oil and gas company of the State of Qatar. With a rich heritage dating back to 1974, QP's activities, undertaken directly and indirectly through subsidiaries and joint ventures, encompass the entire spectrum of the oil and gas value chain locally, regionally and internationally and include the exploration, production, processing, marketing and sales of crude oil and natural gas, LNG, GTL products, refined products, petrochemicals, fertilisers, steel and aluminium. Wholly owned by the State of Qatar, QP is an integral part of the State of Qatar's economy and the primary source of its hydrocarbon revenues. QP represents the largest single contributor to Qatar's GDP and has primary responsibility for sustainable development of Qatar's oil and gas resources and growth and diversification for the oil, gas, petrochemicals and renewables sector.

According to the BP Statistical Review of World Energy 2020, as of 2019 the State of Qatar had the world's third largest proved gas reserves. In Qatar, QP holds the exclusive right, pursuant to Law No. 3 of 2007 on Natural Resources (and its amendments), to explore, develop and produce petroleum, natural gas and other hydrocarbons and the derivatives thereof, and for the investment and development of such materials. QP's gas reserves life, based on proven reserves, is estimated to be 108 years as at 31 December 2020, after NFE and NFS Expansions are complete and operating at full production. The following table sets forth QP's total proven and confirmed reserves of crude oil and natural gas (excluding condensate) as of the dates indicated:

	As at 31 December					
	2018		2019		2020	
	Proven	*Confirmed*	*Proven*	*Confirmed*	*Proven*	*Confirmed*
Natural gas (excluding condensate) (*in trillions of cubic feet*)[(1)]	843.4	1,776.2	831.0	1,763.8	818.6	1,756.1
Crude oil and condensate (*in billions of barrels*)	21.4	73.9	21.8	74.2	21.8	74.2
Total barrels of oil equivalent (*in billions of barrels*)[(2)]	**172**	**390**	**170**	**388**	**168**	**387**

Notes:

(1) Includes North Field gas reserves.

(2) Confirmed volumes of natural gas have been converted to barrels of oil equivalent on a calorific basis according to a conversion factor of one billion cubic feet of gas (excluding condensate) to 0.178 million barrels of oil equivalent.

The following table sets forth the State of Qatar's total proven and confirmed reserves of natural gas (excluding condensate) as of the dates indicated:

	As at 31 December					
	2018		2019		2020	
	Proven	*Confirmed*	*Proven*	*Confirmed*	*Proven*	*Confirmed*
North Field gas reserves (*in trillion standard cubic feet*)	836.0	1,768.8	828.8	1,761.6	816.7	1,754.2
Other gas reserves (*in trillion standard cubic feet*)[(1)]	7.4	7.4	2.2	2.2	1.9	1.9
Total Qatar gas reserves (*in trillion standard cubic feet*)	**843.4**	**1,776.2**	**831.0**	**1763.8**	**818.6**	**1,756.1**

Notes:

(1) Includes associated reserves from the Dukhan, Bul Hanine and Maydan Mahzam oil fields.

Certain reserves information presented in this Prospectus is based on an annual review of reserves and resources compiled by QP. As of the date of this Prospectus, the most recent annual review of reserves and resources was dated as at 31 December 2020. For further information regarding the methodology of QP's reserves data, including the use of “proven” and “confirmed” terminology, see “*Presentation of Financial, Reserves and Certain Other Information—Certain Reserves Information*”.

For the three month period ended 31 March 2021, QP generated QR 24,265.9 million (U.S.$6,666.5 million) in total income and QR 18,101.4 million (U.S.$4,972.9 million) in net profit. For the year ended 31 December 2020 QP generated QR 84,564.5 million (U.S.$23,232.0 million) in total income as compared to QR 125,095.1 million (U.S.$ 34,366.8 million) and QR 114,394.7 million (U.S.$ 31,427.1 million) in 2018 and 2019, respectively and QR 41,212.0 million (U.S.$11,322.0 million) in net profit as compared to QR 86,530.1 million (U.S.$23,772.1 million) and QR 72,767.4 million (U.S.$19,991.0 million) in 2018 and 2019, respectively.

For the three month period ended 31 March 2021, QP generated QR 23,500.7 million (U.S.$6,456.1 million) in Adjusted EBITDA. For the three month period ended 31 March 2021, QP generated QR 3,781.9 million (U.S.$1,038.9 million) in net cash from operating activities and negative QR 96.4 million (negative U.S.$26.6 million) of Free Cash Flow.

For the year ended 31 December 2020, QP generated QR 47,575.8 million (U.S.$13,070.3 million) in net cash from operating activities as compared to QR 43,794.6 million and QR 85,236.2 million in 2018 and 2019, respectively, and QR 34,580.7 million (U.S.$9,500.2 million) of Free Cash Flow in 2020 as compared to QR 28,621.5 million and QR 69,429.2 million in 2018 and 2019, respectively.

For the year ended 31 December 2020, QP generated QR 64,130.5 million (U.S.$17,618.3 million) in Adjusted EBITDA as compared to QR 110,637.7 million and QR 97,125.3 million in 2018 and 2019, respectively. For an explanation of the calculation of Free Cash Flow and Adjusted EBITDA and a reconciliation to the nearest financial measures calculated in accordance with IFRS, see “*Alternative Performance Measures*” and “*Presentation of Financial, Reserves and Certain Other Information—Alternative Performance Measure*”.

QP is managed by a Board of Directors appointed by the Amir, with the Deputy Amir serving as Chairman. The Minister of State for Energy Affairs serves as the Deputy-Chairman and is also appointed by the Amir as President and Chief Executive Officer. The Board of Directors serves as the ultimate decision-making body of QP’s business, responsible for its direction and oversight, and has the authority to make decisions on all aspects of QP’s activities, except for those matters expressly reserved to the State of Qatar through the Council or the Amir. See “—*Management*” for further information. The Board of Directors is accountable to the State, acting through the Council. Distributions of cash to the State of Qatar are made periodically throughout the course of the year, after making due provisions for expenditure in line with QP’s approved annual budget (including all debt service obligations). See “*Business—Relationship with the State of Qatar*” for further information.

QP has a long-term foreign currency issuer credit rating of AA- with a stable outlook from Fitch, AA- from S&P with a stable outlook and Aa3 with a stable outlook from Moody’s. According to S&P, QP’s standalone credit profile corresponds to a rating of AA. According to Moody’s, QP’s baseline credit assessment corresponds to a rating of Aa3. According to Fitch, QP’s standalone credit profile corresponds to a rating of AA+.

LNG

QP partners with leading international oil and gas companies to develop its natural gas reserves, notably on its Qatargas projects. See “*—Natural Gas and LNG Operations—Qatar LNG Ventures*” for further information.

Virtually all of the State of Qatar’s natural gas reserves are located in the North Field. QP is the 70% shareholder in Qatargas, which operates 7 LNG ventures which comprise 14 LNG trains with a total annual production capacity of 77 mtpa and from which LNG is exported around the globe. In 2020 Qatar supplied approximately 21% of the world’s LNG exports. These 14 LNG trains are owned by seven LNG ventures in which QP owns a majority interest: Qatargas 1, Qatargas 2, Qatargas 3, Qatargas 4, RL 1, RL 2 and RL 3.

All the LNG ventures, plus two that supply natural gas by pipeline and two condensate refineries, are operated by Qatargas, which produces and markets LNG on behalf of QP and its partners. Prior to 2018, Qatargas operated four

LNG ventures, namely Qatargas 1 to Qatargas 4. QP's other three LNG ventures, RL 1, RL 2, and RL 3, were operated by RasGas Company Limited. In 2018, the seven LNG ventures were integrated under Qatargas' operatorship in order to streamline operation and minimise operating costs.

The following table sets forth certain information about the production of natural gas in the State of Qatar for the periods indicated:

	Year ended 31 December[1]			**Three months ended 31 March[1]**	
	2018	**2019**	**2020**	**2020**	**2021**
	(in billions of standard cubic feet)				
Total QP-operated fields[2]	401	426	394	98	68
PSA oil fields[3]	23	29	19	8	10
Total North Field, joint ventures and production sharing agreements	7,150	7,066	7,194	1,763	1,774
Total gas production in Qatar[4]	7,573	7,521	7,607	1,869	1,852

Notes:

(1) These figures are unaudited and are as estimated by the relevant project's management.

(2) QP-operated fields include the North Field Alpha gas development and the Dukhan, Bul Hanine, Maydan Mazhan Idd El Shargi (since October 2019) and Al-Rayyan (since 2017) oil fields.

(3) Total gas from non-operated production sharing agreement oil fields.

(4) These figures reflect total production of natural gas in the State of Qatar.

As of 2005, after 15 years of rapid development, QP called a moratorium on development of further new gas projects in the North Field to allow an extensive programme of appraisal and reservoir studies to be conducted. Following the completion of the development of the projects authorized before the moratorium to increase LNG capacity from 31 mtpa, the LNG capacity of the Qatargas operated LNG ventures reached 77 mtpa capacity by 2012. Then, in 2017, as the moratorium was lifted, QP announced new development plans in respect of the eastern side of the North Field which is currently scheduled to start production in 2025, and when complete is expected to increase the State of Qatar's LNG total liquefaction capacity via four new LNG mega-trains by 32 mtpa. QP estimates that the capital cost of the NFE Expansion is U.S.$28.75 billion and that it will raise the State of Qatar's total LNG output by 43% to 110 mtpa when completed, enhancing the Group's position as one of the largest and lowest cost LNG producers in the world. The NFE Expansion attained FID in February 2021, and key EPC contracts have been awarded.

In 2019, QP announced additional development plans for the southern side of the North Field, which is targeted to start up by 2027 and deliver an additional 16 mtpa of total liquefaction capacity of LNG via two mega-trains. Once completed, the North Field Expansion is expected to increase the State of Qatar's LNG total liquefaction capacity by 64% from 77 mtpa to 126 mtpa. See "— *The North Field Expansion Project*".

In addition to the North Field Expansion, QP is also converting its Golden Pass LNG import facility in the United States into an LNG production and export facility, which will be QP's first such facility outside of the State of Qatar. The Golden Pass Export Project is 70% owned by QP, with ExxonMobil owning the remaining 30% share. The Golden Pass Export Project is expected to have a total send-out capacity of approximately 16 mtpa of LNG for export when fully completed, expected by 2026. The first LNG train in respect of the Golden Pass Export Project is expected to be operational by 2024. As one of the world's largest LNG exporters, the Group is considered a critical supplier to leading growth economies including China, India, Japan and South Korea. Once completed, QP expects the North Field Expansion and Golden Pass Export Project together to give QP a further competitive advantage in relation to the export of LNG, and allow QP to maintain its share of the global export market.

Through long-term commitments to special cryogenic LNG vessels, and a portfolio of long-term and short-term committed and flexible sales and purchase agreements, QP has the ability to serve the growth markets in Asia. In addition, QP is well-placed to leverage its UK and European LNG investments in the majority-owned South Hook LNG regasification terminal (with a regasification processing capacity of 15.6 mtpa) and the minority-owned Adriatic LNG regasification terminal (with a regasification processing capacity of 5.8 mtpa), for supply of LNG into Europe, as well as long-term LNG unloading services and/or regasification capacity holdings at the Zeebrugge LNG Terminal in Belgium, the Isle of Grain LNG receiving terminal in the UK, and the Montoir-de-Bretagne LNG Terminal in France.

Large-Scale Projects

QP partners with the world's largest energy companies to leverage their extensive working knowledge of the energy business and offer incremental value through superior technology, strict engineering and cost discipline, and attractive marketing proposals to form a compelling value proposition to the State of Qatar and to QP.

The Group has a long track record of successfully developing and delivering large-scale projects both in the State of Qatar and internationally:

- QP is the majority owner of the integrated assets that are operated by Qatargas. Since the delivery of the first LNG from Qatar in 1996, the Qatargas LNG ventures together are now the largest LNG producer in the world, supplying LNG to 22 countries around the world in 2020.
- In 2007, QP commissioned the first large-scale GTL plant, the Oryx GTL plant, as a joint venture between QP and Sasol Qatar, which produces 34,000 barrels per day of ultra-refined LPG, diesel and naphtha.
- In 2010, QP commissioned the world's largest ethane cracker, the Ras Laffan Cracker, through joint ventures with Total Petrochemicals and CP Chem.
- In 2011 QP commissioned the world's largest GTL plant, the Pearl GTL project, pursuant to a PSA with Shell. It produces about 120,000 barrels per day of condensate, NGL and ethane and 140,000 barrels per day of GTL, LPG, naphtha, kerosene, gas oil, paraffins and base oils for lubricants.
- In 2012, QPI and Citadel Capital SAE (now Qalaa Holdings SAE), jointly set up ARC. ARC and Egyptian General Petroleum Corporation subsequently set up ERC. QPI's effective participation in ERC is 25.4%. This facility has a capacity of 91,000 barrels per day to process atmospheric residue (approximately 4.7 mtpa) and commenced production in November 2019.
- QP is the majority owner of Barzan, which commenced operation in 2020, a strategic asset for the State and the local economy supplying fuel gas to the power utility companies, and ethane as a petrochemical feedstock to local industries.
- QP holds a majority stake in IQ, one of the region's largest listed industrial groups with interests in the production, distribution and sale of a wide range of petrochemical, fertiliser and steel products.
- The Group is also one of the world's largest single-site producers of ammonia and urea, through QAFCO which has a production capacity of 3,800 kta of ammonia and 5,600 kta of urea.

QP operates within a prudent fiscal framework and has a disciplined approval process for new projects and debt incurrence. QP analyses future investments and projects based on strategic, operational, commercial and fiscal targets. To fund its capital requirements, QP depends primarily on internal sources of funding, but has also used facilities from financial institutions and export credit agencies of its trade partners. Many of the previous projects undertaken by QP, its subsidiaries and joint ventures have been structured as non-recourse projects (although some have required completion guarantees by QP and the other shareholders), with long-term amortising loans and repayment obligations expected to be met through the cash flows generated by each relevant project.

In May 2018, QP announced the development of a new world scale petrochemicals complex at RLIC, the RLPP. In 2019, QP announced the selection of CP Chem as its partner in RLPP. In July 2019, QP announced plans to develop a new world-scale petrochemical project in the Gulf Coast region of the United States, USGC II, in a joint venture with CP Chem.

Over the next five years (2021 – 2025), capital expenditure by QP, its subsidiaries and joint ventures is projected to be approximately QR 300.0 billion (U.S.$82.5 billion) with QP's share being approximately QR 215.0 billion (U.S.$59.1 billion) as QP pursues various expansionary projects and increases its international presence in order to diversify its operations. This projection only includes currently estimated capital expenditure on projects that are in the planning and design stage, and those that have obtained the FID.

Total capital expenditure through to completion for NFE Expansion (including capital expenditure to date) is projected to be approximately QR 104.7 billion (U.S.$28.75 billion). Total capital expenditure through to completion for Golden Pass Export Project (including capital expenditure to date) is projected to be approximately QR 38.9 billion (U.S.$10.7 billion).

Sustainability Commitment

As part of QP's sustainability commitment, QP has implemented a number of initiatives to reduce the carbon footprint of its LNG supplies. QP launched its own GHG accounting and verification programme in 2010, while its flare reduction programme was launched in 2011. As part of QP's membership in the GGFR, it is committed to reduce routine natural gas flaring to zero by 2030 and the Group has already achieved a 62% reduction in flaring in its RLIC facilities in 2020 as compared to 2012, and a 64% reduction in flaring in its LNG facilities in 2020 as compared to 2012. In 2019, QP launched the largest CO_2 recovery and sequestration facility in the Middle East with a capacity of 2.2 mtpa and as part of the NFE Expansion will invest U.S.$200 million in GHG reduction measures including the installation of a CO_2 capture and sequestration system, power import from solar power plants, maximisation of waste heat recovery, improved machines efficiency utilising latest available technology, and the use of Ultra Low NOx burners. These design improvements are expected to achieve an estimated 30% reduction in GHG emissions, compared to similar existing LNG facilities. See "*Business — Sustainability, Health and Safety and Environment*" for further information.

In addition to its low carbon intensity LNG commitment, QP is focused on creating low carbon energy by growing its renewable energy capacity, with an ambition to have a solar power plant portfolio of 4 GW by 2030. To this end, the Siraj Energy originally a joint venture between QP and QEWC was incorporated in 2017 with the objective to develop renewable sources of energy and diversify Qatar's sources of energy production however, QP signed amended and restated shareholders agreement with QEWC for Siraj which became effective 1 January 2021. As per this revised agreement, QP has power to govern the relevant activities of Siraj and accordingly, QP obtained control of Siraj as per the terms of this agreement thereby making Siraj a subsidiary with effect from 1 January 2021. The venture is already developing a solar power plant - in partnership with a Marubeni - TotalEnergies consortium – Siraj 1, which is expected to produce 800 MW of solar electricity by 2022. Siraj 1 is expected to contribute to a carbon footprint reduction of 26 mt of CO_2. QP is also independently pursuing the development of two solar power plants in its industrial cities, one in RLIC and the other in Mesaieed which aim to further reduce QP's carbon footprint and also diversify its energy mix. Industrial Cities Solar is expected to produce approximately 800 MW of solar electricity. See "*Carbon Energy Reduction*" for further information.

Strategies

In 2018, as part of QP's Strategy & Values campaign, QP's senior management announced a corporate strategy to establish QP as one of the best national oil and gas companies in the world, with a strong international presence while maintaining its roots in the State of Qatar. This strategy, which includes the North Field Expansion, is expected to maintain the Group's position as the world's largest LNG producer, and is expected to raise the State of Qatar's LNG production capacity from its current 77 mtpa to 126 mtpa once the North Field Expansion is fully completed, targeted for the end of 2027. In addition, approximately 16 mtpa of QP controlled LNG production capacity is also due by 2026 with the expected due completion of the Golden Pass Export Project. The North Field Expansion is also expected to increase QP's petrochemical capacity in Qatar by utilising the enhanced ethane production from the North Field.

Key pillars of QP's Strategy include:

Strengthen QP's technical capabilities and operating model in Qatar

QP has strong technical, commercial and marketing capabilities both in operating and managing oil and gas fields. QP also intends to leverage its asset management capabilities to implement an ambitious growth plan designed to enable QP to become one of the best national oil and gas companies in the world.

As part of this strategy, QP has assumed direct control or asserted greater influence over its oil and gas assets, including in relation to when a PSA or joint venture agreement expires. The conversion to a joint venture after the expiry of a PSA gives QP more control and influence over an asset because QP becomes a full partner in the asset (for example QP contributes its share of capex or by way of shareholder cash calls, and may be entitled to vote at joint operating committee or shareholder meetings). Examples of this strategy are as follows:

- the conversion of the operation of the Al Shaheen offshore oil field from a partner-operated PSA to a joint venture company (with TotalEnergies SE) in 2017 in which QP holds a 70% interest.;
- the Idd El Sharghi North Dome and South Dome offshore oil fields were brought under 100% QP operatorship in 2019 when the PSAs expired;
- Qatargas 1 will be under 100% QP ownership following the expiry of the current project arrangements on 31 December 2021; and
- the acquisition of the international partner shareholding in the QAFCO fertiliser business in 2020 resulting in QAFCO being 100% held locally through IQ.

Maximise Upstream Value to the State of Qatar

QP is vertically integrated across the energy value chain and its exploration, development and transportation activities are conducted both onshore and offshore. QP maximises upstream value by implementing an approach whereby all hydrocarbon resources are developed and commercially exploited in a manner that enhances and maximises value for the State of Qatar. As at the date of this Prospectus, QP has explored all known onshore and offshore oil and gas resources in the State of Qatar and is now focused on improving the oil and gas recovery from its developed upstream assets.

QP aims to strengthen its global position by improving its ultimate petroleum recovery and production levels from existing oil and gas assets along with a strategic expansion of the North Field. QP's corporate strategy includes long-term plateau production of its oil and gas assets, with incremental production targets, as well as reducing its unit development costs in respect of those assets.

QP's most significant approved upstream projects in the State of Qatar include:

- **North Field Expansion:** QP announced the NFE Expansion in 2017 to increase gas production from the North Field by 6.4 bscfd. The NFE Expansion comprises of four new LNG mega-trains, as well as additional volumes of other products including ethane, condensate, LPG, sulphur and helium. In 2019, QP announced the NFS Expansion in order to increase the North Field's gas production by an additional 3.3 bscfd which includes two new LNG mega-trains targeted for completion by the end of 2027.
- **Dukhan onshore oil field:** There are two major projects in the Dukhan oil field: (i) a multi-year enhanced waterflood infill drilling and facilities debottlenecking project to maximize recovery and maintain a stable plateau production at 175kbpd. Drilling commenced in 2016 and is expected to continue with 5 active drilling rigs until 2027 and (ii) QP is preparing a pilot carbon dioxide-water alternating enhanced oil recovery project aimed at verifying the technology to recover additional oil. If successful, the pilot project would be followed by wider implementation across the Dukhan onshore oil field.

In the international upstream, QP is building a high-quality portfolio of assets which are operated by leading IOCs. QP's upstream portfolio includes;

- production, development and exploration assets in Brazil, Argentina and the Republic of Congo;
- exploration assets in Mexico, Guyana, Suriname, Cyprus, South Africa, Mozambique, Namibia, Angola, Morocco, Kenya, Cote d'Ivoire and Oman; and
- discoveries in Cyprus and South Africa.

In July 2020, QP was the first NOC to win the "New Venturer of the Year Award" in the Wood Mackenzie Exploration Awards 2020. QP conducts its international upstream business through its subsidiary, QPI Internationally in LNG, QP has ownership and/or capacity rights in five LNG regas terminals located in Italy, the United Kingdom, France and Belgium. QP derives value across the full LNG supply chain from its LNG export, marketing, shipping and trading using these terminals.

Reinforce the State of Qatar's LNG and global gas position

QP expects that LNG will have a major role in the displacement of high emissions fossil fuels like coal and oil in the future. Wood Mackenzie's forecasts that the transition to net zero emissions include gas as a vital element in the energy portfolio alongside renewable and nuclear energy sources. By 2030, 90% of QP's production portfolio is expected to be gas based. Therefore, QP is expected to play a key role in the energy mix transition to a low carbon intensity world.

QP has a leading global gas position. As at the date of this Prospectus, the State of Qatar exports all of its approximately 77 mtpa of LNG production, which is approximately 21% of global LNG supply according to Wood Mackenzie. Through its North Field Expansion projects, QP intends to develop six new LNG mega-trains, increasing Qatar's LNG production to 126 mtpa by the time the North Field Expansion is complete, which is targeted for the end of 2027. See "*—The North Field Expansion Project*" for further information.

Qatargas' marketing expertise has increased in recent years and Qatargas is entering into new long-term sale and purchase agreements ("**SPA**") In addition, QP has entered into several long-term SPAs in recent years that may be used to replace expiring SPAs. QP also has substantial capacity in LNG terminals in the liquid gas markets that can be used to sell LNG volumes that may not be sold on long-term committed contracts. QP also has enough shipping capacity to provide flexibility to move volumes as required by the market, and most of the LNG ships are pooled together for the benefit of the LNG ventures to reduce the LNG transportation cost. Furthermore QP has set up QP Trading (which is wholly owned by QP) to enhance its marketing expertise and optimise LNG sales.

QP continues to work with global partners to consolidate its position as a low cost LNG producer. For example in February 2019, QP and ExxonMobil undertook a FID in respect of the Golden Pass Export project (in which QP holds a 70% ownership interest). Once completed, the Golden Pass Export project will produce approximately 16 mtpa of LNG for export from three liquefaction trains.

In October 2016, QP entered into the Ocean LNG joint venture, with ExxonMobil to market LNG sourced from the Golden Pass Export Project. QP and its joint venture partner established Ocean LNG Limited ("**Ocean LNG**") to act as a marketing entity for their jointly developed international LNG resources.

In May 2017, QP entered into a joint venture with Shell, to develop the global market for LNG as a cleaner alternative to marine bunker fuel oil.

QP has also established an LNG trading arm, QP Trading in order to exploit additional opportunities in the global LNG market. QP Trading announced that it had completed its first LNG contract in November 2020.

QP has entered into the following LNG SPAs which are intended to be assigned to one of the Qatargas ventures (mainly Qatargas 1):

- LNG SPA with Pakistan State Oil Company Limited for up to 3.0 mtpa, starting 2022.

- LNG SPA with Vitol for delivery in Bangladesh for 1.25 mtpa, starting 2021.
- LNG SPA with Kuwait Petroleum Corporation for up to 3.0 mtpa, starting 2022.
- LNG SPA with Sinopec, China for 2.0 mtpa, starting 2022.

Maximise Downstream Added Value

QP has a world-scale downstream business. As such, QP is focused on further optimising and enhancing downstream yields and reducing its costs, in order to enhance and sustain profitability. QP is committed to maximising value out of the State of Qatar's energy resources by engaging in a wide range of refining and petrochemical production activities and continuously developing the country's downstream sector whilst also identifying and implementing synergies across various its oil and gas assets.

QP holds a majority stake in IQ, one of the region's largest listed industrial groups with interests in the production, distribution and sale of a wide range of petrochemical, fertiliser and steel products through the various joint ventures it holds interests in, which use natural gas as feedstock and/or fuel to produce various value-added products, such as refined products, petrochemicals, fertiliser, steel and aluminium, both for domestic consumption and for export.

QP also holds a majority stake in MPHC, which has interests in, amongst other projects, Q Chem, a world-class integrated petrochemical plant producing HDPE and medium-density polyethylene ("**MDPE**"), 1-hexene and other products, using state-of-the-art technology licensed from CP Chem, a major global producer of chemicals and plastics; and Q Chem II, which project has raised the overall Q Chem HDPE production capacity by 350 kta (77%) from 453 kta to 803 kta to meet the increasing demand of customers in Asia, Europe and Africa. It also has a normal alpha olefin (NAO) plant with a capacity of 345 kta that produces full range of alpha olefins including 1-butene, 1-hexene, 1-octene, 1-decene, and higher molecular weight olefins. Both HDPE and NAO plants use CP Chem's proprietary loop-slurry process for HDPE, which offers several advantages over competing gas-phase and solution-phase polyethylene processes

The QP Refinery in Mesaieed Industrial City is fully owned and operated by QP and has long been central to QP's downstream business. In 2018, 2019 and 2020, the QP Refinery processed a total of 39.1 million barrels, 40.4 million barrels and 40.7 million barrels of feedstock (crude and condensate), respectively.

The Oryx GTL plant was established as a joint venture between QP (51%) and Sasol Qatar (49%) and produces 34,000 barrels per day of ultra-refined LPG, diesel and naphtha.

These downstream assets provide an important platform upon which QP expects to grow its integrated refining, GTL and petrochemicals business, enhancing QP's profitability and creating important synergies across the Group.

QP is also pursuing various downstream investments, including projects to ensure that the projected domestic demand for refined petroleum-based products is met until 2040. QP has also recently announced the planned development RLPP in Qatar and USGC II in the United States, which are expected to be two world-scale ethane-based petrochemical production complexes each of capacity of 2.08 mtpa of ethylene, with the associated polyethylene manufacturing facilities. RLPP (in which QP's ownership stake is planned to be a 70% share) is expected to start up by end of 2026 and will raise the State of Qatar's polyethylene capacity by more than 94% (from 2.2 mtpa at the date of this Prospectus to approximately 4.3 mtpa). USGC II (in which QP's ownership stake is planned to be a 49% share) is the second petrochemical complex that has been announced by QP and is in the Gulf Coast region in the United States.

Promote Energy Efficiency and Optimum Energy Mix in the State of Qatar

QP's climate change strategy, detailed in its 2019 sustainability report (the "**Sustainability Strategy**") aims to grow its business sustainably by leveraging technology and innovation to lower QP's climate impact. This framework enshrines sustainability considerations into QP's decision-making processes, strategic planning, and investment decisions. QP's Sustainability Strategy includes climate change mitigation as one of its three pillars (see "—*Sustainability, Health and Safety and Environment*"). QP has a primary role in the energy transition in the State of Qatar to provide affordable and cleaner energy, and to implement this QP has adopted the following four-step strategy:

- consolidate QP's leading position in LNG supply internationally by increasing Qatar's LNG production from 77 mtpa to 126 mtpa by the end of 2027, supporting the global displacement of energy sources such as oil and coal which cause high emissions of GHGs;
- curb emissions from QP's operations through flare reduction, methane emissions reduction and energy efficiency. QP has already achieved a 62% reduction in flaring in its RLIC facilities as of 2020 compared to 2012 and aims to eliminate routine offshore flaring by 2030 as part of QP's membership in the GGFR;
- create zero carbon energy by growing QP's renewable energy capacity through investment in solar projects with a capacity of up to 1.6 GW by 2025 and of up to 4 GW by 2030; and
- compensate for residual emissions through a broad deployment of carbon capture and sequestration technology at QP's facilities. In 2019, QP commissioned a new CO_2 recovery and sequestration facility at Ras Laffan with a capacity of 2.2 mtpa of CO_2. QP intends to increase the capacity of its current CO_2 capture and sequestration facilities from its LNG production to between 7 mtpa to 9 mtpa by 2030.

QP is committed to not only reducing GHG emissions in its own oil and gas operations, but also improving existing products to help customers reduce their emissions and creating low carbon businesses that support the global decarbonisation effort. By 2030, QP aims to substantially increase the share of renewable energy in the global energy mix, as well as enhance international cooperation to facilitate access to clean energy research and technology, and promote investment in energy infrastructure and clean energy technology.

In an effort to increase the use of renewable energy, the Siraj Energy originally a joint venture between QP and QEWC was incorporated in 2017 with the objective to develop renewable sources of energy and diversify Qatar's sources of energy production. However, QP signed amended and restated shareholders agreement with QEWC for Siraj which became effective 1 January 2021. As per this revised agreement, QP has power to govern the relevant activities of Siraj and accordingly, QP obtained control of Siraj as per the terms of this agreement thereby making Siraj a subsidiary with effect from 1 January 2021. The venture is already developing Siraj 1 which is expected to produce 800 MW of solar electricity by 2022. Siraj 1 is expected to contribute to a carbon footprint reduction of 26 mt of CO_2. This project is part of a broader effort in meeting one of the goals of the Qatar National Vision 2030 – conserving energy and protecting the environment, whilst balancing the needs of both the current and future generations.

QP has commenced developing a Statement of GHG Emissions ("**SGE**") Methodology to provide potential buyers of LNG with an SGE Statement for the purchased LNG on a cargo-by-cargo basis. The SGE Methodology shall account for all GHG emissions from well to discharge port and shipping to discharge port.

Competitive Strengths

Integral to the global economy

In the early 1990s, Qatar developed a long-term strategy to accelerate the commercialisation of its significant natural gas reserves as a means to diversify and modernise Qatar's economy. As part of this roadmap, Qatar has made large scale investments across the entire value chain of LNG trains, tankers, and storage and receiving facilities. The Group is a crucial pillar to the global energy ecosystem, with 77 mtpa of LNG exports in 2020, and its firm commitment to increase Qatar's LNG production capacity from 77 mtpa to 126 mtpa by the end of 2027.

With one of the world's largest helium production facilities, QP (through Qatargas) is a leading producer and exporter of helium. Qatargas operates three helium facilities; Helium-1 plant, Helium-2 plant and Helium-3 plant which have the capacity to produce a total aggregate of approximately 2.6 bcf per year of helium. Through the North Field Expansion, which is expected to yield an approximate additional 1.5 bcf per year of pure helium from the North Field East, and an approximate additional 0.8 bcf per year of pure helium from the North Field South, QP expects to further increase its market share and strengthen its position as a leading Helium producer.

A key competitive advantage that sets Qatar apart is its central geographic location, which allows for advantaged access and shipping to all major LNG markets globally, enabling QP, through its joint ventures, to adopt a flexible marketing approach.
The following table illustrates the destinations of Qatar's LNG exports by volume in 2020:

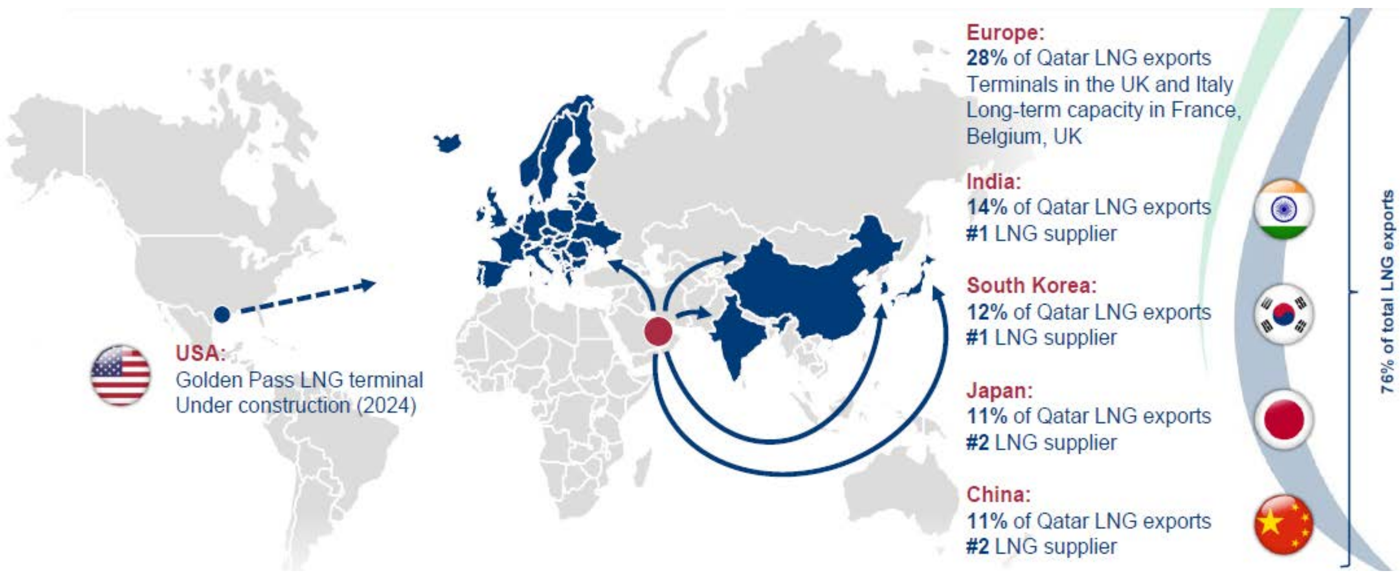


Figure 1: Map showing key destinations of QP's LNG exports in 2020.

QP is the leading LNG production company and its gas reserves are managed for the long-term

QP boasts of a leading LNG position due to its unmatched scale of operations, resulting in QP joint venture assets having one of the world's lowest LNG production costs according to Wood Mackenzie. This low production cost is primarily attributable to the North Field's rich gas production, the integration of the Group's processing plants, common storage and loading infrastructure, all of which contribute to beneficial economies of scale and synergies. QP's significant investment in the LNG supply chain, including shipping, capacities in LNG terminals in different countries, pipelines and marketing in the gas networks are additional factors which contribute to its low production costs.

According to Wood Mackenzie, QP is the second largest gas production company in the world, with QP controlled LNG production of 53.6, 52.4 and 52.9 mtpa (representing QP's proportionate share), in the years ended 31 December 2018, 2019 and 2020, respectively. In 2020, QP's net LNG liquefaction capacity was over 63% larger than the second-ranked company. QP has a low full-life LNG breakeven cost of U.S.$2.46 mmbtu compared with an average of U.S.$6.21 mmbtu for USA based new LNG projects according to Wood Mackenzie.

QP manages the North Field, which is the largest known non-associated gas field in the world, characterised by long-life reserves, high well productivity and a fluid that is rich in NGL as well as natural gas. As at 31 December 2020, the North Field had proven gas reserves of 816.7 tscf, which is sufficient to sustain production for approximately 108 years after North Field East and North Field South are operational and operating at full production.

QP is leading in the technology and operations of LNG with a strong track record as a reliable supplier

QP is recognised as a world leader in the technology and operations of LNG liquefaction, storage and shipping. QP is the major shareholder in Qatargas, the operator of 14 LNG trains. QP has proven to be a reliable LNG supplier, never missing a single delivery to customers globally, despite an embargo that was imposed against Qatar by Saudi Arabia, the UAE, Bahrain and Egypt from mid-2017 to early 2021. During the embargo period, QP continued to honour its commitments to supply gas to the UAE through the Dolphin pipeline. To add to its track record as a global energy partner, QP has managed to divert additional LNG supply to customers, demonstrating its commitment to being a reliable provider of LNG to customers around the world. Additionally, all 14 Qatari LNG trains had an average of 95% for availability and 98% for reliability in 2020, thereby solidifying QP's position as one of the most reliable LNG exporters. The Group also has a flawless on-time track record of contractual deliveries.

Qatar LNG accounts for approximately 21% of the market share of LNG exports in 2020 according to Wood Mackenzie**.** In particular, the Group has a strong position with Asian customers, with 80%, 81% and 82% of the Group's LNG exports being supplied to Asia (which includes South Korea, Japan, China and India) in 2018, 2019 and 2020, respectively. The Group's remaining LNG exports were supplied to Europe (which accounted for 18%, 19% and 17% of LNG exports in 2018, 2019 and 2020).

Additionally, having full management of the LNG value chain further strengthens the Group's position as a key LNG exporter. It has access to an LNG fleet with 69 vessels, 14 of which are Q-Max, the world's largest LNG carriers, and offtake capacity in LNG receiving terminals in UK, Italy, Belgium and elsewhere in Europe.

Strong governance, policies, sustainable and ethical standards

QP is proud to be a deep-rooted corporate citizen of the State of Qatar, maintaining a dynamic proactive engagement in Qatari society, and a major contributor towards human development domestically and internationally through the promotion of education, training, and research. In 2019, QP published a new code of conduct as part of its strong commitment to ethical business. QP is a supporting member of the Extractive Industry Transparency Initiative and works with the Natural Resource Governance Institute to further improve QP's reporting and disclosure practices. QP was the first state owned enterprise in the Middle East and North Africa region to join the Extractive Industry Transparency Initiative as a supporting member. Further, QP engages in organisation-wide in-depth process reviews and, in 2019, benchmarked its best practice against international standards. QP also enhanced its management of risks associated with third party engagements (at the pre-approval, engagement and post-engagement levels) in order to ensure compliance with its new standards. Further, QP issues annual Sustainability Reports (since 2014) and publishes comprehensive Annual Reports, as well as ensuring annual QP financials are audited externally.

QP engages in a range of corporate social responsibility projects and initiatives to support the communities and the environment in which it operates and leverages its know-how and operational capabilities in furtherance of these projects. QP considers these activities to be "corporate citizenship" projects and initiatives. Between 2015-2019, QP spent U.S.$48 million on corporate social responsibility projects, 52% of which was committed to education.

QP expects to continue to engage in a range of corporate citizenship projects and initiatives in the future. These include projects and initiatives which QP believes contribute to the future of the State of Qatar and its people. QP's purpose is well aligned with the objectives of the Qatar National Vision 2030, particularly the wise management of exhaustible resources in order to sustain prosperity and ensure that future generations inherit ample means to meet their aspirations.

Strategic importance of QP to the State of Qatar

QP is the State of Qatar's key strategic asset and a significant contributor to the State of Qatar's budget contributing 39%, 38% and 39% of GDP at current prices in 2018, 2019 and 2020 respectively. QP acts as a custodian of the energy and petrochemicals sector in Qatar, with 100% of due royalties and taxes payable to the State of Qatar. QP, including its joint ventures has contributed QR 74.0 billion (U.S.$20.3 billion) in taxes and royalties in the year ended 31 December 2020, QR 120.4 billion in the year ended 31 December 2019 and QR 143.1 billion in the year ended 31 December 2018. In 2020, QP declared dividends in respect of 2019 profit in a total amount of QR 65,999.7 million (U.S.$18,131.8 million); in 2019 declared dividends in respect of 2018 profit in a total amount of QR 73,143.2 million; and in 2018 declared dividends in respect of 2017 profits in a total amount of QR 59,075.6 million. QP is also a significant employer in the State of Qatar and, as at 31 December 2020, employed 8,270 employees on a standalone basis. Altogether, in 2020 QP is the single largest contributor to State of Qatar's GDP with a 39% contribution and plays a pivotal role in the development of the State of Qatar's economy and its international footprint. QP is committed to continuously developing the State of Qatar's oil and gas industry on the national level, and also and committed to utilising its core strengths internationally. QP's international investment portfolio provides exposure to the entire hydrocarbon value chain across various geographies. This is well demonstrated by QP's global exploration and production investments in the Americas, Africa, the Mediterranean and Middle East, as well as its growing number of international LNG assets and partnerships.

Being a wholly state-owned corporation, QP represents the backbone of the State of Qatar's economy by being the primary source of hydrocarbon revenues. QP is also a significant contributor to the State of Qatar's Qatarisation and human capital development vision by providing training and leadership employment opportunities for Qatari nationals and a highly skilled and motivated workforce and professionals. Lastly, QP benefits from a board of directors which includes senior members of the Government. For example, the Chairman of the board of directors, H.H. Sheikh Abdullah bin Hamad Al -Thani, is the Deputy Amir of the State of Qatar. Board seats are also occupied by the Minister of State for Energy Affairs and the Minister of Commerce and Industry. See "*Management—Board of Directors*" for further information.

Strong historical financial performance with high long-term visibility leading to a fortress balance sheet

QP has historically enjoyed a track record of superior returns. In 2018, 2019 and 2020, QP's Adjusted EBITDA amounted to QR 110,637.7 million, QR 97,125.3 million and QR 64,130.5 million (U.S.$ 17,618.3 million), while its Gearing amounted to (7.4)%, (13.5)% and (6.1)% respectively. QP's ROACE in 2018, 2019 and 2020 amounted to 24.7%, 20.5% and 12.0%, and 20.6% for the three months ended 31 March 2021, illustrating QP's resilience through reduced oil prices and global economic downturns as experienced during the COVID-19 pandemic. QP also has a superior capital efficiency, of 27.3% as of 31 December 2020. Further, QP has the benefit of long-term revenue visibility given that, as at the date of this Prospectus, approximately 80% of its long-term joint venture sales contracts have a term of more than five years.

QP has consistently generated strong and sustainable cash flows over the past five years. For the year ended 31 December 2020, QP generated QR 47,575.8 million (U.S.$ 13,070.3 million) in net cash from operating activities as compared to QR 43,794.6 million and QR 85,236.2 million in 2018 and 2019, respectively, and its Free Cash Flow in 2018, 2019 and 2020 was QR 28,621.5 million, QR 69,429.2 million and QR 34,580.7 million (U.S.$9,500.2 million). For an explanation the calculation of Adjusted EBITDA, Gearing, ROACE and Free Cash Flow and a reconciliation to the nearest financial measures calculated in accordance with IFRS, see "*Selected Consolidated Financial Information—Alternative Performance Measures*".

Strong relationships and investment portfolio

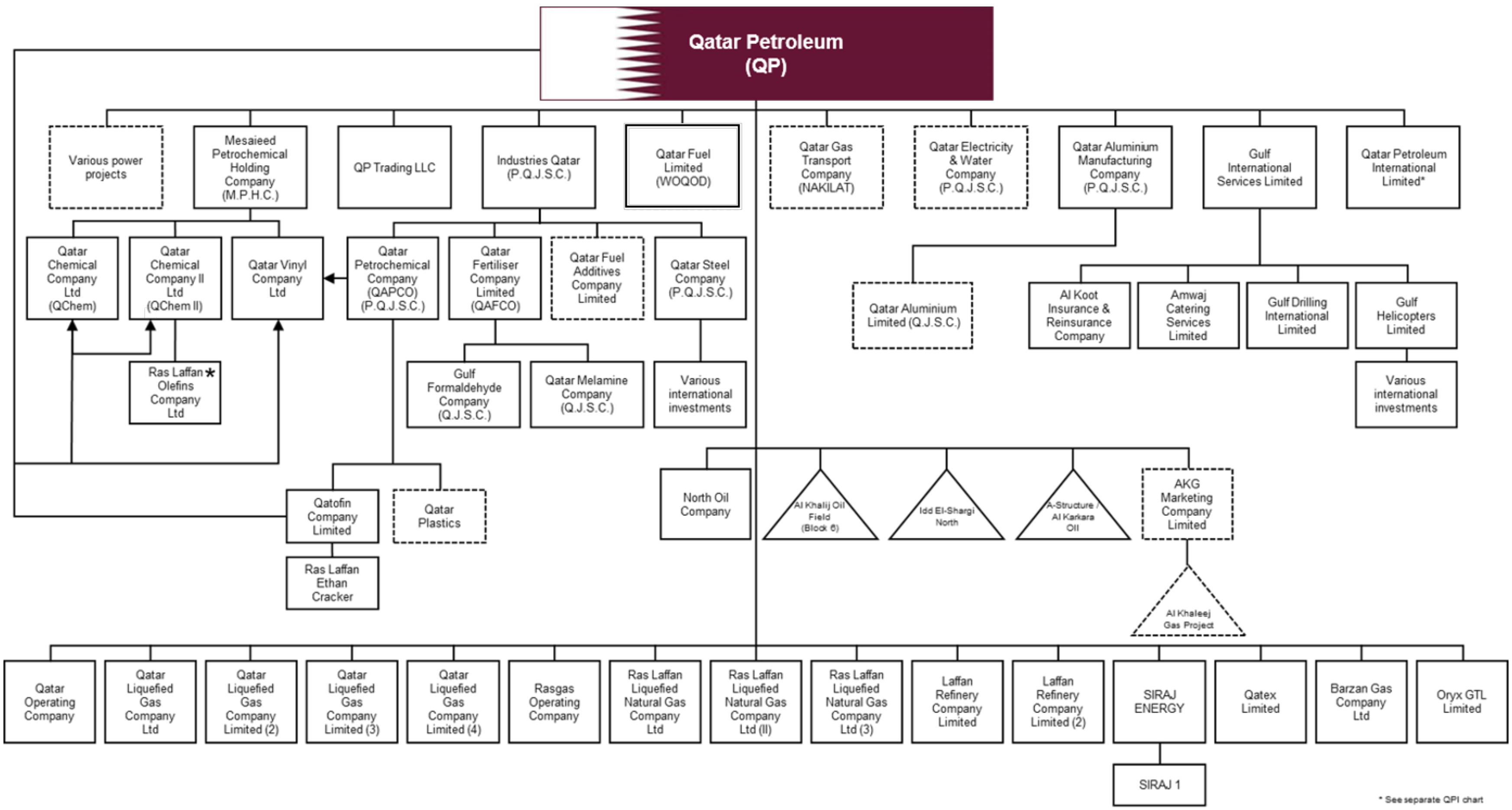
QP prides itself in its ability to attract and partner with major international oil and gas companies both in Qatar and internationally. QP's joint venture partners, joint operations and associated companies include leading global partners, such as ExxonMobil, ConocoPhillips, TotalEnergies and Shell. These partnerships, local and global, provide QP with access to additional geographies, technological expertise, operational know-how and marketing capabilities across its entire business. They are under-pinned by a robust track record in Qatar and are seen as key long-term contributing partners. In addition, through LNG projects operated by its flagship Qatargas company (which merged with RasGas in 2018) QP has developed its LNG business through strategic and longstanding partnerships on multiple projects with a number of the world's leading integrated oil companies.

In addition, QP has developed close working relationships with major international supply contractors, including Chiyoda Corporation, W.L.L., Saipem, Technip and McDermott. QP works collaboratively with trusted, reliable and reputable partners to make long-term investments which diversify its operations and portfolio to limit geographical or sector exposure. QP's portfolio provides exposure to the entire hydrocarbon value chain, including exploration and production, processing, transportation, refining, marketing, petrochemicals, oil and gas and power. Over the last few years, QP has rapidly acquired high value exploration acreage in conjunction with its key partners internationally expanding into 14 countries with more than 35 licenses to achieve its targets.

QP Operations

QP's business operations encompass the entire spectrum of the oil and gas value chain locally, regionally and internationally and include the exploration, production, processing, marketing and sales of crude oil and natural gas, LNG, GTL products, refined products, petrochemicals, fertilisers, steel and aluminium.

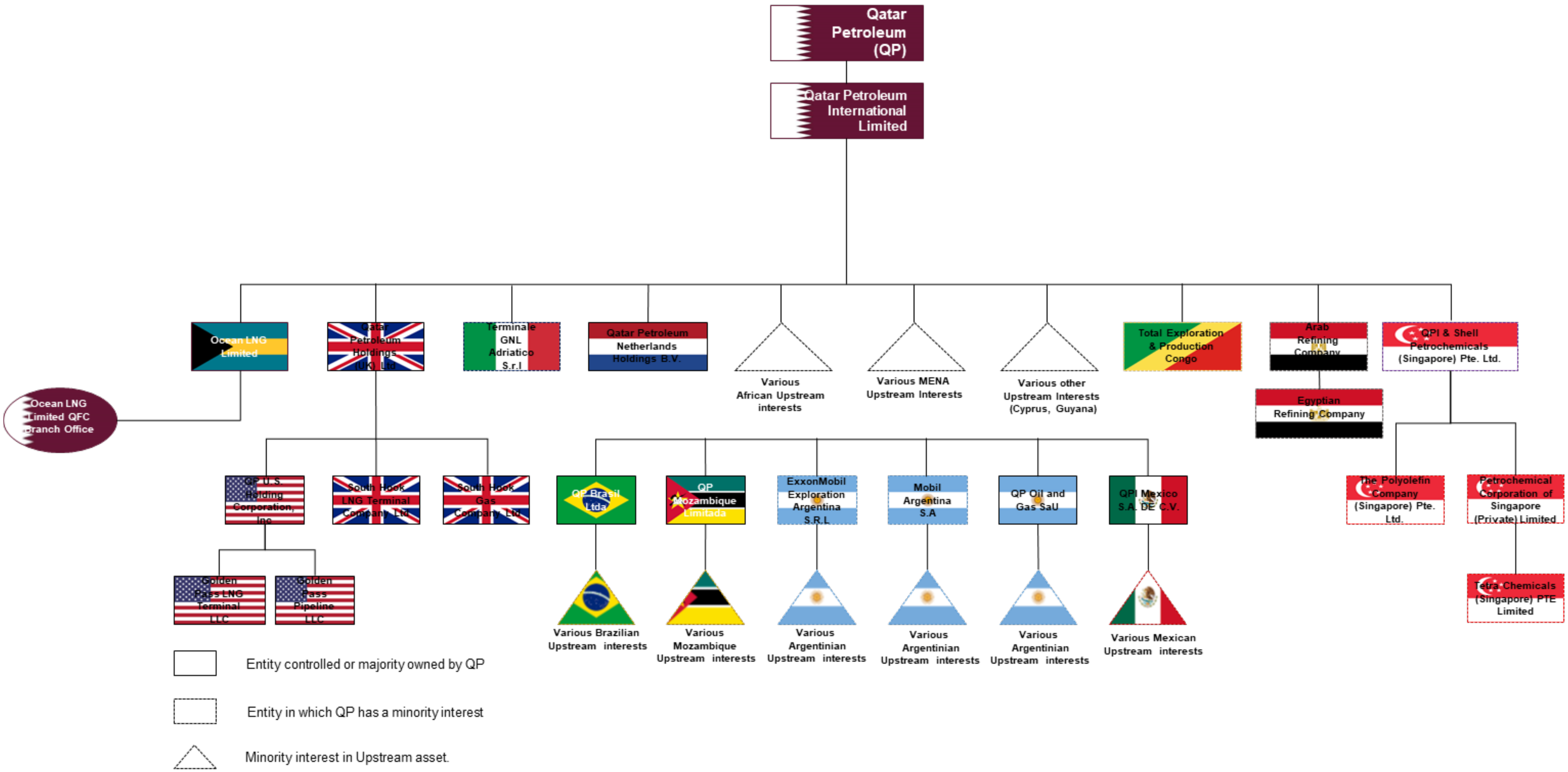
The following chart shows the simplified corporate chart for QP:



Notes:

*RLOC is also owned by Qatofin. QP has a 1% direct shareholding in RLOC.

The chart below shows QPI's investments and the countries in which they operate:



* Note: This corporate chart does not include intermediate holding companies.

Source: QP

Natural Gas and LNG Operations

The utilisation of the North Field's significant reserves is a primary national goal under the Qatar National Vision 2030 which envisages the continued development and prosperity of the State of Qatar. More than 200 appraisal and development wells have been drilled in the North Field since its discovery in 1971 to quantify the gas accumulation, determine the reservoir fluid and the geological characteristics of the field. QP recently undertook an extensive multi-year and multi-well appraisal program of the North Field's hydrocarbon potential which was concluded in 2019 to update the delineation and extent of the productive layers of the field.

Qatar LNG Ventures

Through its flagship affiliate, Qatargas, QP has developed its LNG business through strategic partnerships with a number of the world's leading oil and gas companies, including ExxonMobil, Shell, TotalEnergies SE and ConocoPhillips. By investing across the entire LNG value chain, QP enjoys meaningful cost advantages in the gas sector due to significant economies of scale and a low cost structure. According to Wood Mackenzie's estimates (see "*Industry Overview*") the Group is estimated to be the lowest cost LNG producer globally. Most of the natural gas in the North Field is "rich gas", meaning it contains other hydrocarbons, such as condensate, which become liquids at or close to surface pressure and temperature. This means that QP's LNG projects also produce significant quantities of condensate and NGL, which contribute to the diversification of the State's revenue sources and create downstream opportunities.

QP has ownership interests in seven LNG producing ventures. All the LNG ventures, including two which produce natural gas for sale by pipeline and two condensate refineries, are operated by Qatargas, an operating company that produces and markets LNG on behalf of QP and its partners. Prior to 2018, Qatargas operated four LNG ventures, namely Qatargas 1 to Qatargas 4. QP's other three LNG ventures, RL 1, RL 2, and RL 3, were operated by RasGas Company Limited. In 2018, the seven LNG ventures were integrated under Qatargas' operatorship in order to streamline operation and minimise operating costs.

The following chart provides an overview of the seven LNG producing ventures:

	Company	Capacity (mtpa)	Start Date	Major shareholders
Qatargas North	Qatargas 1	10 3 trains	1996 / 1997 / 1998	QP Total ExxonMobil
	Qatargas 2	16 2 mega-trains	2009	QP Total ExxonMobil
	Qatargas 3	8 1 mega-train	2010	QP ConocoPhillips
	Qatargas 4	8 1 mega-train	2011	QP Shell
	All Qatargas	41		
Qatargas South	RL 1	7 2 trains	1999	QP ExxonMobil
	RL 2	14 3 trains	2004 / 2005 / 2006	QP ExxonMobil
	RL 3	16 2 mega-trains	2009 / 2010	QP ExxonMobil
	All RL	37		

Notes:

- March 2021: Qatargas 1 will be owned 100% by QP, and operated by Qatargas, after the joint venture agreements expire in December 2021.
- December 2016: QP announced plan to integrate the activities of RasGas and Qatargas operating companies under a single entity, named Qatargas, which will operate all of the LNG production assets currently being operated by both entities.

- January 2018: QP announced the integration process is complete. Expected annual operating cost savings (from combined marketing, finance, IT, maintenance etc.) will rise to QR 2 billion.

The following table provides an overview of QP's LNG exports for the periods indicated:

	Three months ended 31 March(1)	
	2020	2021
	(in millions of tons (mmt))	
Qatargas 1	2.39	2.50
Qatargas 2	3.96	3.86
Qatargas 3	2.11	2.47
Qatargas 4	1.88	1.93
RL 1	1.69	1.65
RL 2	3.73	3.71
RL 3	3.95	4.05
Grand Total	**19.71**	**20.16**

Notes:

(1) All volumes are derived from information provided by the Qatargas and RasLaffan LNG entities. .For Qatargas ventures domestic sales were not included.

Qatargas 1

Qatargas 1, the State of Qatar's first LNG project, is a three-train LNG project with a nominal LNG production capacity of approximately 9.9 mtpa, which started production in 1996 and became fully operational in 1998. This is a joint venture between QP, and affiliates of TotalEnergies, ExxonMobil, Marubeni Corporation and Mitsui & Co. Ltd. Qatargas 1 is party to long-term sale and purchase agreements with utility companies in Japan and Spain. Gas production is sustained by means of continuous development through various drilling and looping projects; EPC execution activities are underway for the installation of two new well head platforms, and a new 32 -inch looping trunkline.

The current Qatargas 1 project arrangements will expire on 31 December 2021, following which Qatargas 1 will continue to be operated by Qatargas while under the sole ownership of QP.

Qatargas 2

Qatargas 2 was the world's first fully integrated value chain LNG venture. Qatargas 2 is a two mega-train LNG project with a nominal LNG production capacity of approximately 16 mtpa, which became fully operational in 2009. The Qatargas 2 value chain also includes a fleet of Q-Flex and Q-Max ships and one of Europe's largest LNG receiving terminals, the South Hook LNG Terminal, in Wales. Qatargas 2's LNG is exported to Asia, the United Kingdom and other European countries. Qatargas 2's offshore facilities includes 30 offshore wells.

As part of the expansion of Ras Laffan's capacity, Qatargas 2 also led the construction of facilities for expanded LNG storage and loading, including five 145,000-cubic metre tanks and three LNG berths, a 12,000 tpd common sulphur system serving all Ras Laffan ventures, and an export pipeline and mooring buoy for loading condensate ships some 55 kilometres offshore. Gas production is sustained by means of continuous field development through various drilling projects, and works are currently progressing on installation of a new well head platform.

Qatargas 3

Qatargas 3 is a one mega-train LNG project with a nominal production capacity of approximately 8 mtpa of LNG production capacity, which commenced production in 2010. The upstream platforms and infrastructure consist of three unmanned platforms, 33 wells, two subsea pipelines, and three onshore injection wells for waste water disposal, all of which are shared with the Qatargas 4 project. Qatargas 3 LNG production is exported to customers in Europe, Asia and the Middle East.

Qatargas 4

Qatargas 4 is a one mega-train LNG project co-developed alongside Qatargas 3, with a nominal production capacity of approximately 8 mtpa of production capacity for LNG and associated liquids, which commenced production in 2011. QG4 produces 1.4 bscfd, delivering LNG and substantial volumes of condensate and LPG, as well as high purity grade sulphur. The LNG was mainly intended to be sold to Shell under a long-term sale and purchase agreement for export to the United States. However, due to low gas prices in the United States, the LNG has been diverted and is now exported to Europe, Asia and the Middle East.

RL 1

RL 1 is a two train LNG project with a nominal LNG production capacity of approximately 6.6 mtpa, which commenced production in 1999. In addition to LNG, RL 1 also produces approximately 44,000 barrels of stabilised field condensate per day, 4,000 barrels of plant condensate per day and 200 tpd of granulated sulphur. The LNG plant includes inlet gas reception and treatment facilities, condensate stabilisation, gas liquefaction, sulphur recovery and loading facilities; and all necessary utility and off-site systems and infrastructure. RL 1 is party to long-term sale and purchase agreements with Korea Gas Corporation and other SPAs. Gas production is sustained by means of continuous field development through various drilling and looping projects; EPC execution activities are underway for drilling of new infill wells on existing platforms, and a new 32" looping trunkline.

RL 2

RL 2 is a three-train LNG project with a nominal production capacity of approximately 14.1 mtpa for LNG and associated liquids, which commenced production in 2004. Trains 4 and 5 are equipped for NGL extraction. RL 2 is party to long-term sale and purchase agreements with buyers in India, Italy, Belgium and Taiwan. Gas production is sustained by means of continuous field development through various drilling projects, and works are currently progressing on installation of two new well head platforms.

RL 3

RL 3 is a two mega-train LNG project with a nominal LNG production capacity of approximately 16 mtpa, which commenced production in 2009. Gas production is sustained by means of continuous field development through various drilling and looping projects; works are currently progressing on installation of a new well head platform, and a new 38 inch looping trunkline.

The LNG produced by RL 3 is sold to customers in Europe and Asia under a combination of long-term and short-term sale and purchase agreements.

The North Field Expansion Project

NFE Expansion

QP's largest project under development is the NFE Expansion. The scope includes the production of natural gas from the eastern sector of the North Field, the transportation of such gas to the RLIC through subsea pipelines and subsequently processing the natural gas into LNG which would then be exported to overseas markets. The North Field, which covers a total area of 6,000 square kilometres, currently produces about 20 bscfd which is expected to increase to over 30 bscfd by 2028, following the full implementation of the North Field Expansion. The North Field Expansion is being executed and will be operated by Qatargas.

The NFE Expansion, which is planned to commence production from 2025, is expected to increase the State of Qatar's total LNG production capacity to 110 mtpa from its current level of 77 mtpa, therefore increasing the State of Qatar's LNG production capacity by 43%. This is following the construction of four LNG mega-trains with a capacity of 8 mtpa each and the installation of other related facilities as detailed below. QP has received bids from potential partners for an up to 30% stake in the project. The partner selection decision is expected to be announced by end-2021.

In addition to the four LNG mega-trains, the NFE Expansion offshore facilities will include a total of 80 development wells, eight unmanned wellhead platforms and four offshore 38-inch trunk lines with 28-inch diameter intra-field pipelines. The onshore facilities are expected to receive approximately 6.4 bscfd of gas from the southern sector of the North Field to be processed to produce approximately 32 mtpa of LNG, 4,500 tpd of ethane that will be utilised as feedstock for the petrochemical sector, 254,000 barrels per day of condensate, 11,000 tpd of LPG, 1,825 tpd of sulphur, and approximately 20 tpd of pure helium.

In March 2018, QP announced that it had selected Chiyoda Corporation of Japan to execute the front-end engineering design ("**FEED**") of the onshore facilities of the NFE Expansion. The FEED scope of work prescribed the basic design for the addition of four LNG mega-trains. Completion of early site works is anticipated in June 2021 and the handover to EPC 1 and EPC 2 contractors (each as defined below) is underway as at the date of this Prospectus.

As part of the project, QP initiated in 2018 the expansion of the Common Cooling Water System (CCWS) at RLIC to serve the project's future water requirements. Phase 3 of the CCWS is expected to supply over 37,000 cubic metres per hour of seawater to the common reverse osmosis plant of the four new LNG trains. The estimated completion date of this project is the third quarter of 2022.

In April 2019, QP announced that it had awarded EPC 1 to McDermott for the NFE Expansion eight jackets and associated drilling decks with a value of U.S.$215 million. All the jackets have been installed and offshore development drilling activities have started and are well underway, in accordance with the schedule. QP also awarded an Early Site Works contract, with a value of U.S.$191 million, which is expected to complete in June 2021.

In May 2019, QP announced that it had awarded contracts for a total of eight offshore jackup drilling rigs required for the NFE Expansion. Contracts for six of the eight drilling rigs were awarded to GDI, while the contracts for the remaining two rigs were awarded to Northern Offshore Drilling Operations Limited, operating out of the United States.

In May 2019, QP also awarded the FEED contract for the NFE Expansion's offshore pipelines and topsides facilities to McDermott Middle East Inc. The FEED was completed in May 2020 and its scope included an engineering design for eight unmanned wellhead platform topsides, four 38-inch trunk lines and four 28-inch intra-field lines. The award date for the NFE Expansion offshore EPC contract is planned for Q4 2021 and it is expected to take approximately 38 months to complete.

On 8 February 2021, the NFE Expansion FID was taken by awarding the EPC contract for the construction of the four LNG mega-trains to a joint venture between Chiyoda Corporation of Japan and Technip Energies, with a value of U.S.$12.242 billion ("**EPC 1**"). The target start-up date for the first LNG mega-train is November 2025 with the last train planned to come online in Q3 2027.

On 1 March 2021, the EPC contract for the NFE Expansion off-plots LNG storage and loading facilities expansion was awarded to Samsung C&T Corporation for U.S.$1.665 billion ("**EPC 2**"). The scope includes the construction and installation of three LNG storage tanks, four TBOG and one jetty boil off gas ("**JBOG**") compression units, three LNG berths and rundown and loading lines. A further two off-plots EPC contract awards are planned.

The first relates to the Condensate, LPG and MEG storage and loading facilities expansion and is scheduled to be awarded by the end of June 2021 ("**EPC 3**"), while the second relates to the sulphur storage and loading facilities expansion and is scheduled to be awarded by Q2 2022 ("**EPC 4**").

As a result of the execution of jackup drilling rigs, EPC 1 and EPC 2 contracts, a substantial portion of the estimated U.S.$28.75 billion of capital expenditure relating to the NFE Expansion has been committed.

As part of the NFE Expansion, QP will invest approximately U.S.$200 million in the NFE Expansion to apply new technologies to achieve an estimated 30% reduction in GHG emissions, compared to other similar LNG facilities. Solar energy is expected to provide a larger portion of energy consumed by the project, as compared to other LNG facilities. Further, QP has a disciplined approval process for new projects and the engagement of the requisite contractors is subject to extensive procedures, processes and practices pursuant to which contractors are assessed and vetted.

Following completion, the NFE Expansion is expected to reinforce the Group's status as a low-cost and large-scale global LNG producer. As at the date of this Prospectus, the total cost of the NFE Expansion is estimated at U.S.$28.75 billion, making it one of the energy industry's largest investments in recent history and the largest LNG capacity addition to ever be sanctioned as a single project. QP is in the process of setting up the full value chain for the NFE Expansion, with the project milestones currently advancing in accordance with QP's schedule.

NFS Expansion

In November 2019, QP announced that new studies revealed that the North Field's productive layers extend well into Qatari land and in Ras Laffan. This discovery confirmed the existence of additional gas reserves in the North Field, including significant quantities of condensate, LPG, ethane and helium. This discovery prompted QP to commence the necessary engineering work for the NFS Expansion, which is expected to consist of the construction of two additional LNG mega-trains and associated offshore and onshore facilities.

The NFS Expansion forms the second phase of the overarching North Field Expansion. The NFS Expansion contemplates the production of 3.3 bscfd of gas, which would then be processed by two LNG mega-trains in order to each produce 8 mtpa of LNG. The NFS Expansion offshore facilities will include five wellhead platforms, from which 50 development wells will be drilled, and two 36-inch offshore trunk lines with 28-inch intra-field pipelines. The NFS Expansion will further increase the State of Qatar's LNG production capacity following the completion of the NFE Expansion from 110 mtpa to 126 mtpa upon completion of the NFS Expansion. As at the date of this Prospectus, the NFS Expansion is expected to commence production by the third quarter of 2027.

In addition to its LNG production, the NFS Expansion will also produce approximately 2,000 tpd of ethane, 122,264 barrels per day of condensate, 5,259 tpd of LPG, 1,129 tpd of sulphur, and 10 tpd of pure helium.

The NFS Expansion onshore off-plots facilities scope extends to LNG storage and loading expansion with two LNG storage tanks, three TBOG compression units and one LNG berth, as well as condensate, LPG and MEG storage and loading facilities. The NFS Expansion onshore on-plots FEED was awarded in May 2021 to Chiyoda Corporation of Japan for U.S.$14.2 million. The NFS Expansion project development activities started with the completion of the engineering (approved for design) for offshore and onshore off-plot facilities. As at the date of this Prospectus, the scope of NFS Expansion off-plots and offshore facilities are included as options in NFE Expansion tenders.

Golden Pass LNG Terminal (United States)

The Golden Pass LNG receiving terminal located in Sabine Pass, Texas, was commissioned in 2010 to receive LNG from RL 3 and Qatargas 3 for the purposes of supplying gas to the US gas grid. However, due to the prevailing low gas prices in the United States, such LNG volumes have since been diverted to higher priced markets in Europe and Asia. The receiving terminal facilities included LNG storage and re-gasification functions with the capacity to receive and regasify approximately 16 mtpa of LNG.

In February 2019, QP and ExxonMobil took the final investment decision to proceed with the Golden Pass Export Project, to modify the receiving terminal facilities and convert it into an LNG export terminal by constructing three LNG liquefaction trains with a total LNG production capacity of approximately 16 mtpa. The first train is expected to start-up by the fourth quarter of 2024, with subsequent trains to start-up in 2025 and 2026 respectively. The project is currently in the early construction phase and progress has continued on schedule and without delay despite the global impact of COVID-19.

LNG Shipping

The Group's LNG deliveries are secured through long-term charters from international ship owners, including Qatar Gas Transport Company Ltd ("**Nakilat**"), a publicly listed Qatar joint stock company in which QP has a 0.9% interest.

With the world's largest LNG shipping fleet comprising 69 LNG carriers, the company provides the essential transportation link in Qatar's LNG supply chain. Nakilat's LNG fleet comprises of 24 conventional carriers, 31 Q-Flex carriers and 14 Q-Max carriers. Nakilat's LNG fleet has a combined carrying capacity of over 9 million cubic metres, which is about 12% of the global LNG fleet carrying capacity.

To meet its future LNG shipping requirements, QP is in the process of procuring new LNG carriers to expand the State of Qatar's LNG fleet available capacity through time charters with selected ship owners, to ensure safe and reliable delivery of LNG produced from the State of Qatar's LNG production facilities including the NFE Expansion. In line with such effort, in 2020 QP executed slot reservation agreements with the world's largest LNG shipyards located in China and South Korea which are expected to provide capacity and flexibility for the construction of the new LNG carriers. Following the execution of the slot reservation agreement, QP issued an "Invitation to Tender" in March 2021 to a large group of LNG ship owners, with the aim of selecting world-class ship owners for the long-term time charter of LNG carriers to satisfy the future requirements of QP and its subsidiaries.

QP is also in the process of acquiring ten Qatargas 1 vessels from the existing ship owners which will be part of Qatar's fleet pooling capacity starting 1 January 2022, when QP will become the sole owner of 100% of Qatargas 1 assets and facilities.

Other LNG Projects

In addition to the NFE Expansion and the NFS Expansion projects, (see "— *The North Field Expansion Project*" above for further information), QP has implemented or intends to implement the following material development projects and LNG value chain optimisation arrangements.

Access to Regasification Terminals

In addition to the South Hook and Adriatic regasification terminal projects (see below), the QP Group has secured capacity in regasification terminals such as the Isle of Grain (UK), South Hook LNG Terminal (UK), Zeebrugge (Belgium), Montoir (France).

- In September 2019, a wholly-owned subsidiary of Qatar Petroleum subscribed to the full LNG regasification capacity of Fluxys Belgium's Zeebrugge LNG terminal located in the outer port of Zeebrugge in Belgium.

- In 2020, a wholly-owned subsidiary of Qatar Petroleum subscribed to the equivalent of almost 3 mtpa of the throughput capacity of Montoir-de-Bretagne LNG Terminal in France for a term up to 2035.

- In 2020, a wholly-owned subsidiary of Qatar Petroleum subscribed for 7.2 mtpa of long-term LNG storage and regasification capacity at the UK's Grain LNG terminal from 2025.

Ocean LNG

Established in 2016, Ocean LNG is a joint venture company owned by a QP affiliate (70% share) and an ExxonMobil affiliate (30% share) which acts as a marketing entity for their jointly developed Golden Pass volumes.

Ocean LNG entered into a sales and purchase agreement to purchase all the LNG volumes to be produced from Golden Pass which is expected to amount to approximately 16 mtpa.

QP Trading LLC

On 9 November 2020, QP announced the establishment and start of operations of QP Trading, as its dedicated LNG trading arm. Wholly owned by QP and based in Doha, QP Trading is mandated to build a globally diversified portfolio of third-party and equity LNG. In addition, QP Trading will manage the price risk exposure of its portfolio through physical and derivatives trading. These new capabilities, combined with a customer- and market-centric approach, will enable QP Trading to respond with greater agility to the evolving needs of its customers and to maximise the value of its portfolio in a dynamic market.

South Hook LNG Terminal (UK)

As part of Qatargas 2 integrated value chain project, an LNG terminal was installed in Milford Haven, Wales so that LNG could be supplied from Qatargas 2 facilities, shipped in Qatari ships and stored and re-gasified in the South Hook LNG terminal for subsequent sale in the United Kingdom gas market. The terminal was commissioned in 2009, and is a joint venture between QP, ExxonMobil and TotalEnergies SE. The LNG terminal has the capacity to receive and regasify 15.6 mtpa of LNG for the United Kingdom gas grid.

Adriatic LNG Terminal (Italy)

For the purposes of supplying LNG to the Italian gas market, the Adriatic LNG Terminal was installed and commissioned in 2009. The terminal is a joint venture between QP, ExxonMobil and Snam. The terminal is situated offshore in the North of the Adriatic Sea. The terminal contains LNG storage and re-gasification facilities and has the capacity to receive and regasify 5.8 mtpa of LNG for the Italian gas grid.

Other Gas Projects

QP also produces associated natural gas for its own account and for the domestic sales gas grid, from the onshore Dukhan oil field and from the offshore Bul Hanine and Maydan Mahzam oil fields, and the offshore North Field Alpha project. QP produces dry non-associated natural gas from the onshore Dukhan Khuff reservoir for the domestic sales gas grid. In addition the Dukhan Khuff reservoir acts as a strategic storage for sales gas.

As a result of their crude oil production activities, the Group's oil projects also produce offshore associated gas from the Al Shaheen and Al Khaleej oil fields. Some of the natural gas produced at the Al Shaheen and Idd El Shargi oil fields is fed onshore to the NGL plants at Mesaieed Industrial City, while some of the natural gas produced at the Al Khaleej oil field is used for power generation at Halul Island.

The following table provides a summary of QP's pipeline gas supply venture projects for the periods indicated:

	Year ended 31 December			**Three months ended 31 March**	
	2018	**2019**	**2020**	**2020**	**2021**
	(in millions of standard cubic feet per day of natural gas)				
Al Khaleej	1,910	1,879	1,800	1,601	1,462
Dolphin	2,000	2,000	2,000	1,533	1,610
Barzan	–	–	392	180	621
Total	**3,910**	**3,879**	**4,192**	**3,314**	**3,693**

*Al Khaleej Gas Facility ("**Al Khaleej**")*

Al Khaleej is a pipeline gas supply venture with rights to develop facilities to produce sufficient quantities of natural gas from the North Field to yield up to 2 bscfd of sales gas for distribution in the State of Qatar to domestic consumers. The facility comprises of two gas processing trains, of which the first train was started-up in 2005. The Al Khaleej gas project operates under a PSA.

*The Dolphin Gas Facility ("**Dolphin**")*

Dolphin processes wellhead gas from the North Field in an amount sufficient to export lean sweet gas at a rate of 2 bscfd to the United Arab Emirates and the Sultanate of Oman through an offshore export pipeline, in support of long-term industrial growth. Dolphin is the only gas export project in the State of Qatar and the GCC. The project includes the processing of raw gas at RLIC to extract sales gas, condensate, ethane, LPG and sulphur. The facility came online in 2007. The Dolphin project operates under a PSA within Qatar.

Barzan Gas Company Limited

QP entered into a joint venture agreement with ExxonMobil to further develop the North Field gas reserves through the Barzan project to supply pipeline gas to the local industries and the power generation sector in the State of Qatar. The project incurred delays, mainly caused by corrosion problems with the pipelines linking the offshore wells to the onshore processing facilities, which led to the rebuilding of such pipelines. The project became operational in early 2020, with Train 1 commencing operations in April 2020 and Train 2 in November 2020. However, both train productions were limited due to ongoing pipeline installation work that is scheduled to be completed by Q3 2021. At full capacity, the project is expected to provide 1.4 bscfd of sales gas to local power generation and water desalination plants as well as local industries. In addition, the project will also supply up to 6,000 tpd of ethane to the petrochemical industry and 30,000 barrels per day of condensate to Ras Laffan's condensate refineries, LR1 and LR2. Barzan utilises the common storage, loading and offsite facilities located at RLIC. QP has provided a completion guarantee in respect of the Barzan project, see "*Management's Discussion and Analysis of Financial Position and Results of Operations – Contractual Obligations*" for further information.

Gas-to-Liquids

There are two GTL plants in the State of Qatar located at the RLIC, namely:

- The Oryx GTL plant which was established as a joint venture between QP (51%) and Sasol (49%) (see " *— Overview— Large-Scale Projects*"); and
- The Pearl GTL plant which was established under a PSA with Shell. The Pearl GTL plant produces wellhead gas from the North Field to yield approximately 120,000 barrels per day of condensate, NGLs and ethane and 140,000 barrels per day of GTL products (LPG, naphtha, kerosene, gas oil, paraffins and base oils for lubricants) (see " *— Overview— Large-Scale Projects*").

The following table provides an overview of the State of Qatar's GTL production for each of the periods indicated.

	Year ended 31 December			Three months ended 31 March	
	2018	**2019**	**2020**	**2020**	**2021**
			(in millions of bbl)		
Total volume of GTL production in the State of Qatar[(1)]	51.7	51.9	53.2	12.9	14.6
Pearl GTL total production volume	40.6	42.6	48.3	12.4	12.2
Oryx GTL total production volume	11.1	9.3	4.9	0.5	2.4

Notes:
(1) Excludes production of liquefied petroleum products.

Natural Gas Liquids

As at the date of this Prospectus, NGL have been consolidated with QP's natural gas and refined product assets. The following table sets forth the production and sale of propane and butane attributable to QP for each of the periods indicated:

	Year ended 31 December			Three months ended 31 March	
	2018	2019	2020	2020	2021
Total production for the period (*in millions of tons*)	11.0	10.9	11.0	2.6	2.6

Crude Oil and Condensate

QP is involved in the exploration, development and production of crude oil in the State of Qatar both through its own operations and in ventures with international partners. QP's own operations produce crude oil from the onshore Dukhan oil field, and the offshore Bul Hanine, Maydan Mahzam, Idd El Shargi and Al Rayyan oil fields. The main oil fields producing though ventures are Al Shaheen and Al Khaleej, both offshore.

The following table sets forth the Group's total proven and confirmed reserves of crude oil and condensate as of the dates indicated:

	As at 31 December(1)					
	2018		2019		2020	
	Proven	Confirmed	Proven	Confirmed	Proven	Confirmed
	(*billions of barrels*)					
Crude oil and condensate	21.4	73.9	21.8	74.2	21.8	74.2

Note:

(1) See "*Presentation of Financial, Reserves and Certain Other Information-Certain Reserves Information*" for further information on QP's methodology and calculations in connection with proven and confirmed reserves.

Domestic Crude oil

The following map illustrates the location of QP's offshore and onshore oil fields in the State of Qatar:

The total production of oil (and associated gas and NGL) by the State of Qatar in 2020 is as follows:

	Oil Volume	Gas Volume	NGL Volume	Condensate Volume	Total
	(in thousand barrels of oil equivalent (per day)(actual)) (kboe/d)				
Dukhan	174.43	49.66	26.30	11.74	262.13
Operated offshore	57.53	12.28	-	-	69.81
Non-operated assets	269.09	48.79	-	-	317.87
ISND and ISSD	63.55	9.89	-	-	73.43
Total	**564.59**	**120.62**	**26.30**	**11.74**	**723.24**
Oil Fields Total(1)	**564.59**	**158.66**			**723.24**

Notes:

(1) Includes NGL and condensate.

Dukhan Oil Field (Onshore)

QP produces onshore crude oil from the Dukhan field, a single large field in the west of the State of Qatar consisting of four major hydrocarbon reservoirs, namely three oil-bearing reservoirs and one non-associated gas reservoir, which are named Khatiyah, Fahahil and Jaleha/Diyab. The Dukhan field produces crude oil, associated gas, condensate and non-associated gas. Oil was first discovered in the Dukhan field in 1939 and commercial production commenced in 1947, with the first-ever oil export by the State of Qatar in 1949 with the shipment of 15,433 long tons of crude oil from Mesaieed Port to Europe.

The Dukhan field has a total of 300 oil-producing wells, 182 water injection wells and 58 gas-producing and injector wells with a facilities capacity of up to 335,000 barrels per day. The oil production from the field is supported by gas-lift in the producing wells and the reservoir pressure is being maintained by water injection. QP has initiated projects, including infill drilling and well integrity and reservoir workovers, in order to sustain and enhance oil and gas production from the Dukhan field.

Maydan Mahzam Oil Field and Bul Hanine Oil Field (Offshore)

The Maydan Mahzam field commenced production in 1965 and the Bul Hanine field commenced production in 1972. In 2020, an average of 50.85 thousand barrels of oil per day were exported through a subsea export pipeline to Halul Island for initial storage and thereafter sold to international customers. A re-development study was conducted in 2016 for the Bul Hanine oil field in order to prolong the field's life and to increase its production, and phase-1 of the project has commenced with the drilling of infill wells as well as a contract awarded to modify the platforms for purposes of such re-development. In addition, studies are ongoing to redevelop the Maydan Mahzam offshore field in order to prolong the field's life and to increase its production.

Al Rayyan Oil Field (Offshore)

The Al Rayyan field is located above the Qatar Arch, approximately 72 kilometres off the northern coast of the State of Qatar and is approximately 60 metres deep. The PSA with Occidental Qatar Energy Company and Marubeni expired in May 2017, upon which QP took over the operation of the field. The field was developed using coiled tubing deployed by an electric submersible pump. The field produces and supplies crude oil to a dedicated facility, Al Morjan platform, with the oil stored in the Falcon Spirit a floating storage and offloading barge (FSO), which is operated by a third party pursuant to a long term contract. The production waste water is disposed of into the Umm Erradhuma aquifer.

Idd El Shargi North Dome Field (Offshore) (PSA until 6 October 2019)

The Idd El Shargi North Dome oil field lies 94 kilometres east of the State of Qatar's northern tip in approximately 30 metres of water depth, with an average production in 2020 of 56.1 thousand barrels of oil per day and was operated by Occidental Petroleum pursuant to a PSA entered into with the State of Qatar in 1994, which expired on October 6, 2019. On October 14, 2018, QP announced that it would manage and operate this field after expiry of the PSA and on October 6, 2019, QP commenced operating the field.

The PS-1 station in the field consists of a number of processing platforms comprising HP and LP two-phase separation, gas dehydration and compression, seawater treatment/injection and accommodation platforms, which are all interconnected by bridges. Production from remote wellhead jackets is transferred to the PS-1 station and degassed fluids (oil and water) are pumped to settling tanks at Halul Island via a 20 kilometre pipeline. The oil is then dehydrated, metered and transferred to QP for storage. The production waste water is disposed into Umm Erradhuma aquifer through a 2.5 kilometre pipeline to a dedicated disposal platform.

Idd El Shargi South Dome Field (Offshore) (PSA until 6 October 2019)

The Idd El Shargi South Dome oil field is located in the Arabian Gulf approximately 90 kilometres east of Doha in approximately 30 metres of water depth, with an average production in 2020 of 7.6 thousand barrels of oil per day. On October 6, 2019, QP commenced operating the field when Occidental Petroleum relinquished this PSA at the time of the expiry of the Idd El Shargi North Dome PSA.

The existing facilities consist of two wellhead platforms, the production of which is transferred to the PS-1 station through a 20 kilometre pipeline and is then combined with the production of the Idd El Shargi North Dome field and pumped to Halul Island.

Domestic Oil Production Sharing Agreements and Joint Ventures

Since the early 1990s, QP has entered into a number of PSAs with various international oil and gas companies for the purpose of the exploration and exploitation of hydrocarbon blocks. More recently, following the expiry of PSAs, the relevant fields are now being operated through joint ventures between QP and various international oil and gas companies, for example Al Shaheen and Al Khaleej. Additionally, with respect to Idd El Shargi North and South Dome Fields, QP has assumed the operation of such fields as of October 2019.

North Oil Company - Al Shaheen Field (joint venture)

Al Shaheen oil field located in Block 5 is approximately 43 miles off the State of Qatar's north-eastern coast. It is operated by North Oil Company, an incorporated joint venture between subsidiaries of QP (70%) and TotalEnergies SE. (30%).

Al Shaheen produced an average of 270 thousand barrels of oil per day in 2020. Oil production is sustained by continuous development through various drilling projects where six well head platforms and one central processing facility are being developed and installed in three distinct batches. QP expects to incur near term redevelopment expenditure to maintain the current production levels of 300,000 boe per day. Oil production is sustained by means of continuous development through various drilling projects where six well head platforms and one central processing facility are being developed and installed in three distinct batches.

Al Khaleej Field (joint operation)

The Al Khaleej oil field is located in Block 6, along the State of Qatar's maritime border with Iran, and to the east of the North Field. Production commenced in 1997 and, under extended arrangements, an affiliate of TotalEnergies SE continues as the operator.

Oil Exports

QP's share of crude oil is exported through floating storage facilities at Mesaieed Industrial City terminal, or Halul Island terminal, or alternatively is supplied to QP Refinery. The majority of crude oil is exported on one-year term contracts with annual renewal subject to a volume renegotiation, with prices set at the official selling prices. The remaining crude oil sales, largely the Al Shaheen field, are made on the international spot market. Most crude oil is exported to Asia, primarily Japan, Singapore, India, Thailand and South Korea.

Condensate

The following table sets forth the production and sales of condensate (both field and plant condensate) attributable to QP for each of the periods indicated:

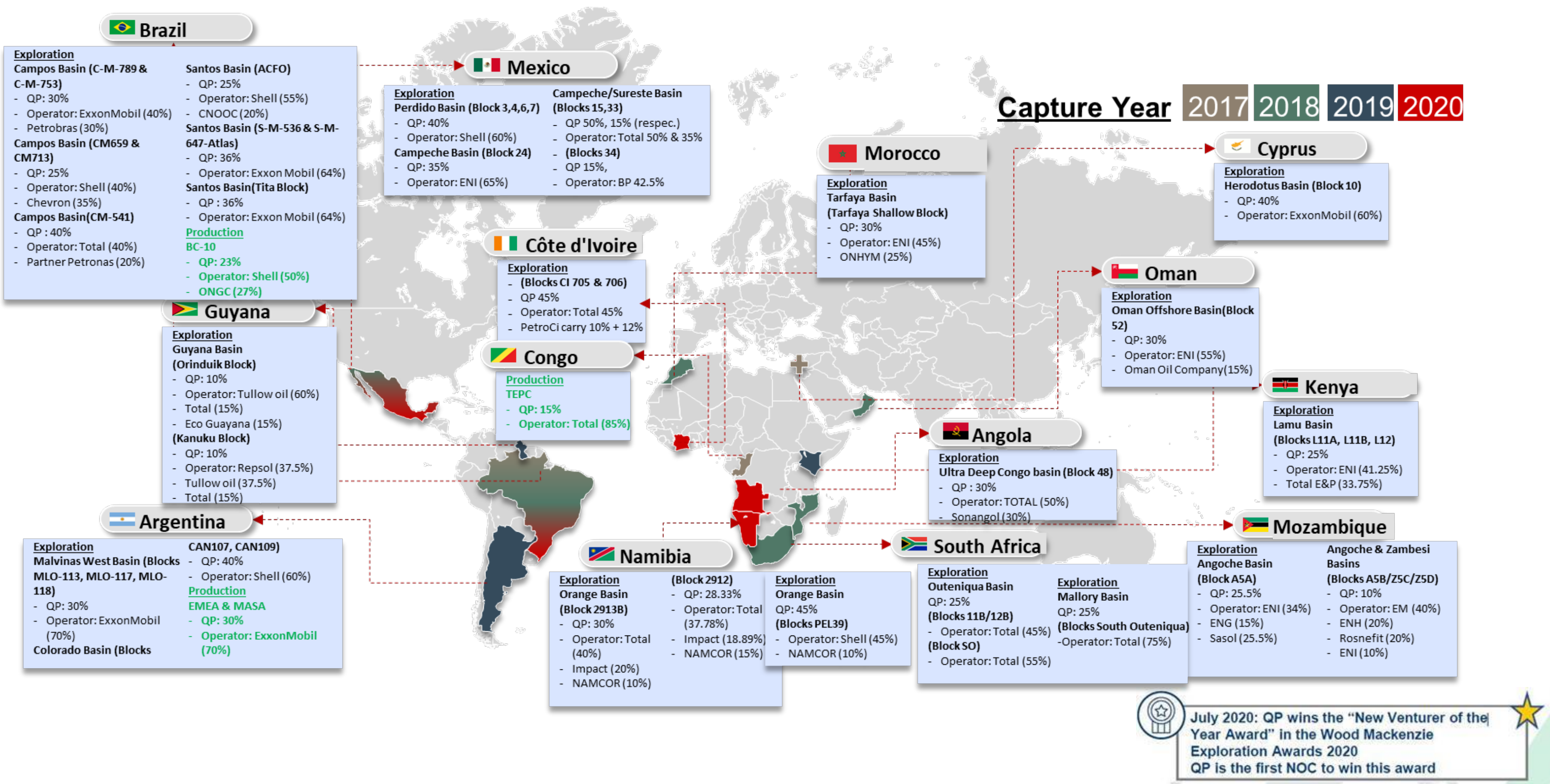
	Year ended 31 December[(1)]			Three months ended 31 March[(1)]	
	2018	**2019**	**2020**	**2020**	**2021**
			(*in millions of barrels*)		
QP share of total production for the period	75.6	75.7	71.8	15.3	14.7
QP share of total sales	67.9	63.5	59.4	13.4	12.4

Note:

(1) Derived from QP's fields plus QP's share of production sharing agreements but excludes joint ventures.

International Upstream

QP also has international producing assets in Brazil, Congo and Argentina and exploration assets in these and many other countries as illustrated in the following map:



Source: QP

Refining and Marketing Activities

As at 31 December 2020, QP had an overall total refining capacity of 617 kbpd and net refining capacity of 359 kpbd. QP's crude oil facility located in Qatar is the QP Refinery in Mesaieed Industrial City, which has a processing capacity of up to 137,000 barrels per day as at 31 December 2020. QP also has two condensate refineries located in RLIC, LR1 and LR2, in each case as described in more detail below:

QP Oil Refinery ("QP Refinery")

QP Refinery is located at Mesaieed Industrial City and is the only crude oil refinery in the State of Qatar. The refinery takes the crude oil and condensate supplied from QP's domestic production and processes them into various finished petroleum products, including LPG, naphtha, gasoline, kerosene, jet fuel, diesel and fuel oil.

In September 2020, QP announced that it began the supply of ultra-low sulphur diesel ("**ULSD**") from the QP Refinery for the domestic transportation market, bringing all diesel sold in the State of Qatar to the highest specifications. The ULSD production followed the upgrade of the QP Refinery's diesel hydro-treating units. The ULSD is a higher grade and cleaner diesel fuel, meeting the specifications of the European Emission Standard 'Euro 5'. The upgrade also resulted in the QP Refinery producing ULSD with a sulphur content no higher than ten parts per million. This initiative reaffirmed QP's global commitment towards environmental sustainability and climate change mitigation.

The following table sets forth the sales of refined products provided by QP Refinery for each of the periods indicated:

	Year ended 31 December			Three months ended 31 March	
	2018	**2019**	**2020**	**2020**	**2021**
		(in thousands of barrels)			
QP share of total domestic sales..................	32,181	31,654	30,175	8,122	7,140
QP share of total export sales......................	6,517	8,720	9,461	1,498	1,263

The following table sets forth QP Refinery's production data of petroleum products for the years 2018, 2019 and 2020:

QP Refinery		**2018**	**Quantity of Sales**				**2019**	**Quantity of Sales**				**2020**	**Quantity of Sales**			
Products	**Unit**	**Production**	**Export**	**Local**	**Total**	**Import to QPR**	**Production**	**Export**	**Local**	**Total**	**Import to QPR**	**Production**	**Export**	**Local**	**Total**	**Import to QPR**
Gasoline 95 R........	KBBL	8,045	1,178	7,489	8,667	-	8,905	1,241	7,875	9,116	301	8,956	1,900	7,116	9,016	-
Gasoline 91 R........	KBBL	7,002	0	8,256	8,256	-	8,201	0	8,348	8,348	-	7,471	212	7,608	7,820	216
Jet	KBBL	8,269	0	30,765	30,765	22,989	8,057	388	19,569	19,957	12,966	8,092	478	6,997	7,475	-
PC Naphtha.	KBBL	3,797	3,797	-	3,797		3,202	3,202	-	3,202		3,060	3,060	-	3,060	
LPG	KBBL	1,389	535	1,794	2,329		1,646	581	1,854	2,435		1,539	463	1,809	2,272	
GAS OIL	KBBL	7,619	315	9,441	9,756	2,163	8,989	2,626	6,698	9,324	243	8,094	2,207	6,662	8,869	597
Decant Oil..........	KBBL	916	983	-	983		1,119	1,092	-	1,092		1,142	1,166	-	1,166	
FUEL OIL	KBBL	67	67	-	67		60	60	-	60		370	370	-	370	
Sulphur..	KBBL	73	-	70	70		95	-	96	96		90	-	90	90	
Total.......	KBBL	**37,177**	**6,875**	**57,815**	**64,691**	**25,152**	**40,274**	**9,190**	**44,440**	**53,630**	**13,510**	**38,814**	**9,856**	**30,282**	**40,137**	**813**

Qatar Fuel Company Q.P.S.C. ("WOQOD")

WOQOD acts as QP's exclusive domestic distributor and retailer of refined petroleum under a concession granted by the State of Qatar for the marketing, sale, transportation and distribution of gasoline, diesel, LPG and other refined petroleum products, other than bitumen. QP has a 20% equity interest in WOQOD.

Ras Laffan Condensate Refineries

The first condensate refinery, called LR1 is located in RLIC and has been in operation since 2009. LR1 is a joint venture project between QP (51% shareholder) and several of its partners, including TotalEnergies, ExxonMobil and others. It processes condensate from the North Field and produces LPG and a variety of refined products. The refinery has a total processing capacity of 160,000 barrels per stream per day and utilises the field condensate produced from the LNG and sales gas facilities. The condensate is refined and turned into products such as naphtha, kerosene (sold as jet fuel), ULSD and LPG. The second condensate, LR2, was constructed and became operational in December 2016, which further increased the condensate refining capacity to 306,000 barrels per day. QP holds an 84% share in in LR2.

Petrochemicals and Fertilisers

New Petrochemical Projects

RLPP

In May 2018, QP announced that it would commence development activities on the RLPP, a new world scale petrochemicals complex at RLIC. In June 2019, QP announced the selection of CP Chem as its partner (with a 30% participating interest) in RLPP. RLPP will have a 2.08 mtpa ethane cracker and two high-density polyethylene ("**HDPE**") derivative units making it the largest ethane cracker in the Middle East and one of the largest in the world. QP has not yet reached a FID on RLPP. Once QP and its co-investor progress this project through to FID, RLPP is expected to raise the State of Qatar's current polyethylene production capacity by more than 94%. QP expects that once the FID for the RLPP is procured, a portion of the total project cost will be financed with debt, and QP would anticipate that it will be required to provide a completion guarantee corresponding to its equity share in RLPP.

USGC II (USA)

QP signed a Heads of Agreement with CP Chem in July 2019 to develop USGC II, a new world-scale petrochemical project in the United States. The USGC II project will include an ethane cracker with the capacity to manufacture 2 mtpa of polymer-grade ethylene, as well as two HDPE units each with a 1 mtpa capacity. QP will own a 49% share in the USGC II project, while CP Chem will own the remaining 51% share and provide project management and oversight and be responsible for the operation and management of the facility.

QP has not yet reached a FID on USGC II. QP expects that once the FID for USGC II is procured, a portion of the total project cost will be financed with debt, and QP would anticipate that it will be required to provide a completion guarantee corresponding to its equity share in the project.

Existing Petrochemical Projects

Qatar Petrochemical Company Q.P.J.S.C ("QAPCO")

QAPCO was incorporated in 1974 as a joint venture and is currently 80% owned by publicly-listed IQ, in which QP is a 51% shareholder, and the remainder by Total Petrochemicals (France). QAPCO is one of the world's largest and most successful producers of plastic polymer low-density polyethylene ("**LDPE**"). Its main facilities consist of an ethylene cracker with a capacity of 840 kta, three LDPE plants with a total combined capacity of over 780 kta and a sulphur plant with a capacity of 70 kta.

QAPCO is also closely related to three other joint ventures, namely Qatofin Company Limited Q.P.J.S.C. ("**Qatofin**"), Qatar Vinyl Company Limited Q.S.C ("**QVC**") and Qatar Plastic Products Company WLL ("**QPPC**").

Qatofin was established in 2005 and is a joint venture between QAPCO (63.6%), TotalEnergies SE (36.36%) and QP (0.01%). Its linear low-density polyethylene ("**LLDPE**") plant with capacity of more than 450 kta is operated by QAPCO, receiving ethylene feedstock from its subsidiary RLOC, of which it owns a 45.9% share.

QVC was established in 1997 as a limited Qatari shareholding company. The company's shareholders are MPHC (55.2%), QAPCO (31.9%) and QP (12.9%). It produces 370 kta of caustic soda, 180 kta of ethylene dichloride (EDC) and 355 kta of vinyl chloride monomer (VCM).

QPPC is one of the biggest companies of its kind in the State of Qatar developing and manufacturing flexible packaging using polyethylene resins. It is a private company owned by two shareholders, namely QAPCO (33.34%) and Qatar Industrial Manufacturing Company (66.66%).

Qatar Chemical Company Limited (Q Chem) and Qatar Chemical Company II Limited (Q Chem II)

Q Chem is a joint venture between MPHC (49%), CP Chem (49%) and QP (2%). Its facility is a world-class integrated petrochemical plant producing HDPE and MDPE, 1-hexene and other products, using state-of-the-art technology licensed from CP Chem, a major global producer of chemicals and plastics.

Q Chem began commercial operations in 2004 and has plant capacities of 460 kta of HDPE and 47 kta 1-hexene. Its complex also consists of a sulphur recovery and solidification plant, a water treatment plant, a seawater cooling system and dock facilities.

Q Chem II is a joint venture between MPHC (49%), CP Chem (49%), and QP (2%). The Q Chem II plant began commercial operations in 2010 and has raised the overall Q Chem HDPE production capacity by 350 kta (77%) from 453 kta to 803 kta to meet the increasing demand of customers in Asia, Europe and Africa. It also has a normal alpha olefin (NAO) plant with a capacity of 345 kta that produces full range of alpha olefins including 1-butene, 1-hexene, 1-octene, 1-decene, and higher molecular weight olefins. Both HDPE and NAO plants use CP Chem's proprietary loop-slurry process for HDPE, which offers several advantages over competing gas-phase and solution-phase polyethylene processes.

Ras Laffan Olefins Company Limited ("RLOC")

RLOC is a joint venture between Q Chem II (53.31%), Qatofin (45.69%) and QP (1%). It has an ethylene cracker plant capacity of more than 1,400 kta. The plant is operated by Q Chem II and its ethylene production is transported through a 135 kilometre pipeline to the Qatofin and Q Chem II derivative plants located in Mesaieed.

Qatar Fuel Additives Company Limited Q.P.S.C.

QAFAC was incorporated in 1991 as a joint venture, and is currently owned by publicly-listed IQ (50%), with the balance held by international shareholders. It produces over 980 kta of methanol which is exported globally and used as a feedstock to produce over 600 kta of methyl tert-butyl ether ("**MTBE**").

Qatar Fertiliser Company Q.P.S.C

QAFCO was incorporated in 1969 and is now wholly-owned by publicly-listed IQ, in which QP owns a 51% share. In 2020, the Group acquired its longstanding partner, Yara Nederland B.V.'s, 25% stake in QAFCO. QAFCO has two subsidiaries, Gulf Formaldehyde Company and Qatar Melamine Company.

QAFCO's production capacity of 3,800 kta of ammonia and 5600 kta of urea makes it the world's largest single-site producer of ammonia and urea.

QAFCO and its subsidiaries produce: (i) ammonia which is primarily used as a feedstock for urea production, with the balance exported globally; (ii) urea in various solid forms; (iii) urea formaldehyde condensate (UFC-85) which is an anti-caking agent added to urea products to improve their strength; and (iv) melamine, which is primarily used in the production of high-pressure laminates for the construction industry.

Helium Facilities

Qatargas operates three Helium facilities:

- Helium-1 plant, which is jointly owned by RL 1, RL 2 and Qatargas 1. The plant was announced in 2003 and came on stream two years later.
- Helium-2 plant, which is jointly owned by RL 3, Qatargas 2, Qatargas 3, and Qatargas 4. The plant began production in the third quarter of 2013.
- Helium-3 plant, which is owned by Barzan. The facility started the commissioning phase at the end of Q1 2021.

Total aggregate production capacity of helium from the three facilities is estimated at approximately 2.6 bcf per year, making Qatargas one of the world's largest helium production sites. QP also expects to develop further helium facilities as part of the North Field Expansion (Helium-4 and Helium-5 with a production capacity of 1.5 bcf per year and 0.8 bcf per year), which is expected to increase the State of Qatar's market share and will further strengthen the State of Qatar's position as a leading Helium producer, and one of the world's largest exporters of helium.

International projects

In 2009, the Group partnered with an affiliate of Shell in a joint venture that owns a 30% share in The Polyolefins Company (Singapore) Private Limited ("**TPC**") and a 50% share in Petrochemical Corporation of Singapore (Private) Limited ("**PCS**"), which in turn owns 60% of Tetra Chemicals (Singapore) Private Limited ("**TCS**"). PCS consists of two operational naphtha cracker facilities in Jurong Island, Singapore with capacities of 1900 kta olefins, 160 kta butadiene, 140 kta of MTBE, 270 kta benzene, 230 kta toluene, mixed xylene and acetylene.

In 2012, the Group partnered with Citadel Capital SAE (now Qalaa Holdings SAE) to set up ARC. ARC and Egyptian General Petroleum Corporation subsequently set up ERC. The refinery has a capacity of 91,000 barrels per day to process atmospheric residue (approximately 4.7 mtpa) and commenced production in November 2019. The successful start-up of the ERC refinery further strengthens QP's international downstream footprint through this vital project, which is its largest investment in an Arab country as well as in Africa. The refinery will mainly produce Euro V refined products (such as diesel and jet fuel), which are intended for consumption primarily in Cairo and surrounding areas.

Steel and Aluminium

The following table sets forth the Group's production of steel and aluminium for each of the periods indicated:

	Year ended 31 December				Three months ended 31 March	
	2017	**2018**	**2019**	**2020**	**2020**	**2021**
The State of Qatar's production for the period (*in thousands of tons*)						
Steel..	2,645.0	2,574.9	2,557.8	1,218.1	571. 8	256.9
Aluminium.......................................	647.4	643.3	653.1	654.6	163.5	163.1

Qatar Steel Company Q.P.S.C

QASCO was originally incorporated in 1974 and is now fully-owned by publicly-listed IQ, of which QP owns 51%. It has several investments in the steel industry including Qatar Steel Company FZE, a wholly-owned subsidiary of QASCO, and three associate companies, Qatar Metals Coating Company W.L.L, SOLB Steel Company W.L.L. and Foulath Holding Bahrain. QASCO has a total steel production capacity of 5.4 mtpa.

QASCO consists of two direct reduction modules (DR1 & 2), 0.8 mtpa and 1.8 mtpa respectively, three electric arc furnaces ("**EAF**") with total capacity of 2.6 mtpa and two rolling mills (RM1 & 2) with total production of reinforcing steel bars 1.8 mtpa. QASCO has the capability to process scrap metals and also has the capability to produce hot briquetting iron.

In April 2020, QASCO adopted a new production optimisation model by adjusting the production facilities to meet local market demand of reinforcing steel bars. Accordingly, QASCO has decided to suspend the operations of some of the facilities (i.e., DR2, EF3, EF4 & RM1) and focus on producing the required quantity using the remaining facility, which is sufficient to cater to the Qatari market. As at the date of the Prospectus, QASCO has no immediate plans for these suspended facilities.

Qatar Aluminium Limited Q.S.C.

Qatalum is a 50:50 joint venture between publicly-listed QAMCO, in which QP owns a 51% share, and Hydro Aluminium ("**Hydro**").

The Qatalum plant, located in the Mesaieed Industrial City, is the largest initial phase greenfield aluminium smelter ever built, consisting of a smelter, casthouse and carbon plant, as well as a dedicated gas-fired power plant. The Qatalum project is based on Hydro's advanced proprietary electrolytic reduction cell technology, making Qatalum one of the most environmentally friendly and compact electrolytic reduction processes in the world. The smelter, which began production in late 2009, has an initial capacity of 585 kta of primary aluminium. Qatalum has been in full operation since 2011 and it now produces more than 660 kta of value-added extrusion ingots and foundry alloys which are sold globally.

Industrial Cities and Port Facilities

Ras Laffan Industrial City and Ras Laffan Port

RLIC is the base for the onshore operations supporting the development, production and processing of the gas from the North Field. RLIC is owned and managed by QP.

QP provides industries with port, land, roads and common corridors for pipelines and other utility structures. The range of utilities provided by QP includes cooling sea water, desalinated water, potable water, power, telecommunications, as well as facilities for the treatment and disposal of non-hazardous waste. In addition, QP operates fire and rescue, emergency response coordination and medical services for the different industries. Workers' accommodation is also available within the limits of RLIC.

The Ras Laffan Port, which has the largest LNG export facility in the world, facilitates the export of hydrocarbons and sulphur and the import of general cargo. It also supports the offshore production operations in the North Field.

The Ras Laffan support services area, which covers an area of 3 million square metres and is located on the west side of RLIC, accommodates industries that provide support services for the oil, gas and petrochemical industries in the State of Qatar and the region.

Mesaieed Industrial City and Port

Mesaieed Industrial City is the hub for the production of petrochemicals and fertilisers, oil refining, gas processing and distribution, as well as the manufacturing of steel, aluminium and plastic products in the State of Qatar. Mesaieed Industrial City has transformed itself over the years from a simple port facility exporting crude oil into the State of Qatar's main industrial city and centre for petrochemical and oil refining activities. Mesaieed Industrial City also has a community area which includes housing, schools and recreation facilities for staff of QP and other joint venture companies in the area.

Mesaieed Port facilitates the export of oil, petrochemicals and other hydrocarbon products to international markets. Mesaieed Port continues to be a large source of fertiliser supply, thus supporting the growing demand for food in major markets, and imports building materials into the State of Qatar. Both the Mesaieed Industrial City and Port are wholly-owned by QP.

Power and Water Generation

QP enables and supports the supply of power and water to the local market in Qatar, through supplies of gas to gas-fired power generation and fresh water production. QP also has an equity share in four existing and one future (solar) power station. QP's shareholding across the four existing combined-cycle gas turbine power generation and water desalination plants is equivalent to a total net production capacity of just over 1000 MW of electricity and 23 MIGD of desalinated water out of their gross capacity of around 8000 MW of electricity and 300 MIGD of desalinated water, as follows:

- Ras Girtas Power Company ("**Ras Girtas**"), in which QP has a 15% interest, is principally engaged in the production and supply of electricity and production of desalinated water. Ras Girtas has capacity to produce 2,730 MW of electricity and 63 MIGD of desalinated water.

- Umm Al Houl Q.P.S.C. ("**Umm Al Houl**"), in which QP has a 5% interest, is principally engaged in the production and supply of electricity and production of desalinated water. Umm Al Houl had capacity to produce 2,520 MW of electricity and 136.5 MIGD of desalinated water. The expansion project reached commercial operations date on 1 April 2021 with additional water production of 60 MIGD using reverse osmosis technology.

- Mesaieed Power Company Limited (Q.P.S.C.) ("**Mesaieed Power**") in which QP has a 20% interest, is principally engaged in the production and supply of electricity. Mesaieed Power has capacity to produce 2,000 MW.

- Ras Laffan Power Company Limited (Q.P.S.C.) ("**Ras Laffan Power**"), in which QP has a 10% interest, is principally engaged in the production and supply of electricity and production of desalinated water. Ras Laffan Power has capacity to produce 756 MW of electricity and 40 MIGD of desalinated water.

- The Siraj Energy originally a joint venture project between QP and QEWC was incorporated in 2017 with the objective to develop renewable sources of energy and diversify Qatar's sources of energy production. QP signed amended and restated shareholders agreement with QEWC for Siraj which became effective 1 January 2021. As per this revised agreement, QP has power to govern the relevant activities of Siraj. and accordingly, QP obtained control of Siraj as per the terms of this agreement thereby making Siraj a subsidiary with effect from 1 January 2021. The venture is already developing a solar power plant, Siraj 1, in partnership with a Marubeni – TotalEnergies consortium. Siraj 1 is expected to add 800 MW of solar electricity capacity by 2022. Siraj 1 is expected to contribute to a carbon footprint reduction of 26 mt of CO2.

QP is also currently independently pursuing the development of two further solar power plants in its industrial cities that will result in further reducing QP's carbon footprint and also diversifying its energy mix. Industrial Cities Solar is expected to produce approximately 800 MW of solar electricity.

Relationship with the State of Qatar

Overview of the Relationship with the State of Qatar

QP was established pursuant to Decree Law No. 10 of 1974 (as amended), as the national oil and gas company of the State of Qatar. Additionally, pursuant to Law No. 3 of 2007, QP was granted the exclusive rights to conduct petroleum operations, to explore all natural resources, to invest and develop resources and to grant licenses to any natural or legal person to conduct petroleum operations in the State of Qatar. QP operates within a set legal framework that is governed by the virtue of Decree Law No. 10 of 1974 (as amended), which established QP, set its purpose and clarified how it would be managed. All subsequently issued legislation that is relevant to QP uses this Decree as a reference and to further regulate the organisation's activities. Like any other public body within the State of Qatar, QP was established pursuant to a regulation rather than by virtue of commercial registration. As a

State-owned public corporation, QP has been mandated a wide responsibility to ensure that it carries out all the activities related to the oil and gas sector in all its phases. For QP to conduct the business entrusted to it, there are several legislations that regulate its fields, rights, scope, areas and function in parallel with the Decree Law No. 10 of 1974 (as amended). For example, pursuant to Law No. 10 of 1987 (the Public & Private State Properties Law), QP is granted the right to manage real estate and other property belonging to the State of Qatar, including areas such as Mesaieed Industrial City and other key areas where the main transportation of oil and gas related products is carried out. By virtue of Decision of the Council of Ministers No. (19) of 2002, QP is assigned the management of the following ports: Halul, Mesaieed, Ras Laffan and Ras Abu Aboud Berth. QP has been granted extensive powers with respect to the management of the abovementioned ports and has defined internal procedures that regulate the wide mandate granted to it by virtue of the law. Notably, the Concession granted to QP has an unlimited term, it remains valid as long as QP remains in existence.

The legal and regulatory regime that QP operates under has remained very stable and the relationship between the State of Qatar and QP created by the above mentioned laws has not changed significantly since 2012, when, pursuant to Law No. 5 of 2012 and following the establishment of the Council in 2001, QP's governance underwent significant changes whereby the Board of Directors was granted authority to oversee all of QP's activities.

The responsibility for ensuring QP's long-term success resides with its Board of Directors who are responsible for the oversight of the organisation and its operations. The Board of Directors reports to the Council which is chaired by His Highness the Amir of the State of Qatar. The Council oversees the energy sector and steers its policies and plans in line with the State's vision. The Council is mandated with the supervision of all matters pertaining to the energy sector, the economy, reserve development and all policies related to the regulations of the finance and energy sector of the State of Qatar.

QP supports the Qatar National Vision 2030 of balancing the accomplishments that achieve economic growth with the human and resource needs of the people of the State of Qatar through four key pillars:

- Economic development: ensuring efficient management of the national economy, taking a responsible approach towards natural resource management and working to develop a knowledge-based economy.

- Social development: encouraging the adoption of Islamic philosophy and humanitarian values and implementing social programs to create a sense of community, as well as other initiatives which include promoting sports as a physical activity, fostering the country's cultural heritage, and encouraging family cohesion.

- Human development: improved education and health care, and increased cultural awareness and employment opportunities for nationals are the cornerstones of the vision's human development strategy.

- Environmental development: acquiring more advanced technology, reducing pollutants (such as flaring) and conducting environmental awareness campaigns and promoting sustainable urban growth.

Sustainability, Health and Safety and Environment

Sustainability Framework

QP has developed a sustainability framework to ensure that sustainability considerations form part of its decision-making processes, strategic planning, and investment decisions. QP's Sustainability Strategy centres on three key pillars:

- *Climate Change Mitigation*: QP is responsible for approximately 41% of the total GHG emissions in the State of Qatar. In order to mitigate GHG emission, QP focuses on reducing GHG emissions in its operations, improving its products to help its customers lower their emissions and creating low carbon businesses that support the transition to cleaner energy sources.

- *Operational Responsibility*: QP has an organisationally driven focus on creating an incident-free, secure, safe and healthy environment for its workforce and establishing measures to minimise the environmental impact of its activities, products and services.

- *Social & Economic Development*: QP seeks to invest and contribute to the community, invest in and develop its local economy through the Tawteen program. See "—*Employees*" for further information.

Climate Change Mitigation

The State of Qatar ratified the Paris Agreement in 2017. In addition, the State of Qatar has been an active participant in forums meant to mitigate the impacts of climate change on our planet, such as its commitments as a signatory of the Net Zero Producers Forum (other members are the United States, Canada, Norway and Saudi Arabia) to actively work with the other member countries to reduce emissions including equivalent CO_2 through defining strategies and technologies which include methane abatement, advancing the circular carbon economy approach, development and deployment of clean-energy and CCS technologies, diversification from reliance on hydrocarbon revenues, and other measures.

Based on these commitments and driven by its own ambition to be a world leader in this subject, QP has created a framework that seeks to consolidate its leadership in LNG production, curb emissions, create low carbon energy and compensate for residual emissions through CCS and a host of other measures. This framework, which is outlined in QP's 2019 Sustainability Report, serves as a climate roadmap to achieve it sustainability goals. Through this framework, QP aims to achieve 0.2% methane intensity target by 2025, zero routine natural gas flaring and a portfolio with over 90% gas by 2030. QP has also set a goal to aim to achieve carbon intensity reduction of 15% from upstream facilities (from 2013 levels) by 2030 and 25% from LNG facilities (from 2013 levels) by 2030, including direct and indirect emissions.

LNG Production

LNG is expected to continue to play a role in QP's climate change strategy and energy transition targets, displacing oil and coal in the global energy mix. QP is investing in modern technologies with an aim to reduce nitrogen oxide and sulphur oxide emissions by 50% and to capture and reinject CO_2 extracted from the feed gas in its LNG facilities, resulting in a 25% reduction of GHG intensity.

Furthermore, QP works proactively to decarbonise the transport sector and is pursuing the conversion of its existing LNG fleet from bunker fuel to LNG. In addition, all new LNG vessels to be procured for the NFE Expansion, NFS Expansion and the Golden Pass Export Project, in addition to any vessels required as replacements for the existing fleet, will have propulsion systems that will primarily run on LNG

In 2017, QP and Shell entered into an agreement to establish a global LNG bunkering joint venture to promote and invest in LNG as a marine fuel to significantly reduce total emissions in the shipping sector.

Other initiatives that will further contribute to the reduction of GHG emissions from transportation in the State of Qatar include, the use of compressed natural gas ("**CNG**") for buses in industrial cities, using GTL diesel domestically and adopting the Corporate Average Fuel Economy ("**CAFÉ**") standards.

QP aims to reduce GHG emissions through LNG and has reduced its GHG intensity (calculated as tons of CO_2 equivalent per tons of hydrocarbon production) from 0.256 tons in 2015 to 0.233 tons in 2019, a 9% reduction. In 2019, QP's LNG facilities produced a record 78.4 mtpa of LNG and in the same year, QP's natural gas facilities produced 1.4 tscf (231 million boe) of natural gas, 11.1 million mt of condensate and associated products.

GHG Emissions Accounting and Verifications.

QP also aims to reduce its GHG emissions through flare reduction, methane emissions reduction and energy efficiency. To achieve this, QP implemented an initiative for the monitoring and accounting of GHG emissions for

RLIC, one of the world's largest industrial cities for production of natural gas and its derivatives. These accounting and verification procedures are based on European practices, international standards and industry-proven guidelines and methodologies. Operators are required to report their GHG emissions following QP's procedure and the European Union Monitoring and Reporting Regulation, which is part of the wider European Union Emissions Trading Scheme ("**EU ETS**").

In compliance with QP's GHG procedure and the requirements of the EU regulations for GHG accounting and reporting, an independent and accredited third party performs an annual verification process to assess annual CO_2 equivalent emissions. As of 2020, all RLIC operators (upstream, downstream, and power companies) under the scope of the GHG emissions verification, the three onshore sites (QP Refinery, NGL and Dukhan) operated by QP and QP offshore sites, and all Mesaieed Industrial City facilities (petrochemicals, metals, and power companies) have received their verification statements from an EU accredited third party verifier.

Flare Reduction

QP and Ministry of Municipality and Environment ("**MME**") procedures and regulations are in place to mitigate and eliminate significant environmental damage as part of the consent to operate ("**CTO**"). All assets and operations are monitored in terms of flaring and various gas emissions.

Between 2012 and 2018, QP invested a total of U.S.$900 million in flare reduction initiatives to reduce its emissions. Some of QP's notable initiatives in flare reduction include the installation and the start-up of jetty boil off gas (JBOG) facilities in 2015 enabling 90% JBOG recovery, the incorporation of a passing valves monitoring program to abate fugitive losses, implementing projects to enable fuel gas to recycle and reuse during plant shutdowns and start-ups and the reduction of fuel gas in flare purge applications. Overall, such initiatives have successfully reduced flaring in upstream operating companies in RLIC by approximately 70% for its on-plot facilities, and greater than 90% at the LNG loading area.

There is a focused effort to minimise Ras Laffan Operating companies' flaring and to continue to monitor flare reduction plans. To satisfy MME regulation of limiting flare quantity, various flare reduction projects were initiated jointly by QP and the joint venture companies and PSA projects at Ras Laffan (including Qatargas and Pearl GTL).

QP's flare management program has significantly reduced the flaring intensity of its LNG facilities to 0.38 vol% of sweet gas production in 2019 and 0.49 vol% in 2020, and QP aims to achieve zero routine flaring by 2030 for its offshore facilities and reduce flaring in its onshore facilities to the absolute minimum that is technically feasible. QP has invested U.S.$170.0 million to achieve a 50% reduction in the flare intensity across the State of Qatar between 2018 and 2021.

QP joined the GGFR in March 2021 which commits QP to zero routine flaring by 2030. QP has also achieved a 62% reduction in flaring in its RLIC facilities as of 2020 compared to 2012, when QP first started its flare reduction program. There are also additional flare gas recovery projects developed by QAFAC that will reduce flare gas by 39% in 2023 compared to the 2019 level.

Methane Emissions

To reduce its methane emissions, QP signed a set of guiding principles (the "**Methane Guiding Principles**", or "**MGP**") on reducing methane emissions across the natural gas value chain in 2018. In 2019, QP launched the methane focused smart leak detection and repair program ("**LDAR**") in all of its upstream and downstream facilities, using advanced optical gas imaging ("**OGI**") camera technology to survey and detect the leaks quickly and efficiently. This program also provides guidelines for unified LDAR standards for consistent and accurate reporting of methane emissions following international standards.

In 2019, QP hosted a methane workshop in collaboration with leading industry partners including Shell and the Environmental Defense Fund ("**EDF**"), to address the opportunities and challenges faced in mitigating methane emissions. In 2020, QP sponsored the MGP's global outreach programme and invited all operators in Qatar, and companies from the Gulf region, to the courses.

QP, as an active member of the MGP, is working with leaders in the industry to develop a set of policy recommendations. This involves engaging with the European Commission to aid the development of EU policy proposals for legislative acts to further reduce methane emissions in the energy sector. Furthermore, QP became an active member of the Oil and Gas Methane Partnership ("**OGMP 2**") in January 2021.

QP intends to continue its active participation in all efforts to advance methane emissions quantification and reduction. QP encourages methane emissions reduction through transparency, collaboration, and best practice sharing. QP, alongside Shell and other international industry peers, is promoting capping methane intensity to 0.2% of gas produced by 2025.

The LNG assets methane intensity (methane as % of total LNG) including fugitive emissions was 0.0119%, 0.0074% and 0.0096% for each of the years ended 31 December 2018 and 2019 and 2020 respectively.

Energy Efficiency

QP has been adopting and implementing energy efficient technologies in extracting, refining and developing hydrocarbons to reduce its energy needs and GHG emissions. In 2019, QP's direct energy consumption decreased by approximately 19% despite a 3% increase in production volumes.

QP and Qatargas worked jointly to identify opportunities to enhance energy efficiency and utilise excess fuel gas: a cost-effective and energy-efficient manner. Preliminary analysis by QP selected six opportunities to reduce fuel gas consumption, including two concepts to accommodate the surplus gas with net feed gas saving of approximately 80 mmscfd.

QP is also investing in environmentally friendly fuels, which can be blended with existing fuels such as jet and diesel to reduce GHG emissions from transportation and aviation. QP is investing in the following initiatives to promote energy efficiency:

- *The GTL jet blending project*: QP plans to supply environmentally friendly diesel to local markets and achieve diesel supply chain resilience. The use of GTL diesel fuel in vehicles results in large reductions of carbon monoxide, hydrocarbon and particulate emissions without compromising NOx emissions; and
- *CNG*: QP launched the CNG to develop natural gas as an alternative transportation fuel. Through this project, QP plans to replace the existing diesel buses currently operating within the industrial areas of the State of Qatar (Ras Laffan and Mesaieed) with a new purpose-built CNG fleet in a phased manner. CNG buses are expected to start operation by early 2022 and will help to reduce emissions from the transportation system in the industrial areas.

Carbon Energy Reduction

QP is focused on creating low carbon energy by growing its renewable energy capacity. To successfully lower carbon energy, QP has committed to solar power projects with the intention to reach 1.6 GW by 2025 and up to 4 GW by 2030. QP is committed to the ongoing Siraj solar plant project, which will employ photovoltaic ("**PV**") solar technology to generate 800 MW of total electricity capacity from the Siraj 1 project, near Al Kharsaah, Qatar. The total capacity will be implemented over two phases, with phase 1 expected in 2021 and phase 2 scheduled for completion in 2022.

QP is pursuing the development of a PV solar power plant(s) in QP's industrial cities that aims to result in reducing QP's carbon footprint and also diversify the energy mix.

Furthermore, QP intends for the NFE LNG expansion and RLPP upcoming petrochemicals complex to be supplied with electrical power from the QP industries solar projects, thereby reducing QP's indirect emissions. The NFE Expansion project will source 200 MW from solar power during summer (April to October) daytime hours. A comparable strategy will be implemented for North Field South.

In 2018, QAFAC successfully captured 185,595 tons of CO_2 from the reformer flue gas and converted it into clean methanol.

Carbon Capture and Storage

QP deploys carbon capture and sequestration technology at its facilities to compensate for its residual emissions. In 2019, QP successfully inaugurated the largest CO_2 recovery and sequestration facility in the Middle East with a nameplate capacity of 2.2 mtpa of CO_2. The project aims to capture CO_2 from sulphur recovery units and natural gas facilities and inject it into a dedicated subsurface formation by using existing injection compressors. Since its start-up in February 2019, the project successfully injected 2.54 mt of CO_2 into the subsurface formation by the end of 2020.

QP is also planning to install new CCS facilities in the North Field Expansion projects and existing LNG facilities targeting the CO_2 capture and sequestration of more than 7 mtpa in total.

Operational Responsibility

Whilst QP is subject to operational risks common in the oil and gas industry, it ensures that in respect of any potential power shortages or failures, independent and substitute power supplies are available on all assets to mitigate this risk. In addition, in order to alleviate any mechanical or equipment failures, QP ensures that critical mechanical equipment is spared both online and in warehouses (e.g., machinery and heat exchangers).

Health and Safety

An enterprise-wide, organisationally driven focus on health and safety supports QP's goal of building a workplace safety culture that ensures behavioural and occupational safety of all workers, employees and contractors. This involves risk management practices including risk and hazard identification, mitigation measures and regular health, safety and environment ("**HSE**") education for employees and contractors. QP also provides occupational health and safety programs such as Life Saving Rules and Road Safety Strategy to prevent occupational hazards.

QP's health, safety, environment and quality ("**HSEQ**") management system is based on national and local regulations and follows international standards. The HSEQ strategy rests on pillars of personal safety, process safety and environment, supported and driven by systems, procedures and organisational structure.

Health and Safety Key Performance Indicators

QP benchmarks its safety performance against industry standards and performance targets that are set in line with industry practices to improve safety performance. Safety performance is measured and tracked through key performance indicators. Qualified reviewers conduct formal and informal safety reviews to assure compliance and operational discipline.

Furthermore, QP monitors its lost time injuries rate ("**LTIR**"). In 2019, the overall LTIR (contractors and employees) decreased slightly by 4% overall and by 55% for employees compared to 2018. There was a further decrease in LTIR of 52% overall and 76% for employees in 2020 compared to 2019.

QP Response to the COVID-19 pandemic

In response to the COVID-19 pandemic, QP has taken certain steps to ensure the safety of its employees, including a comprehensive vaccination programme, social distancing measures in the workplace, and regular polymerase chain reaction (PCR) testing.

Safeguarding the Environment and Emergency Preparedness

QP's operations are subject to a number of environmental laws, regulations, protocols and policies in each of the jurisdictions in which it operates, governing, among other things, the generation, storage, handling, use, disposal and transportation of hazardous materials, the emission and discharge of hazardous materials, ground water use and contamination, discharges of water, soil contamination, hazardous substances and wastes, industrial hygiene and occupational health. QP seeks to comply with all applicable environmental laws, regulations, protocols and policies. QP has established management systems and other internal processes to identify emerging environmental risks and to prepare and execute a response plan to mitigate the potential impacts of those risks. Furthermore, QP also conducts environmental impact assessments when evaluating new projects, including assessments of project design, construction, operations and decommissioning in compliance with applicable environmental laws, regulations, protocols and policies.

QP has implemented safety and asset integrity management systems and continues to implement programs on asset integrity management and process safety to ensure adherence to the State of Qatar's Decree Law No. 4 of 1977 (as amended by Decree Law No. 35 of 2002 and Law No. 18 of 2019), align with global standards and industry best practices, and mitigate the risks of the release of hazardous materials and energy that could potentially harm employees, the public, the environment and its assets. Please refer to the 2019 sustainability report available on QP's website for 2019 highlights.

Air Emissions

QP monitors its air emissions closely via continuous emission monitoring systems and implements measures to mitigate the potential impact of activities on the surrounding community. QP seeks to continually reduce emissions of nitrogen oxides, sulphur oxides and volatile organic compounds that are released during oil and gas production and processing through capital investment and operational improvement. For the years ended 31 December 2018 and 2019, the total volume of hazardous substances released was:

	Year ended 31 December	
	2018	**2019**
	(in tons)	
NOx	11,222	10,970
SO2	227,022	73,697
VOC	1,901	1,860

QP has achieved significant success in NOx and VOC management in its LNG facilities, which can be attributed to NOx reduction projects such as retrofits of turbines and boilers with low NOx technology and robust LDAR programs. The LDAR program provides surveillance for VOC components, leading to necessary repairs in identified VOC leakage sources. QP has established LDAR programs at most of its facilities, and expects VOC emissions to further decrease in the coming years as a result.

QAFAC's total SOx emissions declined by approximately 4% compared with 2017, continuing its downward path seen over the past five years.

Please refer to the 2019 sustainability report available on QP's website for 2019 highlights.

Water Management

QP manages and monitors the water used in its operations, such as drilling, refining, gas processing and producing electricity. Most of QP's water is desalinated seawater and systems are designed efficiently to use and minimise QP's total water consumption. See "*– Power and Water Generation*" for further information. Water discharge and ground water are also closely monitored to minimise environmental impact, and QP operates water treatment facilities at each site and runs various water management and environmental protection programs.

In 2019, QP started a new central effluent water treatment project, due to be completed by 2024. The project will treat all effluent water generated from the natural gas plants to irrigation water quality. The expected volume of 363 cubic metres of treated water per day will be used for irrigation and landscaping, helping to reduce overall fresh water consumption and water cost. QP also pursued a new initiative to measure freshwater at Halul Island by installing water metres at every accommodation and building.

The State of Qatar has directed all the ventures in RLIC to recover and reuse process and wastewater from their respective operations. QP together with Qatargas and Dolphin has developed projects in order to comply with the directive. In addition, Oryx GTL discharged zero water into the sea in 2018, and all treated industrial water produced in the plant was re-used. As such QP strives to improve its water efficiency, including by installing and modifying hardware, optimising processes, monitoring consumption and promoting a culture of sustainability.

Please refer to the 2019 sustainability report available in QP's website for 2019 highlights.

Waste Management

QP has set a national objective to increase the percentage of waste diverted from landfill. QP's hazardous waste includes oily sludge, waste water, naturally occurring radioactive materials and heavy metals, amongst others. QP carries out periodic inspections of hazardous waste facilities and ensures regulatory compliance with requirements for hazardous waste handling, transportation, treatment, storage and disposal.

QP's non-hazardous waste made up 91.4% of its total waste in 2019. QP consistently manages this waste across all its operations and sends it to waste treatment centres for further handling. Over the past five years, QP's total waste increased by 166%, while its waste recycling increased by 191%. Overall, QP recycled 22.6% of hazardous waste in 2019, and 1.4% of non-hazardous waste. Going forward, QP is committed to develop a program to recover and recycle plastic solid waste.

Please refer to the 2019 sustainability report available on QP's website for 2019 highlights.

Biodiversity

In the State of Qatar, QP's operational areas include areas of land and sea areas that contain important and sensitive habitats and species. This natural biodiversity is considered an important asset to the State of Qatar. QP is working on several initiatives to promote the conservation of the State of Qatar's ecosystem and to raise public awareness around the State of Qatar's National Biodiversity Strategy and Action Plan ("**NBSAP**"). For example, QP conducts marine eco-surveys every three years to assess the impact of its offshore oil and gas facilities and invests in initiatives to protect wildlife and enhance biodiversity in the State of Qatar. Many of QP's environmental initiatives support the State of Qatar's rich marine biodiversity, especially at Halul Island, which is home to diverse coral reefs. QP has established and manages a dedicated conservation area on Halul Island to promote and preserve biodiversity, and to enable indigenous animals to live freely in their natural environment.

QP has also invested in sustainability projects, such as a project to monitor turtles and hatching activities in RLIC, monitoring its 48 artificial reefs located at Halul Island, and QP actively supports the Ballast Water Management Convention to protect the local marine environment from invasive species. As a result, all ships entering RLIC and Mesaieed Industrial City ports are required to exchange or treat their ballast water outside the regional organisation for protection of marine environment sea area.

QP has developed an environmental stewardship programme where staff and communities are encouraged to participate in protecting the environment. For example, to raise employees' awareness of environmental protection, QP started a campaign to avoid the use of plastic bottles. As part of this campaign, QP distributed environmentally friendly, reusable water bottles to its entire employee base.

Please refer to the 2019 sustainability report available on QP's website for 2019 highlights.

Operational Incidents

QP proactively manages its operations in a manner that seeks to prevent incidents that could compromise safety and to address business disruptions. QP maintains a business continuity management system ("**BCMS**") that includes crisis management, emergency preparedness and response, business continuity planning and information technology and resilience.

Please refer to the 2019 sustainability report available on QP's website for 2019 highlights.

QP's Localisation Program for Services and Industries in the Energy Sector "TAWTEEN"

In February 2019, QP launched TAWTEEN, a program to promote the localisation of the energy sector's supply chain through the creation of local support services and industries led by the private sector, including small and medium enterprises.

The program is based on three pillars, with the target being to build a resilient and competitive energy sector in the State of Qatar: (i) investment opportunities; (ii) In-Country Value (ICV); and (iii) local supplier development. Essentially, suppliers and contractors who are contributing most to the local economy will acquire a commercial advantage. The TAWTEEN program aims to create more than 5,000 white collar jobs and to generate additional local economic value of between QR 8.0 to 9.0 billion a year, which is expected to raise the State of Qatar's GDP by approximately 1.6%.Suppliers who wish to do business with QP must meet a number of criteria – including commitments associated with HSE protection and governance.

In July 2020, QP announced the commencement of the in-country value (ICV) evaluation in the energy sector tenders. This in-country evaluation program alters the manner in which the procurement process is conducted in the energy sector, whereby suppliers and contractors who are contributing most to the local economy will gain a commercial advantage in the competitive bidding process. More than 100 suppliers obtained their ICV scorecard certification during the grace period.

Corporate Citizenship

QP is proud to be a deep-rooted corporate citizen of the State of Qatar, maintaining a dynamic proactive engagement in the Qatari society, and a major contributor towards human development at home and abroad through the promotion of education, training, and research.

QP engages in a range of corporate social responsibility projects and initiatives to support the communities and the environment in which it operates and leverages its know-how and operational capabilities in furtherance of these projects. QP considers these activities to be "corporate citizenship" projects and initiatives. QP spent U.S.$48 million on CSR projects through 2015 - 2019, of which 52% was committed to education.

QP's positive action includes:

- Applying sustainable development principles to continue economic development and sound environmental performance, while minimising the impacts of its activities, protecting the environment and providing a better quality of life;
- Integrating economic, environmental and social aspects into all business decisions;
- Seeking better methods to manage natural resources, using less energy and reduce emissions;
- Complying with applicable national and international environmental legislation and subscribing to best management, technology and environmental procedures and standards;
- Consulting with community members to identify local needs and concerns;

- Collaborating with community partners such as non-profit organisations and schools to support programs related to culture and heritage, the environment, safety and health awareness and sports development;

- Implementing a wide range of social development projects as a member of the RLIC Community Outreach Program;

- Sponsoring regional and international events focusing on aspects of the energy sector;

- Together with the State of Qatar (Ministry of the Interior), establishing and maintaining the Ras Laffan Emergency and Safety College, a fire and emergency safety training facility, which provides training to emergency responders, safety and fire service professionals;

- Taking a leading role in education, training, and career development in QP's quest to develop a new generation of professionals, with a number of initiatives and actions including:

  - Local and overseas higher education scholarships,

  - Designing oil and gas competency-based vocational, academic and professional training programs, and

  - Delivering development programs on effective leadership,

  - with the main objectives of attracting, recruiting, training and preparing Qatari high school and university students to assume posts in QP and the energy sector in general, and supporting the recruitment, educational sponsorship and development of Qatari nationals;

- Supporting Teach for Qatar, a non-government organisation that helps solve some of the challenges facing the State of Qatar's students by reinvesting talented graduates and professionals into the country's independent school system; and

- With the goal of supporting national traffic safety, establishing a road safety programme specifically targeted at promoting traffic safety awareness, good driving habits and practices, and assuring a high standard of vehicle safety on the State of Qatar's roadways.

As a community partner, QP demonstrates its strong concern for the environment by sponsoring programs such as school and community environmental awareness and education, environmental workshops, tree planting, marine debris removal and several programs to conserve and protect valuable natural resources such as mangroves, marine turtles, Reem gazelles, houbara bustards and ostriches.

For additional information on health and safety and environmental projects and initiatives see "— *Sustainability, Health and Safety and Environment*".

QP expects to continue to engage in a range of corporate citizenship projects and initiatives in the future. These include projects and initiatives which QP believes contribute to the prosperity of the State of Qatar and its people. QP's purpose is well aligned with the objectives of the Qatar National Vision 2030, particularly the wise management of exhaustible resources in order to sustain prosperity and ensure that future generations inherit ample means to meet their aspirations.

Insurance

QP maintains insurance policies covering different types of risks to which it may be exposed with respect to all its assets and facilities, as well as ongoing and future exploration activities. All of QP's insurance providers hold a rating of at least A- from S&P or equivalent rating agencies. QP believes that it maintains insurance coverage consistent with industry best practices and subject to customary deductibles, caps, exclusions and limitations. QP has a comprehensive insurance programme which covers the risks of loss or damage to its properties and assets (both offshore and onshore). The insured risks include physical damage, natural catastrophes, well control and third-party liability coverage including sudden and accidental political risks. All directors and officers of the QP are covered by a D&O liability insurance policy and all employees of QP are covered under a Group Life and Personal Accident Insurance scheme.

Information Technology

QP has established a comprehensive information security management system ("**ISMS**"), strategy and continuous improvement program based on industry-standard practices. QP takes a holistic approach to identify risks, protecting its resources, monitoring and detecting threats, responding to potential attacks, and maintaining comprehensive solutions and practices to recover from cybersecurity compromises. This approach is informed by the relevant International Organisation for Standardisation ("**ISO**") standards, the National Institute of Standards and Technology (NIST), the Cybersecurity Framework and Special Publications, IEC62443 and Qatari national frameworks and regulations.

QP has experienced a continuous increase in cyber-attacks and attempts to compromise or gain unauthorised access to its system in the form of Distributed Denial of Service ("**DDoS**") and social engineering attempts. These attacks have increased due to COVID-19 and the working from home policy. As at the date of this Prospectus, there have been no successful attempts.

QP has technical protection controls in place such as whitelisting, 2FA, sandboxing and the implementation of administrative controls and awareness, which serve as good preventative measures to reduce the probability of cyber-attacks. In addition, QP has several functions within the Security Operation Centre ("**SOC**") to detect and respond to any cyber threats, including vulnerability management, penetration testing, threat hunting and threat intelligence and SIEM monitoring. Furthermore, QP has established agreements with third-party security service providers to detect unforeseen threats and provide support during any significant incidents including incident response, forensics, compromise assessment, threat intelligence and dark web research.

Employees

As at 31 December 2020, the Issuer employed 8,270 employees, compared to 8,536 employees as at 31 December 2019. Due to the impact of the COVID-19 pandemic, QP has made minor reductions to its workforce.

Social and Economic Development

QP recognises that creating educational and economic opportunities for employees, and the people of the State of Qatar and people in other locations where QP has an economic interest, is key to the welfare of society and the economy, and also key to sustainably growing its business.

QP is committed to the respect, protection and promotion of human rights. In light of this, QP recently put in place procedures and controls in relation to the payment and travel of contractor staff, launched an updated Code of Conduct that includes a commitment to uphold international standards on human rights, and developed and adopted a Human Rights policy that is inspired by the UN Guiding Principles of Business and Human Rights.

QP recognises that its employees and workplace culture are critical to its success. QP invests in its personnel and has implemented a number of training and skills development programmes, allowing it to shape its workforce for the future. QP aims to build a bridge between vocational education and sustainability issues through creating a workforce which regards sustainability as an integral part of its job. QP thus seeks close partnerships with the educational sector to include sustainability aspects into education and training programs.

For example, QP integrates hands-on technical training and online classes, supports vocational learning to provide technical training to young Qataris, and has implemented a two-level training evaluation system to ensure continual development of its employees and high-quality training services. In 2019, QP delivered more than 206,000 training hours, on average 24 hours of training per employee. In addition, to promote professional development, QP established and maintained a Learning Management System whereby all employees can identify suitable learning solutions to close any competency gaps. This tool is accessible to all employees at no cost to enable continuous development. QP is now focusing on enriching its Learning Management System and its internal internships to focus around the energy transition and sustainability innovation. Moreover, in order to promote the adoption of QP's strategy, ethics and values into its corporate culture, QP provides regular workshops to all employees across business lines to ensure everyone is aware of QP's direction, reaching 97% of employees in over 200 workshops in 2019.

The Quality Qatarisation program is an integral part of QP's strategic workforce planning. It aims to develop Qataris to a standard comparable to their counterparts around the world. Key features of QP's Qatarisation approach are: attracting, recruiting and training Qatari high school and university students to assume posts in QP, supporting the recruitment and educational sponsorship of Qatari nationals, and designing oil and gas competency based vocational, academic and professional training programs in collaboration with its functional leaders. As part of this, QP offers scholarships for academic and vocational programs for eligible Qatari students and employees in the fields of petroleum or other engineering disciplines, and offers secondary school leavers the opportunity to undertake further studies, fully sponsored by QP. In 2019, QP invested QR 69 million in education sponsorship for nationals.

As part of ensuring the welfare of its workers, QP is constructing a Workers' Accommodation Camp, where workers will have access to recreational facilities, including a gymnasium, movie theatre, library, shops, swimming pools and tennis courts. The camp will also feature temporary offices and catering services will provide nutritious balanced meals.

Litigation

From time to time, QP and its affiliates are subject to various claims, lawsuits, regulatory investigations and other legal proceedings arising in the ordinary course of business.

MANAGEMENT

QP's management structure consists of the Council, its Board of Directors, the Board Audit Committee, the President and CEO and the Executive Leadership Team, the last two of which are responsible for the day-to-day management of QP.

The President and Chief Executive Officer oversees the day-to-day management of the Corporation and is appointed by the Amir pursuant to Article 9 of the QP Law. The President and CEO reports and is accountable to the Board of Directors who are appointed by the Amir pursuant to Article 9 of the QP Law. The Board of Directors sets the strategic direction of the Corporation and approves its budget. In its turn, the Board of Directors is accountable to the Council, which is chaired by His Highness Sheikh Tamim Bin Hamad Al -Thani, the Amir of the State of Qatar. The Council is entitled to total net profit generated by QP, which are calculated after applying statutory deductions and deductions for general purposes of the Corporation approved by the Council.

Supreme Council for Economic Affairs and Investment of the State of Qatar

The Council is the competent authority in all matters relating to the economy, energy, investment of the State of Qatar's reserves and the development of public policies in the fields of economy, finance, commerce and energy. It also approves the plans required for the implementation and follow-up of these matters, and approves the special projects for utilising the state's natural resources, major industrial and economic projects undertaken by the state or authorities or institutions or public companies. The Council proceeds with its functions related to the investment of the State of Qatar's reserves by identifying objectives to be achieved from this reserve investment within the State of Qatar's overall strategy. The Council also develops long-term policies for the reserve investment and investments in annual programs, in addition to identifying the banks and financial institutions that the reserve investment can be with or through them.

The Council represents the State of Qatar as the sole shareholder of QP and performs the functions specified in the Decree Law No. 10 of 1974 (as amended by Decree No. 36 of 1995, Decree No. 14 of 1998, Amiri Decree No. 18 of 2001, Law No. 10 of 2007, Law No. 5 of 2012 and Law No. 14 of 2019) establishing QP, the national oil and gas company (the "**QP Law**"), except for matters reserved directly to the Amir. The Council's powers under QP Law include, but are not limited to:

- approving any increase or decrease in QP's share capital (Article 6);
- approving QP's financial statements (Article 21);
- appointing QP's auditor (Article 22); and
- approving any increase in the amount of QP's general reserve. All net profits will be for the benefit of the Council (Article 8).

The appointment of the members of the Board of Directors and the President and CEO (or the Managing Director and Chief Executive Officer as referred to in Article 9 of the QP Law) is reserved to the Amir of the State of Qatar.

Board of Directors

The Board of Directors serves as the ultimate decision-making body of QP's business, responsible for its direction and oversight, and has the authority to make decisions on all aspects of QP's activities, except for those matters expressly reserved to the State through the Council or the Amir (as outlined above). In particular, the powers of the Board of Directors include, among others, the right to exercise all the necessary powers to manage the Corporation, including approval of the Corporation's strategy, business plan and associated budget (pursuant to Article 9 of the QP Law), and the right to approve the organisational framework of the Corporation (pursuant to Article 25 of the QP Law).

Each director serving on the Board of Directors is appointed by the Amir pursuant to Article 9 of the QP Law. The term of a director is for a period not to exceed four years, subject to renewal for similar period(s). There is no limit on the number of terms that a director may serve on the Board of Directors.

The Board of Directors also includes the Minister of Finance and Minister of Commerce and Industry as *ex-officio* members of the Board of Directors. As at the date of this Prospectus, the Minister of Commerce and Industry is also acting as Minister of Finance.

The business address of each member of the Board of Directors is the registered address of QP. The following table sets forth the current members of the Board of Directors appointed pursuant to Amiri Decision No. 73 of the Year 2018 and holding such position as at the date of this Prospectus:

Name	**Position**
H.H. Sheikh Abdullah bin Hamad Al -Thani	The Deputy Amir, Chairman of the Board of Directors
H.E. Saad Sherida Al-Kaabi	Minister of State for Energy Affairs, Deputy Chairman, President and CEO
H.E. Ali bin Ahmed Al-Kuwari	Minister of Commerce and Industry, Acting Minister of Finance, Member
Mr. Nasser Khalil Al Jaidah	Member
Sheikh Khalid bin Khalifa bin Jassim Al-Thani	Member
Mr. Said Mubarak Al Muhannadi	Member

H.H. Sheikh Abdullah bin Hamad Al- Thani

His Highness Sheikh Abdullah Bin Hamad Al -Thani assumed his position as Deputy Amir of the State of Qatar on 11 November 2014 as per an Amiri Order issued by His Highness Sheikh Tamim Bin Hamad Al -Thani, the Amir of the State of Qatar. His Highness Sheikh Abdullah was born in Doha, the State of Qatar on 9 February 1988 where he received his primary and secondary education. He later attended the Georgetown School of Foreign Service in Qatar, graduating in 2010 with a Bachelor of Science in Foreign Service.

In addition to his tasks as Deputy Amir, His Highness assumes a number of positions including: General Supervisor of the Private Amiri Diwan, Chairman of the Board of Trustees of Qatar University, Vice Chairman of the Council and Chairman of the Board of Directors of Sheikh Jassim bin Mohammed Bin Thani Foundation for Social Care. He also supervises the Social and Sport Activities Support Fund (Da'am).

Sheikh Abdullah Bin Hamad Al -Thani was the Chief of the Amiri Diwan from 20 December 2011 to 10 November 2014. On 4 November 2018, His Highness Deputy Amir was appointed as Chairman of Qatar Petroleum.

H.E. Saad Sherida Al-Kaabi

His Excellency Mr. Al-Kaabi joined Qatar Petroleum in 1986 as a student studying Petroleum & Natural Gas Engineering at Pennsylvania State University. Mr. Al Kaabi graduated in 1991 with a Bachelor of Science degree in Petroleum & Natural Gas Engineering, and he joined Qatar Petroleum's Reservoir & Field Development Department on 22 February 1992, where he progressed through various petroleum engineering, technical, commercial and supervisory positions. In September 2014, Mr. Al-Kaabi was appointed as President and Chief Executive Officer of Qatar Petroleum, where he oversees Qatar Petroleum's gas, oil and petrochemical developments in the State of Qatar and internationally. In 2018, Mr. Al-Kaabi was appointed Minister of State for Energy Affairs and a Cabinet Member of the State of Qatar. He was also appointed Deputy Chairman of the Board of Directors of Qatar Petroleum, in 2018.

H.E. Ali bin Ahmed Al-Kuwari

His Excellency Mr. Al-Kuwari was appointed the Minister of Commerce and Industry in November 2018 and acting Minister of Finance in May 2021. He also joined the Qatar Petroleum Board of Directors in November 2018. Mr. Al-Kuwari joined Qatar National Bank in 1988. He became the Group Chief Executive Officer of Qatar National Bank in July 2013, prior to which he was the Executive General Manager and Group Chief Business Officer of

Qatar National Bank. Mr Al-Kuwari is also a member of the Council, the National Tourism Council, the Board of Directors of the Qatar Investment Authority, the Qatar Research Development and Innovation Council, and the board of Qatar University. He is Acting Chairman of the Qatar Financial Center Authority and the Chairman of the Economic Zone Company "Manateq," the Advisory Council of the Investment Promotion Agency, the Qatar Stock Exchange and Qatar Development Bank.

Mr Al-Kuwari holds a Master of Science in Management Information Systems from Seattle Pacific University and a Bachelor of Mathematics and Computer Science from Eastern Washington University.

Mr. Nasser Khalil Al Jaidah

Mr. Al-Jaidah joined Qatar Petroleum in 1977 as well-site Petroleum Engineer. During his 40 years of service at Qatar Petroleum, he was involved directly in the oil and gas industry in both upstream and downstream projects in Qatar. He was the Chief Executive Officer of QPI until 2015. Mr. Al-Jaidah is also a member of the Board of Directors of the QEWC and Qatar Free Zone Authority. Mr. Al-Jaidah is also a member of the Advisory Council of the State of Qatar.

He holds a Bachelor of Science in Geology, Earth, and Mineral Science from Western Michigan University.

Sheikh Khalid bin Khalifa bin Jassim Al-Thani

Mr. Al -Thani joined Qatar Petroleum in 1991 and has been a member of the Board of Directors since 2018. He held different positions in the company including Business Development Manager of Mesaieed Industrial City and Director of Ras Laffan before taking over as the Chief Executive Officer of Qatargas in 2010. He also serves as Vice Chairman and CEO of the Qatargas group of companies. Outside of Qatar Petroleum, Mr. Al -Thani serves as the Chairman of the Board of Directors for Gulf International Services and Qatari Diar. He has also served as the Vice Chairman of Milaha since 2012.

Mr. Al -Thani holds a bachelor's degree in Business Administration and Information Systems and a Master of Business Administration from Pacific Lutheran University.

Mr. Said Mubarak Al -Mohannadi

Mr. Al-Mohannadi worked for Qatar Petroleum for 38 years during which he held several senior positions and represented the organisation in various board and management committees. In November 2018, he was appointed as a member of the Board of Directors of Qatar Petroleum. Mr. Al-Mohannadi was also appointed to the Board of Directors of Oman Qatar Insurance Company in December 2017.

He holds a Bachelor of Science in Electrical Engineering from Marquette University and a Master of Science in Mechanical Engineering and Management from Canfield Institute of Technology.

Board Audit Committee

The Board Audit Committee is a sub-committee of the Board of Directors, and a key component in QP's Corporate Governance framework. The primary role of the Board Audit Committee is to assist the Board of Directors in fulfilling its responsibilities in relation to risk management, internal control and financial reporting, including oversight of: (i) Management's conduct of QP's financial statement reporting process; (ii) recommendation of appointment of QP's external auditors and their performance; (iii) the systems of internal control and risk management; (iv) the performance of QP's internal audit function and processes; (v) monitoring QP's compliance with legal and regulatory requirements, and its Code of Conduct.

The Audit Committee comprises the following members as at the date of this Prospectus, all of whom are non-executive directors:

Name	Role
Nasser Khalil Al-Jaidah	Chair
H.E Ali Ahmed Al-Kuwari	Member
Said Mubarak Al-Mohannadi	Member

Executive Leadership

The Executive Leadership operates under the direction of the President and Chief Executive Officer in the implementation of QP's strategy and assists with the oversight of operational management in QP.

The following table sets forth the Executive Leadership as at the date of this Prospectus:

Name	Position
H.E. Saad Sherida Al-Kaabi	Minister of State for Energy Affairs, President and Chief Executive Officer
Ahmad Saif Al-Sulaiti	Executive Vice President of Operations
Khalid Mohammed Al-Hitmi	Executive Vice President of Subsurface Development & Exploration
Jassim Mohd Al-Marzouqi	Executive Vice President of Commercial & Business Development
Mohamed Salem Al-Marri	Executive Vice President of Projects, Engineering and Procurement Services
Abdulrahman Ahmad Al-Shaibi	Executive Vice President of Finance and Planning
Abdulaziz Mohammed Al-Mannai	Executive Vice President of Human Capital
Abdulaziz Jassim Al-Muftah	Executive Vice President of Industrial Cities
Abdulla Ahmad Al-Hussaini	Executive Vice President of Marketing
Ahmad Saeed Al-Amoodi	Executive Vice President of Surface Development
Nabeel Mohammed Al-Buenain	Executive Vice President of HSE & Business Services
Mohamed Essa Al-Mannai	General Counsel and Board Secretary
Ali Nasser Telfat	Corporate Manager, CEO Office
Ayoob Olia	Corporate Manager, Internal Audit

(1) Denotes date of appointment as President and Chief Executive Officer.

H.E. Saad Sherida Al-Kaabi

See "*—Board of Directors— H.E. Saad Sherida Al-Kaabi*".

Ahmad Saif Al-Sulaiti

Mr. Al-Sulaiti is the Executive Vice President, Operations of Qatar Petroleum, and he has held that position since 2014. Mr. Al-Sulaiti attended Carlette Park College in the United Kingdom and earned a Higher Diploma in Mechanical Engineering in 1984. Mr. Al-Sulaiti has been an employee of Qatar Petroleum since its establishment.

Since 2017, Mr. Al-Sulaiti has been the Chairman of the Board of Directors of WOQOD. He also serves as the Chairman of the Board of Directors of MPHC (2015-present) and the Vice Chairman of the Board of Directors of Nakilat (2016-present).

Khalid Mohammed Al-Hitmi

Mr. Al-Hitmi joined Qatar Petroleum on 14 November 1992 and is currently the Executive Vice President, Subsurface Development, a role he has held since November 2020. Prior to becoming the Executive Vice President, Subsurface Development, Mr. Al-Hitmi served as the Chief Subsurface Officer (Jan 2018 – Nov 2020) at Qatargas Operating Company Ltd, and held a number of management and engineering positions at QP (Manager Gas Development Nov 2006 – Jan 2018); Assistant Manager, Reservoir Monitoring (Mar 2002 – Nov 2006); Senior Reservoir Engineer (Aug 2000 – Mar 2002); Reservoir Engineer (June 1994 – Aug 2000); and Qatar Petroleum Well-site Petroleum Engineer (Nov 1992 – June 1994).

Prior to holding the above-mentioned positions, Mr. Al-Hitmi attended the King Fahd University of Petroleum & Minerals where he obtained a Bachelor of Science in Petroleum Engineering in July 1992. He later attended Hull University, earning a Master of Business Administration in July 2004.

Jassim Mohd Al-Marzouqi

Mr. Al-Marzouqi was appointed in 2014 as the Executive Vice President – Commercial & Business Development of Qatar Petroleum. He was previously the Assistant Manager – Gas Evaluations, Project Evaluation & Planning Department. Mr. Al-Marzouqi is a board member of the Qatargas companies and Siraj Energy and also serves as the Chairman of North Oil Company and Ocean LNG.

Prior to joining Qatar Petroleum in 2007, Mr. Al-Marzouqi worked at Qatargas as a Senior Corporate Planning Advisor and the Head of LNG Receiving Terminals. Prior to joining Qatargas, Mr. Al-Marzouqi held a number of engineering and planning positions with ExxonMobil Qatar Inc. in Qatar, ExxonMobil Research, ExxonMobil Development, and ExxonMobil Production in Houston, Texas.

Mohamed Salem Al-Marri

Mohamed Salem Al-Marri began his career at Qatar Petroleum on 14 September 1991 and held various engineering positions. He was appointed Manager, Oil & Gas Surface Development from 2006 to 2014. In 2014, he was appointed Executive Vice President, Projects, Engineering and Procurement Services. Mr. Al-Marri served as the Chairman of the Board of Directors of QAPCO from 2015 to 2018 and also served as the Chairman of the Pearl GTL Project Management Committee of Qatar Shell GTL Limited Co. from 2011 to 2016. Mr. Al-Marri currently serves as the Chairman of the Board of Directors of QAFCO and has held that position since 2018.

Mr. Al-Marri earned a Bachelor of Science Degree in Natural Gas Engineering in 1991 from Texas A&I University.

Abdulrahman Ahmad Al-Shaibi

Mr. Al-Shaibi joined Qatar Petroleum on 21 January 1989 and is currently the Executive Vice President, Finance & Planning of Qatar Petroleum and has served in that role since 2009. Earlier Mr. Al-Shaibi was Corporate Manager, Project Finance and has been the leading pioneer on almost all the financing needs of QP and has also been leading financing needs of the State of Qatar in his earlier capacity as Financial Advisory Team Lead and State Finance Policy Committee member. Mr. Al-Shaibi had served as the Chairman of Muntajat for the period 2012 to 2020 and currently serves as the Chairman of the Board of Directors of Qatalum and QAMCO, as a member of the Board of Directors of Qatargas and MPHC.

Mr. Al-Shaibi attended the University of Arizona, earning a Bachelor of Science in Finance and Administration in 1988.

Abdulaziz Mohammed Al-Mannai

Mr. Al-Mannai has over 15 years' experience at Qatar Petroleum and its group of companies and became the Executive Vice President of Human Capital on 1 November 2014 and currently serves in that position. Prior to becoming the Executive Vice President of Human Capital, Mr. Al-Mannai served as, among other things, the HR Manager of Qatargas. Mr. Al-Mannai also serves as the Vice Chairman of IQ, holding that position since 2 March 2015. He is also a member of the Board of Directors of the MPHC (February 2015 - present) and Qatargas (July 2019 – present).

Prior to beginning his career, Mr. Al-Mannai attended the Qatar Aeronautical College earning a degree in Aeronautical Engineering in November of 2002.

Abdulaziz Jassim Al-Muftah

Mr. Al-Muftah joined Qatar Petroleum on 4 October 1986 and is currently the Executive Vice President, Industrial Cities of Qatar Petroleum. Prior to joining Qatar Petroleum, Mr. Al-Muftah attended the University of Miami in Florida, earning a Bachelor of Science in Electrical Engineering 1986. He is also the Chairman of the Board of Directors of (1) QAPCO, (2) QVC, (3) Qatofin, and (4) Al-Shaheen GE Services Co. Mr. Al-Muftah also serves as a member of the Board of Directors of MPHC and Qatar Free Zone Authority and is also the Deputy Chairman of the Board of WOQOD.

Abdulla Ahmad Al-Hussaini

Mr. Al-Hussaini joined and began as the Executive Vice President, Marketing of Qatar Petroleum on 1 September 2016. Prior to that, Mr. Al-Hussaini spent 12 years at Qatargas between 2004 and 2016, where he served as the Marketing Director, among other roles. Al-Hussaini is also a board member of IQ, Muntajat, and QPSPP. He has held his board positions at IQ and Muntajat since 2018 and his board position at QPSPP since 2016.

Mr. Al-Hussaini attended the University of Texas at Arlington, earning a Bachelor's degree in Business Studies in May of 2004.

Ahmad Saeed Al-Amoodi

Mr. Al-Amoodi currently holds the position of Executive Vice President of Surface Development at Qatar Petroleum. Mr. Ahmad Al-Amoodi holds a Bachelor of Science degree in Electrical Engineering from New Mexico State University, the United States which he obtained in 1996. Mr. Al-Amoodi joined Qatar Petroleum's Engineering Department on 19 December 1996 as an electrical engineer, and has since that time been involved in a number of its projects at differing phases of their development in the State of Qatar as well as in Italy, the Republic of Korea, the Netherlands and the United States. He has held a number of technical and leadership positions at Qatar Petroleum including: Head of Common Facilities, Assistant Manager of Common Facilities, and Manager of Surface Facilities.

Nabeel Mohammed Al-Buenain

Mr. Al-Buenain has over 25 years' experience at Qatar Petroleum and approximately 5 years' experience as the Executive Vice President for HSE & Business Services. Prior to serving as the Executive Vice President for HSE & Business Services, Mr. Al-Buenain served in the following roles at Qatar Petroleum: (i) Assistant Project Manager of Qatar Petroleum between 2005 and 2007, (ii) Head of Technical Services between October 2001 and June 2005, (iii) Senior Plant Engineer – Mechanical Engineer between August 1998 and September 2001, and (iv) Mechanical Engineer under Development between May 1995 and August 1998.

Mr. Al-Buenain has also held positions outside of Qatar Petroleum, including: Deputy Chief Executive Officer of Qatalum (March 2019 - October 2019); Chief Executive Officer of Qatari Diar (April 2017 - July 2018); Executive Director of Hamad Port Projects (June 2011 - December 2014); Project Manager of Ras Laffan Port (July 2005 - June 2011); Vice Chairman of Qatari Diar (January 2017 - January 2020); Chairman of Petrol Station Committee (January 2015 - present); board member of QAMCO (January 2020 - present); board member of BEEA (June 2017 - present); Vice Chairman of Barwa (June 2017 - June 2020); Vice Chairman of QAPCO, QVC & QATAFIN (January 2015 - January 2018).

Before joining Qatar Petroleum, Mr. Al-Buenain studied at Lamar University in the United States, earning a Mechanical Engineering degree in 1994.

Mohammed Essa Al-Mannai

Mr. Mohammed Essa Al-Mannai has over 15 years' experience in Qatar Petroleum and its group of companies and has served as the General Counsel & Board Secretary since 1 December 2014. Mr. Al-Mannai joined the University Preparation Program of Qatar Petroleum between July 2004 and May 2007, and served in positions of increasing responsibility in Qatar Petroleum's Legal Department until May 2014. Mr. Al-Mannai also served as Senior Legal Counsel of Qatar Mining between June of 2014 and November of 2014.

Prior to beginning his career, Mr. Al-Mannai attended Qatar Academy, earning an International Baccalaureate degree in June of 2004. Mr. Al-Mannai also attended the University of Liverpool, earning a Bachelor of Laws, with honors, in June of 2007. He later attended the College of Law, in the Bar Vocational Course, completing the program in June of 2009.

Ali Nasser Telfat

Mr. Ali Nasser Telfat holds a Bachelor of Science degree in Electrical Engineering from Tri-State University, in the United States (February 1990). Mr. Telfat joined Qatar Petroleum on 2 June 1990 as a Telecommunications Engineer and has also held the positions of Head of Telecommunication Service (offshore), and Field Support Manager. Between January 2010 and September 2012, he served as Corporate Training Manager, Assistant Manager of Public Relations and Communications, and as the Director of the Office of QP's Chairman and Managing Director. Currently, Mr. Telfat holds the positions of Corporate Manager, Director of the Office of The Minister of State for Energy Affairs, and Director of the Office of the President and CEO of QP.

Ayoob Olia

Mr. Olia joined Qatar Petroleum on 13 May 2018 as Corporate Manager – Internal Audit. Mr. Olia is a qualified accountant and became a member of the Association of Chartered Certified Accountants of the UK in May 1991 and a Fellow in May 1996. Mr. Olia is also member of the Certified General Accountants of Canada (CGA), Chartered Professional Accountants of Canada (CPA) and a Certified Internal Auditor (USA). Mr. Olia has over 25 years of experience in the fields of financial planning, strategy, financial compliance and controls, risk management and internal audit. Prior to joining QP he spent 16 years with RasGas Company Limited where he held different leadership positions, the last being the Chief Internal Auditor.

Compensation of Directors and Senior Executives

As required by Qatari law, QP entered into employment contracts with its employees who now constitute senior management when the relevant person was initially hired by QP. Since QP employs thousands of employees, these individuals are compensated in accordance with corporate-wide policies and procedures. In general, under these policies and procedures, members of senior management are entitled, in addition to their regular salary and allowances, to incentive award annual bonuses based on QP's annual performance. Individuals who hold key corporate director and office positions are separately entitled to director emoluments which are comparable to arrangements across similar organisations in the State of Qatar. For additional information, see Note 16(f) of the 2020 Financial Statements.

RELATED PARTY TRANSACTIONS

The following legal relationships existed between the companies of the Group and related parties in the financial years ended 31 December 2018, 2019 and 2020 and the three months ended 31 March 2021. Business relationships between QP and other companies of the Group are not included. Related parties represent associated companies, the shareholder, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. The Group is ultimately controlled by the State of Qatar, and therefore, all state-controlled entities are considered as related parties under common control. In addition, related parties also include the members of the Board of Directors and close members of their families, as well as those entities over which the members of the Board of Directors or their close family members are able to exercise a significant influence or in which they hold a significant share of voting rights.

Transactions with related parties are performed on terms that would not necessarily be available to unrelated parties. Further information, including quantitative information, of related party transactions is contained in the Group's notes to its audited consolidated financial statements which are included in "*Index to Financial Statements and Independent Auditors' Reports*" of this Prospectus.

Certain relationships with such related parties, including the compensation arrangements for the members of the Board of Directors and key management personnel, are described in Note 16 of the 2020 Financial Statements.

Transactions with Related Parties

Loans and Advances

The following table illustrates the loans and advances to associates and joint ventures of the Group:

	As at 31 December			As at 31 March	
	2018	2019	2020	2020	2021
			(*QR millions*)		
Associates and Joint Ventures of the Group:					
Laffan Refinery Company Limited (2)	3,351.4	3,351.4	3,280.8	3,351.4	3,210.2
Total Exploration and Production Congo	1,403.7	557.4	270.8	329.0	79.7
Gasal Q.P.S.C.	122.9	115.4	103.4	112.4	99.8
Arab Refining Company	–	189.4	189.3	240.4	189.3
Siraj Q.P.S.C	–	–	–	–	260.0
Al Shaheen GE Services Company	7.7	–	–	–	–
Total gross receivable	4,885.7	4,213.7	3,844.3	4,033.2	3,839.0
Less loss allowance[(1)]	(450.0)	(2,037.4)	(2,563.2)	(2,037.4)	(2,563.2)
Net receivable	4,435.7	2,176.3	1,281.1	1,995.8	1,275.8

Note:

(1) See Note 36 of the 2020 Financial Statements and Note 38 of the 2019 Financial Statements for further information.

As at 31 December 2020, QP's total loans and advances to related parties of the Group amounted to QR 738.4 million of its non-current assets and QR 542.6 million of its current assets, as compared to QR 1,587.1 million and QR 589.1 million in 2019, and QR 3,793.8 million and QR 641.9 million in 2018, respectively. As at 31 March 2021, QP's total loans and advances to related parties amounted to QR 923.8 million (U.S.$253.8 million) of its non-current assets and QR 352.0 million (U.S.$96.7 million) of its current assets compared to QR 1,512.9 million (U.S.$415.6 million) and QR 482.9 million (U.S.$132.7 million) respectively, for the corresponding period of 2020, the largest being a loan to LR2.

Amounts Due to and from Related Parties

Amounts due from related parties are unsecured and non-interest bearing obligations and are collectible within the Group's normal credit term. The following table presents an overview of the amounts due from related parties as at the periods indicated:

	As at 31 December			As at 31 March	
	2018	2019	2020	2020	2021
			(QR millions)		
Joint Ventures of the Group:					
Ras Laffan Liquefied Natural Gas Co. Limited	999.5	767.3	608.1	451.9	979.3
North Oil Company	575.6	474.1	448.9	471.1	412.5
Qatar Fertiliser Company Q.P.S.C.	287.3	239.5	-	1.1	-
Qatar Petrochemical Company Limited Q.P.J.S.C.	825.8	331.4	651.3	19.5	343.3
Qatar Liquefied Gas Company Limited (2).	721.4	751.5	516.7	422.2	54.8
Qatar Fuel Additives Company Limited Q.P.S.C..	131.3	86.0	60.2	100.9	41.8
Qatar Liquefied Gas Company Limited	290.0	293.1	139.6	156.6	261.1
Qatofin Company Limited	144.5	94.8	45.8	6.1	29.7
Qatar Chemical Company Limited	154.8	83.0	80.5	29.4	53.2
Qatar Chemical Company Limited II	161.6	120.2	51.1	1.4	34.3
Qatar Aluminium Limited	72.4	28.5	56.9	35.1	38.3
Oryx GTL Limited	15.9	15.9	21.0	19.9	7.3
Qatargas Operating Company Limited	19.6	136.8	166.0	323.2	221.6
Laffan Refinery Company Limited 2	5.4	218.3	161.2	122.7	185.5
Ras Laffan Olefins Company Limited	23.3	11.3	29.6	11.6	38.5
Gasal Q.P.S.C.	574.4	5.6	13.1	13.9	13.5
Astad Engineering Consulting and Project Management Q.S.C..	17.0	-	-	-	-
Associates of the Group:					
Mesaieed Power Company Limited Q.P.S.C..	30.6	31.1	33.1	21.2	17.6
Umm Al Houl Power Q.P.S.C.	235.0	121.8	93.2	110.2	160.7
Ras Girtas Power Company	365.6	161.1	166.0	147.9	150.0
Qatar Metals Coating Company W.L.L.	9.0	15.3	18.8	11.7	14.0
Ras Laffan Power Company Limited (Q.P.S.C.)	11.2	12.5	13.1	15.2	14.7
Others	763.9	875.1	1,672.5	2,603.2	2,206.8

Amounts due to related parties are unsecured and non-interest bearing obligations and are payable within the normal terms and operations of the Group. The following table presents an overview of the amounts due to related parties as at the periods indicated:

	As at 31 December			As at 31 March	
	2018	2019	2020	2020	2021
			(QR millions)		
Joint Ventures of the Group:					
Ras Laffan Liquefied Natural Gas Co. Limited (2)[(1)]	4,297.3	3,274.6	1,927.0	3,786.0	2,373.3
Qatar Liquefied Gas Company Limited (2)[(1)]	5,892.9	4,623.1	1,713.8	5,379.0	1,938.6
Ras Laffan Liquefied Natural Gas Company Limited (3)[(1)\] ..	3,580.7	2,907.2	2,127.8	3,521.3	3,065.4
Ras Laffan Liquefied Natural Gas Co. Limited	3,177.7	2,674.2	1,591.1	3,051.3	2,045.0
Qatar Liquefied Gas Company Limited (4)[(1)]	2,379.1	1,915.1	787.0	1,661.5	1,168.4
Qatar Liquefied Gas Company Limited (3)[(1)]	1,077.9	1,087.7	811.4	1087.7	823.3
Laffan Refinery Company Limited 2	232.4	368.6	317.5	132.6	252.1
Laffan Refinery Company Ltd	150.7	407.9	186.6	110.6	354.7
North Oil Company	284.1	561.5	384.2	815.4	474.4
Others	196.0	957.1	542.7	677.6	770.8

Note:

(1) These amounts primarily represent amounts received from joint ventures under acceptable credit support agreements. The amounts are non-interest bearing and are typically repayable within three to five business days upon demand.

Sales and Purchases

The following tables illustrates the operating income generated from transactions with related parties as at the periods indicated:

	Year Ended 31 December			Three Months Ended 31 March	
	2018	2019	2020	2020	2021
			(QR millions)		
Joint Ventures of the Group:					
Qatar Liquefied Gas Company Limited (2)	5,793.1	5,601.9	3,841.5	1,217.0	1.081.0
RasGas Company Limited	5,162.9	4,333.0	3,581.1	999.0	995.7
Laffan Refinery Company Limited	6,323.2	4,966.7	2,788.4	1,052.0	946.7
Qatar Fertiliser Company Q.P.S.C.	2,471.3	2,706.8	-	-	-
Qatar Fuel Additives Company Limited Q.P.S.C.	1,220.3	791.9	703.3	295.5	41.1
Others	10,358.0	10,639.4	9,575.8	2,663.2	2,882.2

The following tables illustrates purchases made under transactions with related parties as at the periods indicated:

	Year Ended 31 December			Three Months Ended 31 March	
	2018	2019	2020	2020	2021
			(QR millions)		
Joint Ventures of the Group:					
Laffan Refinery Company Limited (2)	6,228.7	5,858.2	2,492.5	967.2	845.1
Laffan Refinery Company Limited	3,395.1	3,624.4	1,800.2	1,042.5	609.8
Qatar Liquefied Gas Company (2)	1,874.0	634.4	1.4	1.2	-
Ras Laffan Liquefied Natural Gas Co. Limited	709.0	731.5	449.6	189.5	93.2
Qatar Petrochemical Company	216.1	90.0	100.0	38.0	33.2
Others	2,379.4	2,211.1	2,321.4	34.0	40.3

Transactions with the Government of Qatar

The following table provides an overview of the transaction entered into by the Group with the Ministry of Finance (acting on behalf of the Government of Qatar):

	Year Ended 31 December			Three Months Ended 31 March	
	2018	2019	2020	2020	2021
			(QR millions)		
Balance at 1 January	**92,164.0**	**101,801.4**	**56,732.1**	**56,732.1**	**37,803.6**
Sales revenue collected by the Ministry of Finance on behalf of QP	23,539.5	22,846.4	16,264.6	5,728.6	5,532.6
Grant income from Government	256.6	267.3	176.7	70.2	73.9
Cash transfers to the Ministry of Finance	156,019.3	103,110.3	85,704.4	34,631.0	21,731.7
Dividend transferred to shareholder during the year / period	(59,075.6)	(73,143.2)	(65,999.7)	–	–
Taxes paid to the Government	(15,752.4)	(14,585.3)	(8,418.8)	(2,324.3)	(3,063.0)
Taxes paid to the Government on behalf	(14,195.3)	(9,599.7)	60.0	(407.0)	-
Royalties paid to the Government	(7,476.3)	(6,666.1)	(4,717.7)	(1,264)	(1,448.2)
Collections on behalf of the Government:					
Qatargas royalty collection	(29,125.0)	(25,955.3)	(17,359.1)	(6,677.6)	(5,580.4)
Rasgas royalty collection	(28,195.3)	(25,861.1)	(18,143.4)	(6,217.9)	(4,125.1)
North oil royalty collection/supplementary contribution	(18,812.7)	(14,479.1)	(6,941.7)	(3,134.2)	(2,207.1)
Barzan royalty	–	–	(332.6)	–	(184.7)
Al-Khaleej royalty collection / supplementary contribution	(260.3)	(377.8)	(116.8)	(58.1)	(14.2)
Other transactions	2,714.8	(625.6)	895.6	(5.8)	(1.8)
Balance at 31 December / 31 March	**101,801.4**	**56,732.1**	**37,803.6**	**77,073.0**	**48,517.3**

Transactions with Senior Management

Other than with respect to compensation arrangements, as at the date of this Prospectus, there are no transactions in which any of QP's senior management or an immediate family member thereof had or will have a direct or indirect material interest or were not entered into on an arm's length basis. For compensation related transactions with QP's senior management, see "*Management—Compensation of Directors and Senior Executives*".

REGULATION OF THE OIL AND GAS INDUSTRY IN THE STATE

Law on Hydrocarbons

Overview

The objective of the State of Qatar's legal and regulatory framework is to provide for the efficient development and use of hydrocarbon resources. The focus is on optimal resource management in line with Law No. 3 of 2007 on Natural Resources (and its amendments), rendering long-term benefit for society whilst avoiding, limiting and mitigating negative effects on the environment. With the publication of the Qatar's National Vision 2030 in 2008, the framework now also aims for hydrocarbon development in line with this Vision.

The State of Qatar has put into place numerous laws regulating its natural resources. These include:

- The QP Law which establishes QP, the national oil and gas company.
- Law No. 4 of 1977 on the conservation of petroleum resources and the conduct of petroleum operations within the State of Qatar (as amended by Decree No. 35 of 2002 and Law No. 18 of 2019) ("**Preservation of Petroleum Wealth Law**").
- Law No. 3 of 2007 addressing the exploitation of natural wealth and resources, which includes not only mining but also oil and gas and any associated operations (as amended by Law No. 8 of 2015 and Law No. 18 of 2019) ("**Exploitation of Natural Resources Law**").
- Decree Law No. 15 of 2007 granting Tasweeq the right to exclusively market and export petroleum products produced in the State of Qatar amended by Law No. 9 of 2016 which changed Tasweeq's name to QPSPP and granted QP the right to act as its marketing agent (the "**QPSPP Law**").
- Decree Law No. 11 of 2012 granting Muntajat the exclusive right to market and sell chemical and petrochemical products produced in the State of Qatar (as amended by Decree Law No. 16 of 2020 which, amongst other things, granted QP the right to act as its marketing agent) ("**Muntajat Law**").
- Decree Law No. 30 of 2002 for the protection of the environment ("**EP Law**").
- Decision No. 4 of 2005 issuing the Executive Regulations of the EP Law ("**Executive Regulations**").
- The Income Tax Law.

Legislative Context

QP is the national oil corporation of the State of Qatar that has been granted the rights to conduct or authorise petroleum operations as per the Exploitation of Natural Resources Law (and its amendments). QP operates within a set legal framework that is defined by the virtue of the QP Law, which establishes QP, sets its purpose and prescribes its management. For QP to conduct the business entrusted to it, there are several legislations that regulate its fields, rights, scope, areas and function in parallel with the QP Law.

Like any other public body within the State of Qatar, QP's establishment is through a regulation rather than by virtue of commercial registration. As a State-owned public corporation, QP has been mandated a wide responsibility to ensure that it carries out all the activities related to the oil and gas sector in all its phases.

QP is managed by the Board of Directors each of whom is appointed by His Highness Sheikh Tamim Bin Hamad Al- Thani, the Amir of the State of Qatar. The Board of Directors sets the strategic direction of the corporation and approves its budget. The Board of Directors is accountable to the Council, which is chaired by His Highness Sheikh Tamim Bin Hamad Al -Thani, the Amir of the State of Qatar. The Council oversees the energy sector and steers its policies and plans in line with the State's vision. The Council is mandated with the supervision of all matters pertaining to the energy sector, the economy, reserve development and all policies related to the regulations of the finance and energy sector of the State of Qatar. See "*Management*" for further information.

Regulatory Regime

All of the State of Qatar's natural resources belong to the state, and the Ministry of Energy and Industry, headed by the Minister, exercises regulatory administration of the energy sector, covering both oil and gas production, operations and distribution.

Although QP is the State of Qatar's NOC and not the regulator, given its high stakes and dominant position in the oil and gas sector, it exerts very significant influence on the regulatory regime. In addition, there is top management level overlap between QP and the Ministry of Energy and Industry. QP acts as the commercial arm of the government with respect to its rights in exploration, development, production, and transport agreements.

Licences

All natural resources are considered state-owned and may not be explored unless pursuant to the Exploitation of Natural Resources Law (and its amendments), which grants QP an exclusive concession for the exploration, excavation and production of petroleum, natural gas and other hydrocarbons and the derivatives thereof, and for the investment and development of such materials in the State. Legislation establishes the licensing system governing all upstream activities arising out of resources and facilities subject to the State of Qatar jurisdiction, and QP shall authorise any natural or legal person to conduct petroleum operations in accordance with the legal regulations regulating QP. The negotiation of contracts in relation to the exploration and drilling for oil, natural gas and hydrocarbons are undertaken by QP, although this is not expressly set out in the law.

Before commencing any petroleum operations, a contractor must undertake to submit to QP a detailed description of the proposed operations (Article 6, Preservation of Petroleum Wealth Law). This description includes plans, location, production capacity, operational modalities, engineering data, cost estimates, various calculations, and other relevant documents, information and statistics.

Typically, PSAs provide for the constitution of a management committee, with equal representation from the government and the contractor. With authority to review and approve budgets and work plans, it provides input on decision-making at the Concession level on proposals for the submission of development plans, relinquishing of non-producing areas under the terms of the PSA and delineation of development areas.

Ownership Rights

All natural resources, including oil and gas, belong to the state. Article 29 of the 2004 Constitution provides that all natural wealth and resources, including oil and gas, belong to the state. Article 2 of the Exploitation of Natural Resources Law provides that "all natural resources are deemed to be State property". However, once extracted from the ground, rights in petroleum can be transferred to oil and gas companies under contractual agreements.

Conservation of Hydrocarbon Resources

The Preservation of Petroleum Wealth Law requires that oil operations and related projects be conducted according to the prevailing technical traditions, rules and standards in the oil industry which guarantee the best practices for the optimal exploitation, investment, preservation, development and production of the State's oil resources, as well as the prevention of their loss, damage or waste.

Marketing and Sales of Regulated Products

Under the QPSPP Law, QPSPP has exclusive authority to market and sell Qatari crude and other petroleum products and QP was appointed as QPSPP's agent for the purchase of crude from Qatar-based producers for marketing and sale.

Another marketing entity, Muntajat, was established in 2012 under the Muntajat Law. Muntajat exclusively markets and sells chemical and petro-chemical products inside and outside the State of Qatar and QP was appointed as Muntajat's agent for the sale and purchase of all chemical and petrochemical products.

The success of these organisations is built upon the implementation of commercial and operational controls and governance best practices. Each of these entities are governed through their Board of Directors who oversee their operations on an independent basis. It is supported by proprietary IT systems designed for specific business processes. As QPSPP's Marketing Agent, QP has implemented a robust system of internal controls to segregate the marketing of Regulated Products from its day-to-day commercial and operational activities and to preserve the confidentiality of commercial information it accesses in its capacity as QPSPP's Marketing Agent.

Regulated Domestic Pricing of Certain Hydrocarbons

There is no specific legislation that sets specific pricing mechanisms for petroleum products. However, Articles 13, 14 and 15 of the QPSPP Law No. 15 of 2007 (as amended) provide that the company (i.e., QPSPP) shall market the products upon fair and equitable conditions for all the producing entities without any discrimination. QPSPP shall pay a net price calculated after deduction of a marketing charge and direct costs incurred during the process, and such marketing charge, shall be determined in advance on an annual basis and should be commercially reasonable.

Other Relevant Laws and Regulations

Health and Safety Regulations

Health and safety matters associated with oil and gas activities are regulated through the MME.

Although Qatar has a Labour Law (Law No. 14 of 2004), Article 3 was amended by Law No. 6 of 2009 to exclude from its application the employees of QP, its various affiliates and entities involved in executing exploration, production and development agreements in the oil and gas and petrochemical sectors in order that their employment contracts may conform with industry norms.

Notwithstanding the exclusions under Article 3, health and safety standards in the oil and gas sector tend to be higher than in other industrial sectors due to QP's implementation of internationally recognised oilfield practices and HSE standards.

In addition to the relevant laws, HSE standards in the oil and gas sector are often addressed on a project-by-project basis and is often set out in the licence/concession agreement. Various ports and industrial cities also impose their own health and safety requirements.

Environmental Regulations

In addition, the Environmental Protection Law (Law No. 30 of 2002) (the "**EP Law**") addresses matters such as conservation of the environment, anti-pollution measures, and protection of biodiversity and human health. The EP Law is further supplemented by its Executive Regulations.

Under Article 15 of EP Law, when awarding a license for a new project, or permitting modifications to an existing project, the relevant licensing authority must ensure that the relevant project:

- Uses the best technology available economically to control pollution and prevent environmental damage.
- Employs appropriate techniques to ensure compliance with environmental regulations.

Under Article 18 of EP Law, persons involved in the design, execution and operation of a project must ensure compliance with the law and the rules and regulations issued under it. This provision also requires persons executing any project to conduct an environmental impact study in respect of its possible impact on the environment and to take necessary action to minimise that impact. Where any adverse impact causes pollution in relation to any actions or omissions, the owner of the project must take the necessary measures to prevent or mitigate the effects to an acceptable level.

A licensor cannot issue a licence for certain projects unless an EIA is conducted and approved by the MME by issuing an environmental permit (*Article 7, Environmental Regulations*). An EIA must be submitted to the General Licensing Authority, which then sends a copy of it to the MME for a decision (*Article 14, EP Law*). The MME will then inform other authorities of its decision within 30 days from the date of receiving the completed study. If the MME does not render a decision within the allotted period, it will be deemed approved. The applicant can appeal a rejection decision using the rules, procedure and timing set out in the Executive Regulation.

An environmental permit must also be secured before certain projects with the potential to cause environmental harm can be undertaken. To obtain the permit, an applicant seeking to commence a project, or to expand or renew one, must submit an application under Article 8 of the Environmental Regulations to the relevant licensing authority. The application must be accompanied by an environmental impact study of the project if it falls under any of the types listed in Annex 1 to the Environmental Regulations. The licensing authority then sends a copy of the application and its attachments to the MME to prepare, within ten days from receipt, a report on it, together with recommendations. The MME then issues its final decision within another ten days. If the decision is positive, it will issue an environmental permit.

The second and final environmental consent needed after the environmental permit has been issued is set out in the second paragraph of Article 7 of the Environmental Regulations. This is the environmental operation licence issued by the MME.

There are several provisions in the EP Law that are relevant to environmental obligations, responsibilities and liabilities of owners and operators of projects in Qatar, including:

- The main objectives of the law, which include protecting the environment and preventing all types of pollution and its adverse effects (*Article 2, EP Law*).

- A requirement on the owner of a project to maintain a register of the effects of any pollution caused by the activities undertaken in relation to the project (the format for the register is provided in the Environmental Regulations) (*Article 16, EP Law*). The MME can inspect the register and require the relevant licensing authority to instruct the licensee to immediately rectify any breach of the EP Law and the Environmental Regulations and to correct any environmental damage. The MME can suspend any relevant operations and require payment of compensation for any damage caused. Maintenance of the register mentioned will not absolve the owner of liability for any adverse effect on the environment.

Strict liability on all persons involved in the design, execution and operation of any project, depending on whether the adverse impact on the environment is caused by activity in their area of contractual responsibility. Therefore, the contractor will be under strict liability to take measures to rectify, mitigate and possibly compensate for any adverse impact on the environment caused by any activity in the project works that is in excess of applicable limits.

Ports and Industrial Cities

Article 27 of Decree Law No. 10 of 1974 (as amended) grants QP powers to perform all the related activities to determination and collections of the fees and charges in the ports and berths. By virtue of Decision of the Council of Ministers No. (19) of 2002, QP is assigned the management of the following ports: Halul, Mesaieed, Ras Laffan and Ras Abu Aboud Berth. QP has extensive powers granted when it comes to the management of the above mentioned ports and have defined internal procedures that regulate the wide mandate granted to it by virtue of the law.

Pursuant to the below Decrees, QP has the right to use, exploit and manage the land/facilities allocated to it, and exercise all the property rights granted to an owner except for the right of disposal or the creation of liens:

- Decree No. 59 of 1989 Granting License to QP for the Usufruct Rights of Land in Mesaieed Industrial City as amended by Decree 28 of 1995.
- Decree No. (64) of 2001 Granting License to QP for the Usufruct Rights of Land in Mesaieed.
- Decree No. 35 of 1994 Granting License to QP for the Usufruct Rights of Land and Facilities in Ras Laffan Area.
- Council of Ministers Resolution No. 9 of 1994 regarding the rights and obligations of QP to use lands and facilities in the Ras Laffan area.
- Decree No. 55 of 1995 Granting License to QP for the Usufruct Rights of Land and Facilities in Dukhan.

Tax System in the State of Qatar

The Income Tax Law applies a territorial tax regime. In the State of Qatar, the only tax imposed, other than customs and royalties on petroleum products, is income tax. Income tax is imposed pursuant to the Income Tax Law. Under Article (2) (Preamble) of the law it is stipulated that: "except for Articles (9(2)) and (13) of the law, the provisions of this law do not apply to public corporations" (for example, QP).

Article 9(2) of the law sets a 5% deduction at source tax on total amounts of royalties, interests, commissions and payments for services carried out wholly or partly in the State and paid to non-residents without permanent establishment in Qatar. The Executive Regulations of the law states that a service shall be considered wholly or partially performed in the State of Qatar if any work necessary to accomplish it is carried out in the State of Qatar. Accomplished is defined to include 'used, consumed or utilized' in the State of Qatar, even if it is performed wholly or partially outside the State of Qatar. Meanwhile Article (13) stipulates that public corporations, among other entities, shall notify the GTA of all the contracts, agreements and transactions that they enter into in accordance with the time limits and periods specified in the Executive Regulation of the law.

As a judicial Qatari person, QP's wholly owned subsidiaries benefit from Article (4(10)) of the law, whereby total income of legal persons resident in the State and wholly owned by Qataris shall be exempt from income tax.

Other than the above, Article (4(11)) of the same law, is interpreted that shares of profit of legal persons that are partly, directly or indirectly, owned by the State and Qataris and operate in the field of Petroleum Operations or petrochemical industries are wholly subject to Income Tax. Furthermore, this is aligned with Article (9(1)) which stipulates that the tax rate and all other tax conditions provided for in agreements relating to petrochemical industries and Petroleum Operations, as defined by the Exploitation of Natural Resources Law, shall apply, provided that, in all cases, the tax rate shall not be less than 35.0%.

The application of the above Articles on QP and its subsidiaries and joint ventures means that where there is any foreign shareholding, unless the subsidiaries/joint ventures are entitled to a corporate income tax exemption or a Council of Ministers Decision approving the tax clauses of the agreement(s), QP's interest is subject to income tax Law. The keywords are "Petroleum Operations" and "Petrochemical Industries". The income tax payments go to GTA, which is a public authority which reports to the Minister of Finance. On the other hand, payment of royalties and taxes on export sales of certain petroleum products goes directly to the Ministry of Finance.

In addition to bonus payments, rentals, cost recovery and production sharing, the government also derives economic benefits in the form of equity participation, royalties, and license fees.

Under Law No. 41 of 2002 Amending the Customs Tariff and Cancelling Some Customs Exemptions and Law No. 40 of 2002 (Customs Law), the State of Qatar imposes a standard rate of customs duty on imports of 5.0% ad valorem. In addition, as a member of the GCC, customs union goods imported into the State of Qatar that are destined for shipment to another GCC country are only subject to customs duty at the point of entry into the GCC.

TERMS AND CONDITIONS OF THE BONDS

The following is the text of the terms and conditions of the Bonds which (subject to any amendments) will be endorsed on each Bond in definitive form (if issued) and attached to the Global Bond Certificates issued in respect of the Bonds.

The U.S.$1,500,000,000 1.375% Bonds due 2026 (the "**2026 Bonds**"), the U.S.$3,500,000,000 2.250% Bonds due 2031 (the "**2031 Bonds**"), the U.S.$3,500,000,000 3.125% Bonds due 2041 (the "**2041 Bonds**") and the U.S.$4,000,000,000 3.300% Bonds due 2051 (the "**2051 Bonds**" and, together with the 2026 Bonds, the 2031 Bonds and the 2041 Bonds, the "**Bonds**", and any reference to a "**series**" of Bonds or to Bondholders (as defined in Condition 1(b) (*Title*) below) shall be a reference to the 2026 Bonds, the 2031 Bonds, the 2041 Bonds or the 2051 Bonds or to their respective holders, as the case may be) of Qatar Petroleum (the "**Issuer**"), were authorised by a resolution of the Board of Directors of the Issuer dated 23 June 2021.

The Bonds are issued subject to, and have the benefit of, (a) a fiscal agency agreement dated 12 July 2021 (the "**Fiscal Agency Agreement**") between the Issuer, Citibank, N.A., London Branch, as fiscal agent (the "**Fiscal Agent**"), Citibank, N.A., London Branch, as principal paying agent (the "**Principal Paying Agent**"), Citigroup Global Markets Europe AG, as registrar (the "**Registrar**"), and Citibank, N.A., London Branch, as transfer agent (the "**Transfer Agent**") and (b) a deed of covenant dated 12 July 2021 entered into by the Issuer in favour of the Relevant Account Holders (as defined therein) (the "**Deed of Covenant**"). Any reference herein to the 2026 Bonds includes any further 2026 Bonds issued pursuant to Condition 13 (*Further Issues*) and forming a single series with the 2026 Bonds; any reference herein to the 2031 Bonds includes any further 2031 Bonds issued pursuant to Condition 13 (*Further Issues*) and forming a single series with the 2031 Bonds; any reference herein to the 2041 Bonds includes any further 2041 Bonds issued pursuant to Condition 13 (*Further Issues*) and forming a single series with the 2041 Bonds; and any reference herein to the 2051 Bonds includes any further 2051 Bonds issued pursuant to Condition 13 (*Further Issues*) and forming a single series with the 2051 Bonds.

In these Conditions, the Fiscal Agent, the Principal Paying Agent and any other paying agents appointed pursuant to the Fiscal Agency Agreement are together referred to as the "**Paying Agents**", and the Transfer Agent and any other transfer agents appointed pursuant to the Fiscal Agency Agreement are together referred to as the "**Transfer Agents**". References to the Fiscal Agent, the Paying Agents, the Registrar or the Transfer Agents shall include any successors appointed from time to time in accordance with the provisions of the Fiscal Agency Agreement, and any reference to an "**Agent**" or "**Agents**" shall mean any or all (as applicable) of such persons.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and the respective definitions in the Fiscal Agency Agreement. Copies of the Fiscal Agency Agreement and the Deed of Covenant (i) are available for inspection and/or collection during usual business hours at the principal office of the Fiscal Agent (presently at 6th Floor, Citigroup Centre, Canada Square, London E14 5LB, United Kingdom) and at the specified offices of each of the other Agents or (ii) may be provided by email to a Bondholder following their prior written request to any Paying Agent and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent). The Bondholders are bound by, and are deemed to have notice of, the provisions of the Fiscal Agency Agreement and the Deed of Covenant that are applicable to them.

References to "**Conditions**" are, unless the context otherwise requires, to the numbered paragraphs of these Conditions.

1. Form, Denomination and Title

(a) *Form and Denomination*

The Bonds of each series are in registered form, without interest coupons attached, in a minimum denomination of U.S.$200,000 or any amount in excess thereof which is an integral multiple of U.S.$1,000, both in the case of Bonds ("**Unrestricted Bonds**") offered and sold in transactions outside the United States in reliance on Regulation S under the United States Securities Act of 1933 (the "**Securities Act**"), and in the case of Bonds ("**Restricted Bonds**") offered and sold in the United States in reliance on Rule 144A under the Securities Act (each an "**authorised denomination**"). A certificate (each a "**Certificate**") will be issued to each Bondholder in respect of its registered holding or holdings of Bonds in any series. Each Certificate issued in respect of a registered holding of Bonds in a series will be numbered serially with an identifying number which will be recorded in the register relating to the relevant series of Bonds which the Issuer shall procure to be kept by the Registrar (the "**Register**").

(b) ***Title***

Title to the Bonds will pass by and upon registration in the Register. In these Conditions, "**Bondholder**" means the person in whose name a Bond of a series is registered in the Register (or, in the case of joint holders, the first named thereof). The holder of any Bond of a series will (except as otherwise requested by such holder in writing, or as otherwise ordered by a court of competent jurisdiction or required by applicable law or regulations) be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or any interest therein, any writing thereon by any person (other than a duly executed transfer thereof in the form endorsed thereon) or any notice of any previous theft or loss thereof, and no person will be liable for so treating the holder.

2. Transfer of Bonds and Issue of Bonds

(a) ***Transfer***

Subject to Conditions 2(d) (*Closed Periods*) and 2(e) (*Regulations Concerning Transfer and Registration*), a Bond in any series may be transferred in whole or in part in an authorised denomination upon the surrender of the Certificate representing that Bond, together with the form of transfer (including any certification as to compliance with restrictions on transfer included in such form of transfer) endorsed thereon (the "**Transfer Form**") duly completed and executed, at the specified office of the Registrar or any Transfer Agent, together with such evidence as the relevant Registrar or, as the case may be, such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the persons who have executed the Transfer Form. In the case of a transfer of part only of the Bonds in a series represented by a Certificate, neither the part transferred nor the balance not transferred may be less than the applicable authorised denomination; a new Certificate in respect of the part transferred will be issued to the transferee and a new Certificate in respect of the balance not so transferred will be issued to the transferor.

(b) ***Delivery***

Each new Certificate to be issued upon a transfer of any Bonds in a series will, within five business days of the request for transfer being duly made, be delivered at the specified office of the Registrar or, as the case may be, any Transfer Agent or (at the request and the risk of such transferee) be mailed by uninsured post to such address as the transferee entitled to the Bonds represented by such Certificate may have specified. In this Condition 2(b), "**business day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign currencies) in the cities in which the Registrar and any such Transfer Agent have their respective specified offices.

(c) ***No Charge***

Registration of transfers of Bonds in a series will be effected without charge to the holder or transferee thereof, but upon payment (or against such indemnity from the holder or the transferee thereof as the Registrar or any Transfer Agent may reasonably require) in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such registration of transfer.

(d) ***Closed Periods***

No Bondholder may require the transfer of a Bond in a series to be registered during the period of 15 calendar days ending on the due date for any payment of principal or interest in respect of such Bond.

(e) ***Regulations Concerning Transfer and Registration***

All transfers of Bonds in any series and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds scheduled to the Fiscal Agency Agreement. The regulations may be changed by the Issuer to reflect changes in legal requirements or in any other manner which is not prejudicial to the interests of Bondholders of an affected series with the prior written approval of the Registrar. A copy of the current regulations will be sent by the Registrar to any Bondholder of the relevant series who so requests.

3. Status

The Bonds of each series constitute and will constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer. The Bonds of each series rank and will rank without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

4. Covenant

So long as the Bonds of any series remain outstanding, the Issuer shall provide to the Fiscal Agent (for provision to each Bondholder of such series of Bonds upon request):

(i) as soon as the same are available after the end of each financial year of the Issuer (and, in any event, within 180 days after the end of such financial year), the annual audited consolidated financial statements of the Issuer prepared in accordance with International Financial Reporting Standards; and

(ii) as soon as the same are available after the end of each financial half-year of the Issuer (and, in any event, within 120 days after the end of such financial half-year), commencing with the financial half-year ended 30 June 2022, the semi-annual unaudited consolidated financial statements of the Issuer prepared in accordance with International Financial Reporting Standards.

The Issuer must ensure that such annual audited consolidated financial statements and semi-annual unaudited consolidated financial statements of the Issuer are in the English language and are, in the case of the annual consolidated financial statements of the Issuer only, audited by an independent public accountant of recognised international standing.

5. Interest

Each 2026 Bond bears interest from 12 July 2021 at the rate of 1.375% per annum, payable semi-annually in arrear on 12 March and 12 September in each year (each, a "**2026 Bonds Interest Payment Date**") until (and including) the 2026 Maturity Date (as defined in Condition 6(a) (*Final Redemption*) below), commencing on 12 March 2022. Each 2031 Bond bears interest from 12 July 2021 at the rate of 2.250% per annum, payable semi-annually in arrear on 12 January and 12 July in each year (each, a "**2031/2041/2051 Interest Payment Date**") until (and including) the 2031 Maturity Date (as defined in Condition 6(a) (*Final Redemption*) below), commencing on 12 January 2022. Each 2041 Bond bears interest from 12 July 2021 at the rate of 3.125% per annum, payable semi-annually in arrear on the 2031/2041/2051 Interest Payment Dates until (and including) the 2041 Maturity Date (as defined in Condition 6(a) (*Final Redemption*) below), commencing on 12 January 2022. Each 2051 Bond bears interest from 12 July 2021 at the rate of 3.300% per annum, payable semi-annually in arrear on the 2031/2041/2051 Interest Payment Dates until (and including) the 2051 Maturity Date (as defined in Condition 6(a) (*Final Redemption*) below), commencing on 12 January 2022. For the 2026 Bonds, the payment on the first 2026 Interest Payment Date shall be in respect of interest accrued from and including 12 July 2021 to but excluding 12 March 2022. For the 2031 Bonds, the 2041 Bonds and the 2051 Bonds, the payment on the first 2031/2041/2051 Interest Payment Date shall be in respect of interest accrued from and including 12 July 2021 to but excluding 12 January 2022. Interest will be paid subject to and in accordance with the provisions of Condition 7 (*Payments*). References herein to an "**Interest Payment Date**" are to a 2026 Interest Payment Date or a 2031/2041/2051 Interest Payment Date, as the context may require.

Each Bond in each series will cease to bear interest from (and including) the due date for redemption of such Bond unless, after surrender of such Bond, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at the rate specified above (after as well as before any judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder and (b) the day which is seven days after notice has been given to the relevant Bondholders that the Fiscal Agent has received all sums due in respect of the relevant Bonds up to such seventh day (except, in the case of payment to the Fiscal Agent, to the extent that there is any subsequent default in payment in accordance with these Conditions).

If interest is required to be calculated for a period of less than six months, it will be calculated on the basis of a year of 360 days consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed, *provided that* the amount of interest payable for the first Interest Payment Date shall be (i) in respect of the 2026 Bonds, U.S.$9.167 per U.S.$1,000 in principal amount of such series of Bonds, (ii) in respect of the 2031 Bonds, U.S.$11.250 per U.S.$1,000 in principal amount of such series of Bonds, (iii) in respect of the 2041 Bonds, U.S.$15.625 per U.S.$1,000 in principal amount of such series of Bonds, and (iv) in respect of the 2051 Bonds, U.S.$16.500 per U.S.$1,000 in principal amount of such series of Bonds.

6. Redemption, Purchase and Cancellation

(a) *Final Redemption*

Unless previously purchased and cancelled, each 2026 Bond will be redeemed at its principal amount on 12 September 2026 (the "**2026 Maturity Date**"), each 2031 Bond will be redeemed at its principal amount on 12 July 2031 (the "**2031 Maturity Date**"), each 2041 Bond will be redeemed at its principal amount on 12 July 2041 (the "**2041 Maturity Date**") and each 2051 Bond will be redeemed at its principal amount on 12 July 2051 (the "**2051 Maturity Date**" and, together with the 2026 Maturity Date, the 2031 Maturity Date and the 2041 Maturity Date, the "**Maturity Dates**"), subject as provided in Condition 7 (*Payments*).

(b) *Redemption at the Option of the Issuer (Issuer Make-whole Call)*

The Issuer may redeem:

(i) at any time, in whole or in part, the 2026 Bonds, the 2031 Bonds and/or the 2041 Bonds; and

(ii) at any time on or after 12 July 2026, in whole or in part, the 2051 Bonds, without the consent of the relevant series of Bondholders at a redemption price equal to the greater of:

(A) the outstanding principal amount of the relevant series of Bonds being redeemed plus accrued but unpaid interest, if any, plus accrued additional amounts payable pursuant to Condition 8 (*Taxation*), if any, thereon up to but excluding the date fixed for redemption (the "**Redemption Date**"), and

(B) an amount equal to the sum of the net present value of the then remaining scheduled payments of principal and interest (but excluding that portion of any scheduled payment of interest that is actually due and paid on the Redemption Date) on the relevant series of Bonds being redeemed, discounted to such Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate for such Bonds being redeemed plus:

(a) in respect of the redemption of 2026 Bonds, 10 basis points;

(b) in respect of the redemption of 2031 Bonds, 15 basis points; or

(c) in respect of the redemption of 2041 Bonds or 2051 Bonds, 20 basis points,

(the "**Make-Whole Amount**").

The Issuer shall make such calculations in good faith, which calculations shall be conclusive in the absence of manifest error.

The Issuer shall notify the Fiscal Agent by email or letter of an optional redemption under this Condition 6(b) at least 30 calendar days but not more than 60 calendar days prior to the Redemption Date specified in such notice. Such notice shall include details of the Redemption Date, the redemption price and any applicable Make-Whole Amount under this Condition 6(b). The Fiscal Agent shall, promptly upon receipt of such notice from the Issuer, give notice of such optional redemption pursuant to this Condition 6(b), at the expense of the Issuer, to the relevant series of Bondholders in accordance with Condition 14 (*Notices*). Notice of redemption having been given as aforesaid, and the conditions, if any, set forth in such notice having been satisfied, the relevant series of Bonds or portions thereof so to be redeemed shall on the Redemption Date become due and payable, and from and after such date such Bonds or portions thereof shall cease to bear interest.

In this Condition 6(b):

"**Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for business in London and New York City.

"**Treasury Rate**" shall mean the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) which has become publicly available at least two Business Days (but not more than five Business Days) prior to the relevant Redemption Date (or, if such Statistical Release is not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the Redemption Date to the Maturity Date applicable to the relevant series of Bonds; provided, however, that if the period from the Redemption Date to such Maturity Date is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the Redemption Date to such Maturity Date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

(c) ***Redemption at the Option of the Issuer (Issuer Maturity Par Call)***

Unless a Put Notice has been given pursuant to Condition 6(e), the Issuer may:

(i) in respect of the 2026 Bonds, at any time on or after the date which is one month prior to the 2026 Maturity Date, on giving not less than 30 days' nor more than 60 days' notice to the Bondholders of such series in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable and specify the date fixed for redemption), redeem the 2026 Bonds then outstanding in whole, but not in part, at their principal amount together with accrued and unpaid interest, if any, to but excluding the date fixed for redemption;

(ii) in respect of the 2031 Bonds, at any time on or after the date which is three months prior to the 2031 Maturity Date, on giving not less than 30 days' nor more than 60 days' notice to the Bondholders of such series in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable and specify the date fixed for redemption), redeem the 2031 Bonds then outstanding in whole, but not in part, at their principal amount together with accrued and unpaid interest, if any, to but excluding the date fixed for redemption;

(i) in respect of the 2041 Bonds, at any time on or after the date which is six months prior to the 2041 Maturity Date, on giving not less than 30 days' nor more than 60 days' notice to the Bondholders of such series in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable and specify the date fixed for redemption), redeem the 2041 Bonds then outstanding in whole, but not in part, at their principal amount together with accrued and unpaid interest, if any, to but excluding the date fixed for redemption; and

(iv) in respect of the 2051 Bonds, at any time on or after the date which is six months prior to the 2051 Maturity Date, on giving not less than 30 days' nor more than 60 days' notice to the Bondholders of such series in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable and specify the date fixed for redemption), redeem the 2051 Bonds then outstanding in whole, but not in part, at their principal amount together with accrued and unpaid interest, if any, to but excluding the date fixed for redemption.

(d) ***Redemption for tax reasons***

Each series of Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 days' nor more than 60 days' notice to the Fiscal Agent and, in accordance with Condition 14 (*Notices*), the Bondholders of the relevant series of Bonds (which notice shall be irrevocable) at their principal amount, together with accrued and unpaid interest, if any, to but excluding, the date fixed for redemption, if immediately before giving such notice the Issuer:

(i) has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the State of Qatar or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes announced and effective on or after 5 July 2021; and

(ii) cannot avoid such obligation by taking reasonable measures available to it, *provided that* no such notice of redemption shall be given earlier than 90 days' prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Upon the expiry of any such notice as is referred to in this Condition, the Issuer shall be bound to redeem the affected series of Bonds in accordance with this Condition.

(e) ***Purchase of Bonds upon a Change of Control***

(i) If a Change of Control occurs at any time, then the Issuer must make an offer (a "**Change of Control Offer**") to each Bondholder to purchase such Bondholder's Bonds, at a purchase price (the "**Change of Control Purchase Price**") in cash at their principal amount together with accrued and unpaid interest, if any, to but excluding the date of purchase described in Condition 6(e)(ii) below (the "**Change of Control Purchase Date**").

(ii) Within 30 days following any Change of Control, the Issuer will publish a notice of the Change of Control Offer in accordance with Condition 14 (*Notices*) (the date of publication of such notice being the "**Publication Date**"), specifying the nature of the Change of Control and the procedure for exercising the option contained in this Condition 6(e), including: (i) the Change of Control Purchase Price; and (ii) the Change of Control Purchase Date, which will be a Business Day no earlier than 30 days nor later than 60 days from the Publication Date, or such later date as is necessary to comply with requirements under any applicable securities laws or regulations.

(iii) To exercise the option to require purchase of a Bond of any series under this Condition, a Bondholder must deliver such Bond, on any banking business day in the place of delivery prior to the Change of Control Purchase Date (the "**Put Period**") at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "**Put Notice**") and in which the Bondholder may specify a bank account complying with the requirements of Condition 7 (*Payments*) to which payment is to be made under this Condition. The Paying Agent to which such Bond and Put Notice are delivered will issue to the Bondholder concerned a non-transferable receipt in respect of the Bond so delivered. If the date which is seven days after the expiration of the Put Period (the "**Put Date**") is an Interest Payment Date, payment of the accrued interest in respect of any Bond so delivered will be made in the manner provided in Condition 7 (*Payments*). If the Put Date is not an Interest Payment Date, payment of the accrued interest, and in all cases, payment of principal in respect of any Bond of a relevant series so delivered will be made, if the Bondholder duly specified a bank account in the Put Notice to which payment is to be made, on the Put Date by transfer to that bank account and in every other case on or after the Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent in accordance with Condition 7 (*Payments*). A Put Notice, once given, shall be irrevocable. For all relevant purposes of these Conditions, receipts issued pursuant to this Condition shall be treated as if they were Bonds. The Issuer shall purchase (or procure the purchase of) the relevant Bonds on the Put Date unless previously redeemed or purchased and cancelled.

(iv) The Issuer will not be required to make a Change of Control Offer if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in these Conditions applicable to a Change of Control Offer made by the Issuer and offers to purchase all Bonds of the relevant series validly tendered and not withdrawn under such Change of Control Offer. The Change of Control provisions of this Condition will be applicable whether or not any other provisions of the Fiscal Agency Agreement are applicable.

(v) To the extent the Issuer complies with applicable tender offer rules and any other applicable securities laws and regulations and such rules, laws and regulations conflict with the provisions of this Condition 6(e), the Issuer will not be deemed to have breached its obligations under this Condition and the Fiscal Agency Agreement by virtue of such conflict.

(vi) If 75% or more in principal amount of a series of Bonds originally in issue are redeemed pursuant to this Condition 6(e), the Issuer may, by not less than 15 days' nor more than 30 days' notice to the relevant Bondholders given within 30 days after the Put Date, redeem, at its option, the remaining Bonds of such series as a whole at the Change of Control Purchase Price plus accrued and unpaid interest, if any, to but excluding the date of such redemption.

(vii) In these Conditions, a "**Change of Control**" shall be deemed to have occurred if, at any time, the State of Qatar ceases to own and control (directly or indirectly) 100% of the economic and voting rights in the Issuer.

(f) ***Purchase and Cancellation***

The Issuer may at any time purchase Bonds of any series in the open market or otherwise at any price. Any Bonds so purchased may be held or, subject to the provisions of the final sentence of this Condition 6(f), resold or, at the discretion of the Issuer, surrendered to the Fiscal Agent for cancellation. Any Bonds so cancelled will not be reissued or resold. Any purchase of Bonds of any series by tender shall be made to all Bondholders of the relevant series of Bonds alike. The Bonds so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of Bondholders of that series and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders of that series or for the purposes of Condition 9 (*Events of Default*). The Issuer shall use its best endeavours to ensure that no Bond of a series acquired by it or by any affiliate (as defined in Rule 144 under the Securities Act) of it is resold by the acquirer, except to the Issuer or any affiliate (as so defined) of the Issuer, unless, upon completion of such sale, such Bond of that series would not be a restricted security within the meaning of Rule 144 under the Securities Act.

7. Payments

(a) ***Principal***

Payment of principal and interest due other than on an Interest Payment Date will be made by transfer to the registered account of the Bondholder or if (i) it does not have a registered account or (ii) the principal amount of Bonds held by such person is less than U.S.$200,000, by U.S. dollar cheque drawn on a bank in New York City mailed to the holder (or to the first named of joint holders) of such Bond at the address appearing in the Register by uninsured mail at the risk of the Bondholder. Such payment will only be made upon surrender of the relevant Certificate at the specified office of any of the Paying Agents.

(b) ***Interest***

Payments of interest (other than interest due on redemption) in respect of each Bond will be made by U.S. dollar cheque drawn on a bank in New York City and mailed to the holder (or to the first named of joint holders) of such Bond at the address appearing in the Register by uninsured mail at the risk of the Bondholder not later than the due date for such payment. For the purposes of this Condition 7(b), the holder of such Bond will be deemed to be the person shown as the holder (or the first named of joint holders) on the Register on the 15th day before the due date for such payment.

Upon application by the holder of a Bond to the specified office of a Registrar not less than 15 days before the due date for the payment of any interest (other than interest due on redemption) in respect of such Bond, such payment will be made by transfer to a U.S. dollar account maintained by the payee with a bank in New York City. Any such application for transfer to a U.S. dollar account shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Bonds which become payable to the Bondholder who has made the initial application until such time as the relevant Registrar is notified in writing to the contrary by such Bondholder.

Payment of the interest due in respect of each Bond on redemption will be made in the same manner as payment of the principal amount of such Bond.

(c) ***Payments Subject to Fiscal Laws***

All payments of principal and interest in respect of the Bonds of each series are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 8 (*Taxation*).

(d) ***Commissions***

No commissions or expenses shall be charged to the relevant Bondholders in respect of any payments of principal or interest in respect of the Bonds of any series.

(e) ***Payments on Business Days***

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a business day, for value the first following day which is a business day) will be initiated (i) on the later of the business day on which the relevant Certificate is surrendered at the specified office of any of the Paying Agents and the due date for payment (in the case of principal and interest due other than on an Interest Payment Date) and (ii) on the due date for payment (in the case of interest due on an Interest Payment Date).

Where payment is to be made by cheque, the cheque will be mailed (i) on the later of the business day on which the relevant Certificate is surrendered at the specified office of any of the Paying Agents and the business day preceding the due date for payment (in the case of principal and interest due other than on an Interest Payment Date) and (ii) on the business day preceding the due date for payment (in the case of interest due on an Interest Payment Date).

In this Condition 7, "**business day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for business in New York City and, in the case of a surrender of a Certificate, in the place where the Certificate is surrendered.

(f) ***Delay in Payments***

No Bondholders of any series will be entitled to any interest or other payment for any delay after the due date in receiving any amount due in respect of any Bond as a result of (i) the due date not being a business day, (ii) the Bondholder being late in surrendering its Certificate (if required to do so) or (iii) a cheque mailed in accordance with this Condition 7 arriving after the due date for payment or being lost in the mail.

(g) ***Partial Payments***

If at any time a partial payment is made in respect of any Bond of any series, the relevant Registrar shall endorse the Register with a statement indicating the amount and date of such payment.

(h) ***Agents***

(i) The initial Agents and their initial specified offices are listed below. Any of the Agents may resign in accordance with the provisions of the Fiscal Agency Agreement, and the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and appoint additional or other Agents, provided that while any Bonds are outstanding it will maintain (a) a Fiscal Agent, (b) a Registrar and (c) a Paying Agent and a Transfer Agent having a specified office in a major European city, which will be in the United Kingdom so long as the Bonds are admitted to listing on the official list of the Financial Conduct Authority (the "**FCA**") and to trading on the Main Market of the London Stock Exchange and the rules of the FCA or the London Stock Exchange so require. Notice of any change in the Agents or their specified offices will be given promptly to the Bondholders.

(ii) So long as the Bonds of any series are listed on any stock exchange, there will at all times be a Paying Agent relating to such Bonds and, if appropriate, a Fiscal Agent, a Registrar and Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange relating to such Bonds.

8. Taxation

All payments of principal and interest in respect of each series of Bonds by the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the State of Qatar or any political subdivision or any authority thereof or therein having power to tax (together "**Taxes**"), unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the Bondholders of each series of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond of any series:

(i) to a holder, or to a third party on behalf of a holder, if such holder is liable to such Taxes in respect of such Bond by reason of having some connection with the State of Qatar other than the mere holding of such Bond; or

(ii) if the Certificate representing such Bond is surrendered for payment more than 30 days after the Relevant Date, except that additional amounts shall be payable to a holder to the extent that the holder would have been entitled to such additional amounts on surrender of such Certificate for payment on the last day of such period of 30 days.

In these Conditions, "**Relevant Date**" means whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in New York City by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the relevant Bondholders in accordance with Condition 14 (*Notices*).

Any reference in these Conditions to principal or interest in respect of the Bonds of any series shall be deemed to include any additional amounts which may be payable under this Condition 8 in respect of such series.

9. Events of Default

If any of the following events (each an "**Event of Default**") occurs and is continuing with respect to a series of Bonds:

(a) ***Non-payment of principal***

the Issuer fails to pay any amount of principal in respect of any of the Bonds of such series when due at maturity or otherwise and such failure continues for a period of 30 days; or

(b) ***Non-payment of interest***

the Issuer fails to pay any amount of interest in respect of any of the Bonds of such series when due and payable and such failure continues for a period of 30 days; or

(c) ***Breach of other obligations or undertakings***

the Issuer defaults in the performance or observance of, or compliance with, any of its other obligations or undertakings in respect of any of the Bonds of such series (including any default in the performance or observance of, or compliance with, the Issuer's obligations under the Deed of Covenant) and either such default is not capable of remedy or such default (if capable of remedy) is not remedied within 60 days after written notice of such default shall have been given to the Issuer by any Bondholder of such series; or

(d) ***Bankruptcy or Insolvency of Issuer***

the Issuer:

(i) institutes a voluntary case concerning itself, or takes any action to form an arrangement with creditors for the purpose of paying its past due debts or seeking liquidation or reorganisation or a moratorium on its payments, in each case under any bankruptcy law (or any successor or similar statute in any relevant jurisdiction), or enters into a general assignment for the benefit of its creditors, or institutes any corporate action for the purpose of effecting any of the foregoing or claiming similar relief pursuant to any applicable law; or

(ii) suffers an involuntary case against it under any such bankruptcy law and, with respect to any such involuntary case (A) the petition is not dismissed within sixty (60) days after commencement of such case, or (B) an order for relief is issued or entered therein, or a custodian, receiver, liquidator, sequestrator, trustee or other officer with similar powers is appointed for, or takes charge of, all or substantially all of the property of the Issuer; or

(iii) is adjudicated insolvent or bankrupt, or passes any effective resolution or any order of relief or other order approving any such case or proceeding is entered; or

(e) ***Unlawfulness or Invalidity***

the validity of the Bonds of such series is contested by the Issuer or the Issuer shall deny any of the Issuer's obligations under any of the Bonds of such series and/or the Deed of Covenant, or as a result of any change in any applicable law (i) it becomes unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Bonds of such series and/or the Deed of Covenant or (ii) any of such obligations becomes unenforceable or invalid,

then the holders of at least 25 per cent. in aggregate principal amount of the outstanding amount of such series of Bonds may, by notice in writing to the Issuer (with a copy to the Fiscal Agent), declare that all of the Bonds of such series to be due and payable, whereupon they shall become immediately due and payable at their outstanding principal amount together with accrued interest (if any) to the date of repayment without further action or formality. Notice of any such declaration shall promptly be given to all other Bondholders of such series by the Issuer in accordance with Condition 14 (*Notices*).

10. Prescription

Claims against the Issuer in respect of principal and interest shall become void unless made within a period of ten years, in the case of principal, and five years, in the case of interest, from the appropriate Relevant Date (as defined in Condition 8 (*Taxation*)).

11. Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar or the Transfer Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12. Meetings of Bondholders, Modification and Waiver

(a) ***Meetings of Bondholders***

The Fiscal Agency Agreement contains provisions for convening meetings of Bondholders of a relevant series to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Conditions or the provisions of the Fiscal Agency Agreement or the Deed of Covenant. Such a meeting shall be convened by the Issuer if it receives a written request from the holders of at least 10% of the aggregate principal amount of the relevant series of Bonds then outstanding.

The quorum at any such meeting for passing any Extraordinary Resolution shall be one or more persons holding or representing a clear majority of the principal amount of the relevant series of Bonds for the time being outstanding, or at any adjourned meeting one or more persons being or representing Bondholders whatever the principal amount of the relevant series of Bonds for the time being outstanding so held or represented, except that at any meeting the business of which includes consideration of proposals, inter alia, (i) to modify the maturity of the relevant series of Bonds or the due date for payment of any amount in respect of the relevant series of Bonds, (ii) to reduce or cancel the principal amount of, or interest on, the relevant series of Bonds, (iii) to change the currency of payment of the relevant series of Bonds, (iv) to sanction the exchange or substitution for the Bonds of, or the conversion of the Bonds into, shares, bonds or other obligations or securities of the Issuer or any other entity, (v) to modify the provisions concerning the quorum required at any meeting of the relevant series of Bondholders or the majority required to pass an Extraordinary Resolution, (vi) to modify the provisions of Condition 8 (*Taxation*) in any manner which would result in any Bondholder receiving less than the full amount of principal of and interest on the relevant series of Bonds, (vii) to modify the percentage required to pass any resolution, or (viii) to modify the obligations of the Issuer under the Deed of Covenant, the necessary quorum for passing an Extraordinary Resolution shall be one or more persons holding or representing not less than three-quarters, or at any adjourned such meeting not less than one-quarter, of the principal amount of the relevant series of Bonds for the time being outstanding.

The Fiscal Agency Agreement provides that:

(i) a resolution that affects the Bonds of only one series shall be transacted at a separate meeting of the Bondholders of that series;

(ii) a resolution that affects the Bondholders of more than one series but does not give rise to an actual or potential conflict of interest between the Bondholders of each series shall be transacted either at separate meetings of the Bondholders of each series or at a single meeting of the Bondholders of such series; and

(iii) a resolution that affects the Bondholders of more than one series and gives rise to any conflict of interest, actual or potential, between the Bondholders of each series shall be transacted at separate meetings of the Bondholders of each series.

"**Extraordinary Resolution**" means a resolution passed at a duly convened meeting of the relevant series of Bondholders by a majority consisting of at least three-quarters of the votes cast. An Extraordinary Resolution duly passed at any meeting of a series of Bondholders will be binding on all Bondholders of such series whether or not they are present at the meeting and shall be notified to the Bondholders of such series in accordance with Condition 14 (*Notices*).

A written resolution signed by or on behalf of the holders of at least three-quarters of the aggregate principal amount of the relevant series of Bonds outstanding (a "**Written Resolution**") shall be as valid and effective as a duly passed Extraordinary Resolution.

(b) ***Outstanding Bonds***

For the purposes of (i) ascertaining the right to attend and vote at any meeting of Bondholders and (ii) Condition 9 (*Events of Default*), this Condition 12 and Schedule 6 (*Provisions for Meetings of Bondholders*) to the Fiscal Agency Agreement, those Bonds (if any) which are for the time being held by any person (including but not limited to the Issuer) for the benefit of the Issuer or by any subsidiary of the Issuer shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

(c) ***Modification and waiver***

The parties to the Fiscal Agency Agreement may agree, without the consent of the Bondholders, to any modification of any provision of the Fiscal Agency Agreement or the Bonds which is of a formal, minor or technical nature or is made to correct a manifest error.

(d) ***Written Resolutions and Electronic Consents***

A Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Bondholders of the relevant series.

For so long as any series of Bonds are in the form of a global Bond held on behalf of one or more of Euroclear, Clearstream, Luxembourg, DTC or any other clearing system (the "**relevant clearing systems**"), then:

(i) approval of a resolution proposed by the Issuer given by way of electronic consent communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures (A) by or on behalf of all Bondholders of the relevant series who for the time being are entitled to receive notice of a meeting of Bondholders of that series or (B) (where such holders have been given at least 21 days' notice of such resolution) by or on behalf of the holders of at least three-quarters of the aggregate principal amount of the relevant series of Bonds outstanding (an "**Electronic Consent**"), shall for all purposes take effect as an Extraordinary Resolution. An Electronic Consent may only be used in relation to a resolution proposed by the Issuer which is not then the subject of a meeting that has been validly convened, unless that meeting is or shall be cancelled or dissolved; and

(ii) where Electronic Consent has not been sought, for the purposes of determining whether a Written Resolution has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer (A) by accountholders in the relevant clearing system(s) with entitlements to any global Bond and/or (B) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (A) above, the relevant clearing system(s) and, in the case of (B) above, the relevant clearing system(s) and the accountholder identified by the relevant clearing system(s). Any such certificate or other document (i) shall be conclusive and binding for all purposes and (ii) may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the relevant series of Bonds is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

A Written Resolution and/or Electronic Consent (i) shall take effect as an Extraordinary Resolution and (ii) will be binding on all Bondholders of the relevant series, whether or not they participated in such Written Resolution and/or Electronic Consent, even if the relevant consent or instruction proves to be defective.

13. Further Issues

With respect to the 2026 Bonds, the 2031 Bonds and the 2041 Bonds, the Issuer shall be at liberty from time to time, without the consent of any of the Bondholders, to create and issue further 2026 Bonds, further 2031 Bonds and further 2041 Bonds ranking equally in all respects (or in all respects save for the date for and amount of the first payment of interest thereon and the date on which such interest begins to accrue) so that the same shall be consolidated and form a single series with and increase the aggregate principal amount of the 2026 Bonds, the 2031 Bonds and the 2041 Bonds, as the case may be, then outstanding.

With respect to the 2051 Bonds, to the extent permitted by applicable laws and regulations of the Republic of China and subject to the receipt of all necessary regulatory and listing approvals from the relevant authorities, including but not limited to the Taipei Exchange and the Taiwan Securities Association, the Issuer shall be at liberty from time to time, without the consent of any of the Bondholders, to create and issue further 2051 Bonds ranking equally in all respects (or in all respects save for the date for and amount of the first payment of interest thereon and the date on which such interest begins to accrue) so that the same shall be consolidated and form a single series with and increase the aggregate principal amount of the 2051 Bonds, as the case may be, then outstanding.

14. Notices

Notices to the Bondholders will be sent to them by first class mail (airmail if overseas) at their respective addresses on the Register, and will be deemed to have been given on the fourth day after the date of mailing. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of the FCA, the London Stock Exchange and any other stock exchange (or any other relevant authority) on which any series of the Bonds are for the time being listed or admitted to trading, including publication on the website of the relevant stock exchange or relevant authority if required by those rules.

All notices shall be in English and shall be deemed to have been given on the date of publication (where applicable), or if published more than once or on different dates, on the first date on which publication is made.

So long as the Bonds of any series are represented by one or more global bonds and such global bond(s) is/are held on behalf of a clearing system, notices to Bondholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for notification as required by the paragraph above, except that for so long as any Bonds are listed on the Main Market of the London Stock Exchange and/or any other stock exchange and the rules of the London Stock Exchange and/or any other stock exchange so require, notices will also be published on the website designated by the relevant stock exchange.

15. Currency Indemnity

U.S. dollars is the sole currency of account and payment for all sums payable by the Issuer under or in connection with each series of the Bonds, including damages. Any amount received or recovered in a currency other than U.S. dollars (whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Bondholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the U.S. dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that U.S. dollar amount is less than the U.S. dollar amount expressed to be due to the recipient under any Bond, the Issuer shall indemnify such recipient against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. These indemnities constitute separate and independent obligations from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgences granted by any Bondholder and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Bond or any judgment or order.

16. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of any series of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

17. Governing Law and Arbitration

(a) ***Governing Law***

Each series of Bonds, and any non-contractual obligations arising out of or in connection therewith, shall be governed by, and construed in accordance with, English law.

(b) ***Arbitration***

Any dispute, controversy or claim with or against the Issuer which arises out of or relates to any series of the Bonds (a "**Dispute**") shall be referred to and be finally resolved by arbitration in accordance with the Arbitration Rules of The London Court of International Arbitration (the "**LCIA Rules**"). There shall be an arbitral tribunal composed of three arbitrators, one appointed by the relevant Bondholder in accordance with the LCIA Rules and one appointed by the Issuer in accordance with the LCIA Rules and the third, who shall chair the arbitral tribunal, appointed by the two party-appointed arbitrators in accordance with the LCIA Rules. Failing such agreement within 15 days of the confirmation of the appointment of the second arbitrator, the third arbitrator shall be appointed by The London Court of International Arbitration. The presiding arbitrator shall be fluent in the English language and have substantial prior experience as an arbitrator of international commercial disputes. The place of arbitration shall be London. The English language shall be used throughout the arbitral proceedings. The award of the arbitral tribunal shall be final and binding on the parties and may be entered and enforced in any court having jurisdiction.

(c) ***Process Agent***

The Issuer has irrevocably appointed Law Debenture Corporate Services Limited at 8th Floor, 100 Bishopsgate, London EC2N 4AG, United Kingdom as its authorised agent for the service of process in England in respect of any Dispute. Nothing contained herein shall affect the right to serve process in any other manner permitted by law.

(d) ***Waiver of Immunity***

The Issuer hereby irrevocably and unconditionally agrees that, should any person bring legal proceedings against the Issuer or its assets in connection with any series of the Bonds, no immunity (sovereign or otherwise) from such legal proceedings (which shall be deemed to include, without limitation, suit, attachment prior to judgment, other attachment, levy, the obtaining of judgment, execution or other enforcement) shall be claimed by or on behalf of the Issuer or with respect to any of its assets. In addition, to the extent that the Issuer or any of its assets shall be entitled in any jurisdiction to any immunity from set-off, banker's lien or any similar right or remedy, and to the extent that there shall be attributed, in any jurisdiction, such an immunity, the Issuer hereby irrevocably agrees not to claim and irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction with respect to any claim, suit, action, proceeding, right or remedy arising out of or in connection with any series of the Bonds.

(e) ***Consent to Proceedings***

The Issuer irrevocably and generally consents in respect of any Proceedings anywhere to the giving of any relief or the issue of any process in connection with those Proceedings including, without limitation, the making, enforcement or execution against the Issuer or any of its assets of any order or judgment which may be made or given in those Proceedings; provided that, in no circumstances is it possible to attach or execute against any assets or property of the Issuer necessary for the State of Qatar to properly function as a sovereign entity.

THE GLOBAL BONDS

The Global Bonds contain the following provisions which apply to the Bonds in respect of which they are issued while they are represented by the Global Bonds, some of which modify the effect of the Conditions. Terms defined in the Conditions have the same meaning in the paragraphs below.

Holders

For so long as DTC or its nominee or Euroclear, Clearstream, Luxembourg or the nominee of their common depositary is the registered holder of a Global Bond, DTC, Euroclear, Clearstream or such nominees, as the case may be, will be considered the sole owner or holder of the Bonds represented by such Global Bond for all purposes under the Fiscal Agency Agreement and the Bonds. Payments of principal, interest and additional amounts, if any, in respect of the Global Bonds will be made to DTC, Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, as the registered holder thereof. None of the Issuer, any Agent or any Bank or any affiliate of any of the above or any person by whom any of the above is controlled for the purposes of the Securities Act will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Bonds or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The holdings of book entry interests in the Bonds through Euroclear, Clearstream, Luxembourg and DTC will be reflected in the book entry accounts of each such institution. As necessary, the Registrar will adjust the amounts of each series of Bonds on the Register for the accounts of (i) a nominee of Euroclear and Clearstream, Luxembourg (ii) Cede & Co. to reflect the amounts of each series of Bonds held through Euroclear and Clearstream, Luxembourg on the one hand and DTC on the other. Beneficial ownership of Bonds will be held directly through DTC, Euroclear or Clearstream, Luxembourg in the case of accountholders ("**Direct Participants**") or indirectly through organisations that are accountholders therein ("**Indirect Participants**" and, together with Direct Participants, "**Participants**").

Cancellation

Cancellation of any Bond represented by a Global Bond following its redemption or purchase by the Issuer in accordance with the Conditions, will be effected by the presentation of the relevant Global Bond to or to the order of the Fiscal Agent for notation of such cancellation and by a corresponding reduction in the principal amount of such Bonds shown in the Register.

Payments

Distributions of principal and interest with respect to book entry interests in each series of Bonds held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by Euroclear or Clearstream, Luxembourg from the Fiscal Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg customers in accordance with the relevant system's rules and procedures.

Holders of book entry interests in each series of Bonds through DTC will receive, to the extent received by DTC from the Paying Agent, all distributions of principal and interest with respect to book entry interests in each series of Bonds from the Paying Agent through DTC in accordance with DTC's customary procedures and practices. Distributions of principal and interest in the United States will be subject to relevant U.S. tax laws and regulations.

Interest on each series of Bonds (other than interest on redemption) will be paid to the holder shown on the Register on the business day before the due date for such payment so long as such Bonds are represented by a Global Bond, instead of on the 15th day before the due date for such payment applicable if such Bonds cease to be represented by a Global Bond and are in the form of Certificates (the "**Record Date**"). Trading between the Restricted Global Bonds and the Unrestricted Global Bond of the same series will therefore be net of accrued interest from the relevant Record Date to the relevant interest payment date. For the purposes hereof and for the transfer of or exchange of interests in a Global Bond for Certificates, "business day" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in London and New York City.

Notices

So long as any of the Bonds are represented by one or more of the Global Bonds and such Global Bond(s) is/are held on behalf of a clearing system, notices to Bondholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for notification as required by the Conditions, except that for so long as any Bonds are listed on the Main Market of the London Stock Exchange and/or any other stock exchange and the rules of the London Stock Exchange and/or any other stock exchange so require, notices will also be published on the website designated by the relevant stock exchange. Any such notice shall be in English and shall be deemed to have been given on the date of such publication, or if published more than once or on different dates, on the first date on which publication is made.

Registration of Title and Exchange for Individual Certificates

Registration of title to Bonds initially represented by the Restricted Global Bonds of any series in a name other than DTC or a successor depositary or one of their respective nominees will not be permitted unless (i) such depositary notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the relevant Restricted Global Bonds or ceases to be a "clearing agency" registered under the Exchange Act, or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of such depositary, or (ii) an Event of Default has occurred and is continuing.

Registration of title to Bonds initially represented by the Unrestricted Global Bond of any series in a name other than the nominee of the common depositary for Euroclear and Clearstream, Luxembourg will not be permitted unless (i) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or (ii) an Event of Default has occurred and is continuing.

In such circumstances, the relevant Restricted Global Bonds shall be exchanged for individual certificates of the same series in definitive form ("**Restricted Certificates**") and/or the relevant Unrestricted Global Bond shall be exchanged for individual certificates of the same series in definitive form ("**Unrestricted Certificates**") and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Certificates of the relevant series to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Bondholders. A person having an interest in a Global Bond of the relevant series must provide the Registrar with (i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Certificates, and (ii) in the case of the Restricted Global Bonds of the relevant series only, a fully completed, signed certificate substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of a simultaneous sale pursuant to Rule 144A, Regulation S or Rule 144 under the Securities Act (if available), as the case may be, that the transfer is being made in compliance with the provisions of Rule 144A, Regulation S or Rule 144, as applicable. Certificates issued in exchange for a beneficial interest in a Restricted Global Bond shall bear the legends applicable to transfers pursuant to Rule 144A, as set out under "*Transfer Restrictions*".

The holder of a Bond may transfer such Bond in accordance with the provisions of Condition 2 (see "*Terms and Conditions of the Bonds—Transfer of Bonds and Issue of Bonds*"). Under the current procedures of the clearing systems, Certificates would not be eligible for trading in the clearing systems.

Upon the transfer, exchange or replacement of a Restricted Certificate bearing the legend referred to under "*Transfer Restrictions*" or upon specific request for removal of the legend on a Restricted Certificate, the Issuer will deliver only Restricted Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

The Registrar will not register the transfer of or exchange of interests in any Global Bond for Certificates for a period of three business days ending on the due date for any payment of principal.

Transfers

A beneficial interest in an Unrestricted Global Bond may be transferred to a person who wishes to take delivery of such beneficial interest through a Restricted Global Bond of the same series, but such transfers will continue to be subject to the transfer restrictions contained in the legend appearing on the face of such Restricted Global Bond, as set out under "*Transfer Restrictions*". Transfers of beneficial interests in a Restricted Global Bond to persons wishing to take delivery of such beneficial interests through a Restricted Global Bond of the same series will at all times be subject to such transfer restrictions.

A beneficial interest in a Restricted Global Bond may be transferred to a person who wishes to take delivery of such beneficial interest through the Unrestricted Global Bond of the same series only upon receipt by the Registrar of a written certification from the transferor (in the applicable form provided in the Fiscal Agency Agreement) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the Securities Act (if available).

Any beneficial interest in either a Restricted Global Bond or an Unrestricted Global Bond that is transferred to a person who takes delivery in the form of a beneficial interest in the other Global Bond of the same series will, upon transfer, cease to be a beneficial interest in such Global Bond and become a beneficial interest in the other Global Bond of the same series and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to a beneficial interest in such other Global Bond for so long as such person retains such an interest.

The laws of some jurisdictions may require that certain persons take physical delivery of Bonds in definitive form. Consequently, the ability to transfer interests in a Global Bond to such persons will be limited. Because DTC, Euroclear and Clearstream, Luxembourg can only act on behalf of Participants, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in a Global Bond to pledge such interest to persons or entities which do not participate in the relevant clearing system, or otherwise take actions in respect of such interest, may be affected by lack of a physical certificate in respect of such interest.

CLEARING AND SETTLEMENT

Custodial and depositary links are to be established between DTC, Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Bonds and cross-market transfers of the Bonds associated with secondary market trading. See "*Book-Entry Ownership*" and "*Settlement and Transfer of Bonds*".

Investors may hold their interests in a Global Bond directly through DTC, Euroclear or Clearstream, Luxembourg as Direct Participants or indirectly through organisations that are accountholders therein as Indirect Participants.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations.

DTC

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the Issuer of New York, a "banking organisation" under the laws of the Issuer of New York, a member of the US Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its Participants and facilitate the clearance and settlement of securities transactions between Participants through electronic computerised book-entry changes in accounts of its Participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC Direct Participant, either directly or indirectly.

Investors may hold their interests in the Restricted Global Bonds directly through DTC if they are Direct Participants in the DTC system, or as Indirect Participants through organisations which are Direct Participants in such system.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Bonds only at the direction of one or more Direct Participants and only in respect of such portion of the aggregate principal amount of the Restricted Global Bonds as to which such Participant or Participants has or have given such direction. However, in the circumstances described under "*The Global Bonds—Registration of Title and Exchange for Individual Certificates*", DTC will cause the Custodian to surrender the Restricted Global Bonds for exchange for Restricted Certificates (which will bear the legend applicable to transfers pursuant to Rule 144A).

Payments through DTC

Payments of principal and interest in respect of a Global Bond registered in the name of, or in the name of a nominee for, DTC will be made to the order of such nominee as the registered holder of such Bond.

Book-Entry Ownership

Euroclear and Clearstream, Luxembourg

The Unrestricted Global Bond for each series representing interests in the relevant series of Unrestricted Bonds will have an ISIN and a Common Code and will be registered in the name of a nominee for, and deposited with a common depositary on behalf of, Euroclear and Clearstream, Luxembourg.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855, Luxembourg.

DTC

The Restricted Global Bonds for each series representing interests in the relevant series of Restricted Bonds will have an ISIN and a CUSIP number and will be deposited with the Custodian for, and registered in the name of Cede & Co. as nominee of, DTC. The Custodian and DTC will electronically record the principal amount of the Bonds held within the DTC System.

The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg as the holder of any Bond evidenced by a Global Bond must look solely to DTC, Euroclear or Clearstream, Luxembourg (as the case may be) for its share of each payment made by the Issuer to the holder of such Global Bond and in relation to all other rights arising under such Global Bond, subject to and in accordance with the respective rules and procedures of DTC, Euroclear or Clearstream, Luxembourg (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Bonds evidenced by a Global Bond, the common depositary by whom such Bond is held, or nominee in whose name it is registered, will immediately credit the relevant Participants' or accountholders' accounts in the relevant clearing system with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Bond as shown on the records of the relevant common depositary or its nominee. The Issuer also expects that payments by Direct Participants in any clearing system to owners of beneficial interests in any Global Bond held through such Direct Participants in any clearing system will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Bonds for so long as the Bonds are evidenced by such Global Bond and the obligations of the Issuer will be discharged by payment to the registered holder of such Global Bond in respect of each amount so paid. None of the Issuer or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Bond or for maintaining, supervising or reviewing any records relating to such ownership interests.

Settlement and Transfer of Bonds

Subject to the rules and procedures of each applicable clearing system, purchases of any Bonds held within a clearing system must be made by or through Direct Participants, which will receive a credit for such Bonds on the clearing system's records. The ownership interest of each actual purchaser of each such Bond (the "**Beneficial Owner**") will in turn be recorded on the Direct and Indirect Participants' records.

Beneficial Owners will not receive written confirmation from any clearing system of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction.

Transfers of ownership interests in any Bonds held within the clearing system will be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates evidencing their ownership interests in such Bonds, unless and until interests in any Global Bonds held within a clearing system are exchanged for Restricted and/or Unrestricted Certificates.

No clearing system has knowledge of the actual Beneficial Owners of the Bonds held within such clearing system and their records will reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some jurisdictions may require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Bond to such persons may be limited. As DTC can only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in a Restricted Global Bond to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by a lack of a physical certificate in respect of such interest.

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market sales of book-entry interests in any Bonds held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in such Bonds held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds.

Trading between DTC Participants

Secondary market sales of book-entry interests in any Bonds between DTC Participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement system in same-day funds, if payment is effected in U.S. dollars, or free of payment, if payment is not effected in U.S. dollars. Where payment is not effected in U.S. dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

Trading between DTC seller and Euroclear/Clearstream, Luxembourg Purchaser

When book-entry interests in Bonds are to be transferred from the account of a DTC Participant holding a beneficial interest in a Restricted Global Bond to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in the Unrestricted Global Bond of the same series (subject to the certification procedures provided in the Fiscal Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12 noon, New York City time, on the settlement date. Separate payment arrangements are required to be made between the DTC Participant and the relevant Euroclear or Clearstream, Luxembourg Participant. On the settlement date, the Custodian will instruct the Registrar to (i) decrease the amount of Bonds registered in the name of Cede & Co. and evidenced by the relevant Restricted Global Bond and (ii) increase the amount of Bonds registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Unrestricted Global Bond of the same series. Book-entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

Trading between Euroclear/Clearstream, Luxembourg seller and DTC Purchaser

When book-entry interests in Bonds are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC Participant wishing to purchase a beneficial interest in a Restricted Global Bond (subject to the certification procedures provided in the Fiscal Agency Agreement), the

Euroclear or Clearstream, Luxembourg Participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7:45 p.m., Brussels or Luxembourg time, one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the common depositary for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC Participant on the settlement date. Separate payment arrangements are required to be made between the DTC Participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depositary for Euroclear and Clearstream, Luxembourg will (a) transmit appropriate instructions to the Custodian of the Restricted Global Bonds who will in turn deliver such book-entry interests in the Bonds of the relevant series free of payment to the relevant account of the DTC Participant and (b) instruct the Registrar to (i) decrease the amount of such Bonds registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Unrestricted Global Bond of the same series; and (ii) increase the amount of such Bonds registered in the name of Cede & Co. and evidenced by the Restricted Global Bonds of the same series.

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in Global Bonds among Participants and accountholders of DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, any Agent or Bank, or any affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act, will have any responsibility for the performance by DTC, Euroclear, Clearstream, Luxembourg or their respective Direct or Indirect Participants of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described above.

Settlement of Pre-Issue Trades

It is expected that delivery of Bonds will be made against payment therefor on the Closing Date, which is expected to be seven business days following the date of pricing (being 1 July 2021). Under Rule 15c6-1 under the Exchange Act, trades in the United States secondary market generally are required to settle within three business days (T+3), unless the parties to any such trade expressly agree otherwise. Settlement procedures in other countries will vary.

Accordingly, purchasers who wish to trade Bonds in the United States between the date of pricing and the day falling four business days prior to the Closing Date will be required, by virtue of the fact the Bonds initially are expected to settle seven business days following the date of pricing, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary.

Purchasers of Bonds may be affected by such local settlement practices and purchasers of Bonds between the relevant date of pricing and the Closing Date should consult their own advisors.

Republic of China Settlement and Trading

The Issuer has not entered into any settlement agreement with Taiwan Depository & Clearing Corporation (“**TDCC**”) and has no intention to do so.

In the future, if the Issuer enters into a settlement agreement with TDCC, an investor, if it has a securities book-entry account with a Taiwan securities broker and a foreign currency deposit account with a Taiwanese bank, may settle the 2051 Bonds through the account of TDCC with Euroclear or Clearstream, Luxembourg if it applies to TDCC (by filing in a prescribed form) to transfer the 2051 Bonds in its own account with Euroclear or Clearstream to such TDCC account with Euroclear or Clearstream, Luxembourg for trading in the domestic market or vice versa for trading in overseas markets. For settlement through TDCC, TDCC will allocate the respective 2051 Bonds position to the securities book-entry account designated by such investor in the ROC. The 2051 Bonds will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the TPEx as domestic bonds. For such investors who hold their interest in the 2051 Bonds through an account opened and held by TDCC with Euroclear or Clearstream, Luxembourg, distributions of principal and/or interest for the 2051 Bonds to such holders may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the holders. Such payment is expected to be made on the second Taiwanese business day following TDCC's receipt of such payment (due to time difference, the payment is expected to be received by TDCC one Taiwanese business day after the distribution date). However, when the holders actually receive such distributions may vary depending upon the daily operations of the Taiwanese banks with which the holder has the foreign currency deposit account.

TAXATION

The following is a general description of certain Qatari, United States and ROC tax considerations relating to the Bonds. It does not purport to be a complete analysis of all tax considerations relating to the Bonds, nor does it address the considerations that are dependent on individual circumstances, whether in those jurisdictions or elsewhere. Prospective holders should note that the Issuer is not obligated to update this section for any subsequent changes or modification to the applicable tax laws. Prospective investors in the Bonds should consult their own tax advisors as to which countries' tax laws could be relevant to acquiring, holding and disposing of Bonds and receiving payments of interest, principal and/or other amounts under the Bonds and the consequences of such actions under the tax laws of those countries. This overview is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

State of Qatar

The following is a summary of the principal Qatari tax consequences of ownership of the Bonds by beneficial owners who or which are not incorporated in or residents of the State of Qatar for Qatari tax purposes and do not conduct business activities in the State of Qatar ("**Non-Qatari Holders**"). This summary of taxation in the State of Qatar is based upon (i) the tax law of Qatar, (ii) the executive regulations thereunder and (iii) the practice that has been adopted and is applied by the GTA, each as in effect on the date of this Prospectus. The views expressed in this summary are subject to any subsequent change in Qatari law, regulations and practice that may come into effect as of such date. Under current Qatari law, taxes are levied on a taxpayer's income arising from activities in Qatar. However, payments made by the Issuer to Non-Qatari Holders will not be subject to Qatari income taxes because such income tax does not apply to payments under the Bonds and the Agency Agreement made to Non-Qatari Holders.

The Income Tax Law came into force on 13 December 2018 replacing Law No. 21 of 2009 and its income tax executive regulations were issued in December 2019 (the "**Executive Regulations**").

The Income Tax Law and the Executive Regulations provide that any payment of interest and fees made in relation to bonds issued by a Qatari corporate entity will be subject to withholding tax. However, the Executive Regulations provide for certain exemptions to such application of withholding tax. Paragraph 2 of Article 21.4 of the Executive Regulations provides that: "*interest on bonds and securities issued by the State and public authorities, establishments and corporations owned wholly or partly by the State*" shall not be subject to withholding tax. As the Issuer is a public corporation, presently owned by the State of Qatar, it will be exempt from the requirement to withhold tax. If the Issuer ceases to be a public corporation owned by the State of Qatar, the exemption at Paragraph 2 of Article 21.4 of the Executive Regulations will cease to apply. The Issuer would benefit from an exemption under Paragraph 3 of Article 21.4 of the Executive Regulations, which provides that interest on transactions, facilities and loans with banks and financial institutions shall not be subject to withholding tax provided the interest is being paid to a bank or financial institution. Any fees payable by the Issuer to any party that is non-resident in the State of Qatar will be liable to withholding tax as no specific exemption applies. However, the Issuer has agreed that all payments of principal and interest in respect of the Bonds will be made free and clear of withholding taxes payable in Qatar, and the Issuer will be required to pay additional amounts in respect of any such withholding or deduction imposed by or on behalf of the State of Qatar in certain circumstances. See "*Terms and Conditions of the Bonds—Taxation*".

Non-Qatari Holders will be exempt from income tax in the State of Qatar on any capital gains derived from a sale of Bonds issued by QP as a Qatar public corporation. However, Non-Qatari Holders may have an obligation to file a capital gains tax return and disclose the tax exemption within 30 days from the date of concluding the contract or disposing of the Bond, whichever is the earlier. Under current Qatari law, no Qatari stamp duty will be imposed on Non-Qatari Holders either upon the issuance of the Bonds or upon a subsequent transfer of Bonds

Certain United States Federal Income Tax Consequences

The following discussion is a summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of the Bonds, but does not purport to be a complete analysis of all potential tax effects. The summary is limited to consequences relevant to a U.S. Holder (as defined below) and does not address the effects of any U.S. federal tax laws other than U.S. federal income tax laws (such as estate and gift tax laws) or any state, local or non-U.S. tax laws. This discussion is based upon the Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury regulations issued thereunder, and judicial and administrative interpretations thereof, each as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. No rulings from the U.S. Internal Revenue Service ("**IRS**") have been or are expected to be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Bonds or that any such position would not be sustained.

This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a U.S. Holder in light of such U.S. Holder's particular circumstances, including the impact of the unearned income Medicare contribution tax, or to U.S. Holders subject to special rules, such as certain financial institutions, U.S. expatriates, insurance companies, dealers or traders in securities or currencies, U.S. Holders whose functional currency is not the U.S. dollar, tax exempt entities, regulated investment companies, real estate investment trusts, grantor trusts, partnerships or other pass through entities and investors in such entities, persons liable for alternative minimum tax, U.S. Holders that hold the Bonds through non-U.S. brokers or other non-U.S. intermediaries and persons holding the Bonds as part of a "straddle", "hedge", "conversion transaction" or other integrated transaction. In addition, this discussion is limited to persons who purchase the Bonds for cash at original issue and at their "issue price" (i.e., the first price at which a substantial amount of the Bonds is sold to the public for cash, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) and who hold the Bonds as capital assets within the meaning of section 1221 of the Code. In addition, this discussion does not address the rules requiring persons that use the accrual method of accounting to include certain amounts in income no later than the time such amounts are reflected on certain financial statements.

For purposes of this discussion, a "**U.S. Holder**" is a beneficial owner of a Bond that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States; (ii) a corporation or any entity taxable as a corporation for U.S. federal income tax purposes created or organized in the United States or under the laws of the United States, any state thereof or the District of Columbia; (iii) any estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or if a valid election is in place, to treat the trust as a U.S. person.

If any entity treated as a partnership for U.S. federal income tax purposes holds the Bonds, the U.S. tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. A partnership considering an investment in the Bonds, and partners in such a partnership, should consult their tax advisors regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of the Bonds.

Prospective purchasers of the Bonds should consult their tax advisors concerning the tax consequences of the purchase, ownership, and disposition of Bonds in light of their particular circumstances, including the application of the U.S. federal income tax considerations discussed below, as well as the application of other federal, state, local, foreign or other tax laws.

Certain Additional Amounts

In certain circumstances (see "*Terms and Conditions of the Bonds—Redemption, Purchase and Cancellation—Redemption at the Option of the Issuer*"), the Issuer may be obligated to pay amounts on the Bonds that are in excess of interest or principal on the Bonds. Although the issue is not free from doubt, the Issuer intends to take the position that the possibility of such payments does not result in the Bonds being treated as contingent payment debt instruments under the applicable Treasury Regulations. Our position is binding on a U.S. Holder unless such holder discloses its contrary position in the manner required by applicable Treasury Regulations. However, our position is not binding on the IRS, and if the IRS were to take a contrary position, U.S. Holders may be required to treat any gain recognised on the sale or other disposition of the Bonds as ordinary income rather than as capital gain. Furthermore, U.S. Holders would be required to accrue interest income on a constant yield basis at an assumed yield determined at the time of issuance of the Bonds, with adjustments to such accruals when any contingent payments are made that differ from the payments calculated based on the assumed yield. U.S. Holders are urged to consult their tax advisors regarding the potential application to the Bonds of the contingent payment debt instrument rules and the consequences thereof. The remainder of this discussion assumes that the Bonds will not be treated as contingent payment debt instruments.

Payments of Interest on the Bonds

Interest paid on a Bond (including any additional amounts paid in respect of withholding taxes and without reduction for any amounts withheld) will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received, in accordance with a U.S. Holder's method of accounting for U.S. federal income tax purposes. It is expected, and this discussion assumes, that each series of Bonds will be issued without original issue discount for U.S. federal income tax purposes. If, however, the principal amount of a series of Bonds exceeds the issue price of such series of Bonds by an amount that does not satisfy a *de minimis* test, a U.S. Holder will be required to include the excess in income (as ordinary income) as original issue discount, as it accrues, in accordance with a constant-yield method based on compounding of interest, before the receipt of cash attributable to this income, regardless of such U.S. Holder's method of accounting for U.S. federal income tax purposes.

Foreign Tax Credits; Source

Interest income with respect to a Bond will generally constitute "passive" category income and generally will constitute foreign-source income for U.S. federal income tax purposes, which is relevant in calculating a U.S. Holder's foreign tax credit limitation. The rules governing foreign tax credits are complex, and U.S. Holders should consult their tax advisors regarding the availability of foreign tax credits in their particular situation.

Sale or Other Disposition of the Bonds

Upon the sale, exchange, retirement, redemption or other taxable disposition of a Bond, a U.S. Holder will generally recognize taxable gain or loss equal to the difference, if any, between the amount realized on the disposition and such U.S. Holder's tax basis in such Bond. Such gain or loss will generally be U.S. source income or loss for purposes of computing a U.S. Holder's foreign tax credit limitation. A U.S. Holder's tax basis in a Bond will generally equal the cost of such Bond. For these purposes, the amount realized does not include any amount attributable to accrued but unpaid interest, which will be treated as interest, as described under "Payments of Interest on the Bonds" above.

Gain or loss, if any, realized on the sale or other taxable disposition of a Bond will generally be capital gain or loss, and will be long-term capital gain or loss if at the time of the disposition such Bond has been held for more than one year. Long-term capital gains recognized by non-corporate taxpayers are subject to reduced rates. The deductibility of capital losses is subject to limitations.

Additional Bonds

The Issuer may issue additional bonds to be consolidated and form a single series with the 2026 Bonds, the 2031 Bonds, the 2041 Bonds or the 2051 Bonds then outstanding. See "*Terms and Conditions of the Bonds—Further Issues*". The additional bonds, even if they are treated for non-tax purposes as part of the same series as the 2026 Bonds, the 2031 Bonds, the 2041 Bonds or the 2051 Bonds, in some cases may be treated as a separate series for United States federal income purposes. In such event, if the additional bonds are issued with original issue discount for United States federal income tax purposes, this may affect the market value of the 2026 Bonds, the 2031 Bonds, the 2041 Bonds or the 2051 Bonds, as the case may be, since such additional bonds may not be distinguishable from the outstanding 2026 Bonds, the outstanding 2031 Bonds, the outstanding 2041 Bonds or the outstanding 2051 Bonds.

Information Reporting and Backup Withholding

In general, payments of interest or principal and the proceeds from sales of Bonds held by a U.S. Holder will be required to be reported to the IRS unless the U.S. Holder is a corporation or other exempt recipient and, when required, demonstrates this fact. In addition, a U.S. Holder that is not an exempt recipient may be subject to backup withholding unless it provides a taxpayer identification number and otherwise complies with applicable certification requirements.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a holder's United States federal income tax liability and may entitle the holder to a refund, provided that the appropriate information is timely furnished to the IRS.

Foreign Asset Reporting

Certain U.S. Holders may be required to report information relating to an interest in the Bonds, subject to certain exceptions (including an exception for Bonds held in accounts maintained by certain financial institutions). This law also imposes penalties if a U.S. Holder is required to submit such information to the IRS and fails to do so. U.S. Holders are urged to consult their tax advisers regarding their information reporting obligations, if any, with respect to their ownership and disposition of Bonds.

Republic of China Taxation

The following summary of certain taxation provisions under ROC law is based on current law and practice and that the 2051 Bonds will be issued, offered, sold and re-sold, directly or indirectly, to professional investors as defined under Paragraph 1 of Article 2-1 of the TPEx Rules only. It does not purport to be comprehensive and does not constitute legal or tax advice. Investors (particularly those subject to special tax rules, such as banks, dealers, insurance companies and tax-exempt entities) should consult with their own tax advisers regarding the tax consequences of an investment in the 2051 Bonds.

Interest on the 2051 Bonds

As the Issuer is not an ROC statutory tax withholder, there is no ROC withholding tax on the interest or deemed interest to be paid on the 2051 Bonds.

Payments of any interest or deemed interest under the 2051 Bonds to an ROC individual holder are not subject to ROC income tax as such payments received by him/her are not considered to be ROC sourced income. However, such holder must include the interest or deemed interest received in calculating his/her basic income for the purpose of calculating his/her alternative minimum tax ("**AMT**"), unless the sum of the interest or deemed interest and other non-ROC sourced income received by such holder and the person(s) who is (are) required to jointly file the ROC income tax return in a calendar year is below $1 million New Taiwan Dollars ("**NT$**"). If the amount of the AMT exceeds the annual income tax calculated pursuant to the ROC Income Basic Tax Act (also known as the AMT Act), the excess becomes such holder's AMT payable.

ROC corporate holders must include any interest or deemed interest receivable under the 2051 Bonds as part of their taxable income and pay income tax at a flat rate of 20% (unless the total taxable income for a fiscal year is under NT$120,000 or under), as they are subject to income tax on their worldwide income on an accrual basis. The AMT is not applicable.

Non-ROC corporate holders are not subject to ROC income tax or AMT on any interest or deemed interest receivable or received under the 2051 Bonds.

Sale of the 2051 Bonds

In general, the sale of corporate bonds or financial bonds is subject to 0.1% securities transaction tax ("**STT**") on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act of the ROC prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026. Therefore, the sale of the 2051 Bonds will be exempt from STT if the sale is conducted on or before 31 December 2026. Starting from 1 January 2027, any sale of the 2051 Bonds will be subject to STT at 0.1% of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from ROC income tax. Accordingly, ROC individual and corporate holders are not subject to ROC income tax on any capital gains generated from the sale of the 2051 Bonds. In addition, ROC individual holders are not subject to AMT on any capital gains generated from the sale of the 2051 Bonds. However, ROC corporate holders should include such capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the annual income tax calculated pursuant to the ROC Income Basic Tax Act, the excess becomes the ROC corporate holders' AMT payable. Capital losses, if any, incurred from the sale of the 2051 Bonds by such holders could be carried over five years to offset against capital gains of same category for the purposes of calculating their AMT.

Non-ROC corporate holders with a fixed place of business (e.g., a branch) or a business agent in the ROC are not subject to ROC income tax on any capital gains generated from the sale of the 2051 Bonds. However, their fixed place of business or business agent should include any such capital gains in calculating their basic income for the purpose of calculating AMT.

As to non-ROC corporate holders without a fixed place of business and a business agent in the ROC, they are not subject to ROC income tax or AMT on any capital gains generated from the sale of the 2051 Bonds.

PROSPECTIVE INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE APPLICATION TO THEIR PARTICULAR CIRCUMSTANCES OF UNITED STATES FEDERAL INCOME TAX LAWS, QATARI TAX OR THE FTT AS WELL AS ANY INCOME TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY STATE OR LOCAL TAXING JURISDICTION WITHIN THE UNITED STATES OR ANY OTHER NON-UNITED STATES TAXING JURISDICTION PRIOR TO MAKING AN INVESTMENT IN THE BONDS.

TRANSFER RESTRICTIONS

Each purchaser of Bonds offered hereby will be deemed to have represented and agreed and acknowledged as follows (terms used herein that are defined in Rule 144A or in Regulation S are used herein as defined therein):

1. It understands that the Bonds have not been registered under the Securities Act or any other applicable securities laws and that the Bonds are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws and, unless so registered, may not be offered, sold, pledged or otherwise transferred except pursuant to a registration statement under the Securities Act and in compliance with any other applicable securities law, pursuant to an exemption therefrom, or in a transaction not subject thereto, and in each case in compliance with the conditions for transfer set forth in paragraph 6 below.

2. It is not an "affiliate" (as defined in Rule 144 under the Securities Act) of the Issuer or acting on behalf of the Issuer and (A)(i) is a qualified institutional buyer, (ii) is acquiring the Bonds for its own account or for the account of a qualified institutional buyer, and (iii) is aware, and each beneficial owner of such Bonds has been advised, that the sale of the Bonds to it is being made in reliance on Rule 144A or (B) it is a non-U.S. person purchasing Bonds in an offshore transaction in compliance with Regulation S under the Securities Act.

3. It understands and agrees that if in the future it decides to resell, pledge or otherwise transfer any Bonds or any beneficial interests in any Restricted Global Bonds, such Bonds may be resold, pledged or transferred only (A) by an initial investor (i) to the Issuer, or an affiliate of the Issuer (as defined in Rule 144 of the Securities Act), (ii) to a person whom the seller reasonably believes is a qualified institutional buyer that purchases for its own account or for the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A under the Securities Act, (iii) in an offshore transaction meeting the requirements of Rule 904 of Regulation S under the Securities Act, (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 under the Securities Act (if available) (resales described in sub clauses (i) through (iv) of this paragraph (A), "**Permitted Resales**"), or (v) pursuant to an effective registration statement under the Securities Act, or (B) by a subsequent investor in a Permitted Resale or pursuant to any other available exemption from the registration requirements under the Securities Act (provided that, as a condition to the registration of transfer of any Bonds otherwise than in a Permitted Resale, the Issuer may require delivery of any documents or other evidence (including but not limited to an opinion of counsel) that it, in its sole discretion, may deem necessary or appropriate to evidence compliance with such exemption), and in each of such cases, in accordance with any applicable securities laws of any state of the United States and any other jurisdiction.

4. It agrees to, and each subsequent holder is required to, notify any purchaser of the Bonds from it of the resale restrictions referred to in paragraph 3 above, if then applicable.

5. It understands and agrees that (A) Bonds initially offered in the United States to qualified institutional buyers will be represented by the Restricted Global Bonds and (B) that Bonds offered to non-U.S. persons outside the United States in reliance on Regulation S will be represented by the Unrestricted Global Bonds.

6. It understands that the Restricted Global Bonds and any Restricted Certificates offered hereby will bear a legend (the "**Restricted Bond Legend**") to the following, or similar effect, unless the Issuer determines otherwise in accordance with applicable law:

   THE BONDS IN RESPECT OF WHICH THIS CERTIFICATE IS ISSUED HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO THE ISSUER OR AN AFFILIATE OF

THE ISSUER, (2) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND, IN EACH OF CASES (2) TO (5) INCLUSIVE, IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION, AND THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THE BONDS IN RESPECT OF WHICH THIS CERTIFICATE IS ISSUED FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THE BONDS IN RESPECT OF WHICH THIS CERTIFICATE IS ISSUED.

7. It acknowledges that, prior to any transfer of Bonds or of beneficial interests in Global Bonds, the holder of Bonds or the holder of beneficial interests in Global Bonds, as the case may be, may be required to provide certifications and other documentation relating to the manner of such transfer and submit such certifications and other documentation as provided in the Fiscal Agency Agreement.

8. It acknowledges that the Issuer, the Banks and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements set forth herein and agrees that, if any of the acknowledgments, representations or agreements deemed to have been made by virtue of its purchase of the Bonds are no longer accurate, it shall promptly notify the Issuer and the Banks in writing, and if it is acquiring any Bonds as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

9. It understands that no representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for resales of the Bonds. Because the Issuer is permitted to issue additional bonds which may be consolidated and form a single series of bonds with the 2026 Bonds, the 2031 Bonds, the 2041 Bonds or the 2051 Bonds offered hereby, the start of the applicable holding period under Rule 144, as applicable to all of the relevant series of Bonds, could be deferred until after the date of any such additional issues. Consequently, any issue of such additional bonds could have the effect of deferring the availability of Rule 144 for purchasers of such series of Bonds for a substantial period of time.

10. Each purchaser of the Bonds offered in reliance on Regulation S will be deemed to have represented and agreed that it is purchasing such Bonds in an offshore transaction (as such terms are defined in Regulation S) pursuant to Regulation S and understands that the Unrestricted Global Bonds and any Unrestricted Certificates offered hereby will bear a legend (the "**Unrestricted Bond Legend**") to the following, or similar effect, unless the Issuer determines otherwise in accordance with applicable law substantially to the following effect:

    THIS BOND (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION ORIGINALLY NOT SUBJECT TO REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF

THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT.

11. Restricted Bonds may be exchanged for Bonds not bearing the Restricted Bond Legend but bearing the Unrestricted Bond Legend upon certification by the transferor in the form set forth in the Agency Agreement that the transfer of any such Restricted Bond has been made in accordance with Rule 904 under the Securities Act. The Issuer understands that under current market practices settlement of the transfer of any such Bond may be effected through the facilities of DTC, but that prior to the 40th day after the later of the commencement of the offering and the last original issue date of the Bonds, any such transfer may only occur through the facilities of Euroclear and/or Clearstream, Luxembourg. See "*Clearing and Settlement*".

SUBSCRIPTION AND SALE

The Issuer and the Banks listed in the first table below have entered into a subscription agreement dated 5 July 2021 with respect to the 2026 Bonds, the 2031 Bonds and the 2041 Bonds (the "**2026 Bonds, 2031 Bonds and 2041 Bonds Subscription Agreement**").

The Issuer and each of Citibank Taiwan Limited, Deutsche Bank AG, Taipei Branch, Goldman Sachs (Asia) L.L.C., Taipei Branch, HSBC Bank (Taiwan) Limited and J.P. Morgan Securities (Taiwan) Limited (together, the "**2051 Bonds Joint Bookrunning Managers**") have entered into a subscription agreement dated 5 July 2021 with respect to the 2051 Bonds (the "**2051 Bonds Subscription Agreement**"). In addition, the Issuer has entered into a structuring agent agreement dated 5 July 2021 with each of Credit Suisse Securities (Europe) Limited, Merrill Lynch International, MUFG Securities EMEA plc and QNB Capital LLC (the "**2051 Bonds Structuring Agents**") in connection with certain structuring services performed by the 2051 Bonds Structuring Agents related to the issuance of the 2051 Bonds (the "**2051 Bonds Structuring Agent Agreement**").

Subject to certain conditions, each of the Banks listed in the table below has severally agreed to purchase the principal amount of 2026 Bonds, 2031 Bonds and 2041 Bonds indicated in the table below.

	Principal Amount of		
	2026 Bonds	**2031 Bonds**	**2041 Bonds**
		(U.S.$)	
A. Global Coordinators			
Citigroup Global Markets Limited	225,000,000	525,000,000	525,000,000
J.P. Morgan Securities plc	225,000,000	525,000,000	525,000,000
B. Active Bookrunners			
Deutsche Bank AG, London Branch	150,000,000	350,000,000	350,000,000
Goldman Sachs International	150,000,000	350,000,000	350,000,000
HSBC Bank plc	150,000,000	350,000,000	350,000,000
Merrill Lynch International	150,000,000	350,000,000	350,000,000
MUFG Securities EMEA plc	150,000,000	350,000,000	350,000,000
QNB Capital LLC	150,000,000	350,000,000	350,000,000
C. Passive Bookrunner			
Credit Suisse Securities (Europe) Limited	150,000,000	350,000,000	350,000,000
Total	**1,500,000,000**	**3,500,000,000**	**3,500,000,000**

Subject to certain conditions, each of the 2051 Bonds Joint Bookrunning Managers has severally agreed to purchase the principal amount of 2051 Bonds indicated in the table below.

	Principal Amount of 2051 Bonds
	(U.S.$)
Joint Bookrunning Managers	
Citibank Taiwan Limited	800,000,000
Deutsche Bank AG, Taipei Branch	800,000,000
Goldman Sachs (Asia) L.L.C., Taipei Branch	800,000,000
HSBC Bank (Taiwan) Limited	800,000,000
J.P. Morgan Securities (Taiwan) Limited	800,000,000
Total	**4,000,000,000**

In respect of the 2051 Bonds, the 2051 Bonds Joint Bookrunning Managers are permitted to offer or sell the 2051 Bonds. The 2051 Bonds Structuring Agents are acting as structuring agents in connection with the offering of the 2051 Bonds. The 2051 Bonds Structuring Agents are not licensed or regulated entities in the ROC, and accordingly, none of the 2051 Bonds Structuring Agents has offered or sold, or will subscribe for or sell or underwrite, any of the 2051 Bonds offered, sold or re-sold hereby.

The purchase price for the 2026 Bonds will be the issue price of 99.905% of the principal amount of the 2026 Bonds, the purchase price for the 2031 Bonds will be the issue price of 98.937% of the principal amount of the 2031 Bonds, the purchase price for the 2041 Bonds will be the issue price of 99.631% of the principal amount of the 2041 Bonds, and the purchase price for the 2051 Bonds will be the issue price of 100.000% of the principal amount of the 2051 Bonds. The 2026 Bonds, 2031 Bonds and 2041 Bonds Subscription Agreement entitles each Bank party thereto to cancel the issue of the 2026 Bonds, the 2031 Bonds and the 2041 Bonds in certain circumstances prior to payment to the Issuer. The 2051 Bonds Subscription Agreement entitles the 2051 Bonds Joint Bookrunning Managers to cancel the issue of the 2051 Bonds in certain circumstances prior to payment to the Issuer.

The Issuer has given certain representations and warranties to the Banks in the 2026 Bonds, 2031 Bonds and 2041 Bonds Subscription Agreement, the 2051 Bonds Subscription Agreement and the 2051 Bonds Structuring Agent Agreement (as the case may be). In addition, the Issuer has agreed to indemnify the Banks against certain liabilities in connection with the offer and sale of the Bonds (to the extent applicable and as the case may be), including liabilities under the Securities Act. The Issuer will also reimburse the Banks in respect of certain of their expenses incurred in connection with the offer and sale of the Bonds (to the extent applicable and as the case may be).

The Banks and their affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Banks and their affiliates have from time to time performed, and in the future may perform, various financial advisory, commercial banking and investment banking services for the Issuer and its affiliates, for which they have received and/or will receive fees and expenses.

Any of the Banks and/or their subsidiaries and affiliates may act as a market maker in the financial instruments of the Issuer and may act as underwriter, placement agent, advisor or lender to the Issuer or its affiliates. The Banks and/or their affiliates, subsidiaries or employees may hold a position in any securities or financial instruments mentioned herein for their own account or deal in any other financial instruments of the Issuer in the ordinary course of their various business activities, and may offer or sell financial instruments of the Issuer otherwise than in connection with the offering contemplated herein. The Banks and/or their affiliates, subsidiaries or employees are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

European Economic Area

Each Bank has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

    (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

    (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

United Kingdom

Each Bank has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

Each Bank has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

United States of America

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Each Bank has agreed that it will only offer or sell the Bonds (a) in the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act and (b) outside the United States to non-U.S. persons in offshore transactions in compliance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S and Rule 144A under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of such Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

Canada

The sale and delivery of the Bonds to any purchaser who is a resident of Canada or otherwise subject to the laws of Canada (each such purchaser, a "**Canadian Purchaser**") by it shall be made so as to be exempt from the prospectus requirements of applicable Canadian securities laws and regulations, rulings and orders made thereunder and rules, instruments and policy statements issued and adopted by the relevant securities regulator or regulatory authority, including those applicable in each of the provinces and territories of Canada (collectively, "**Canadian Securities Laws**");

Without limiting the generality of the paragraph above, each Canadian Purchaser will, or will deemed to be, acquiring the Bonds as principal for its own account in accordance with Canadian Securities Laws, and not as agent for the benefit of another person, and each Canadian Purchaser:

(a) must not be an individual;

(b) if such Canadian Purchaser is resident in a province or territory of Canada other than Ontario, such Canadian Purchaser must be an "accredited investor" as defined in section 1.1 of National Instrument 45-106 – Prospectus Exemptions ("**NI 45-106**");

(c) if such Canadian Purchaser is resident in the Province of Ontario, such Canadian Purchaser must be an "accredited investor" as defined in Section 73.3(1) of the Securities Act (Ontario);

(d) must not be a person created or used solely to purchase or hold the Notes as an "accredited investor" as described in paragraph (m) of the definition of "accredited investor" in section 1.1 of NI 45-106; and

(e) must meet one or more of the criteria set out in section 8.18(1) of National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations in order to be classified as a "permitted client" pursuant to that instrument.

Each Bank has represented and agreed that:

(i) it will comply with all relevant Canadian Securities Laws concerning any resale of the Bonds by it and will prepare, execute, deliver, and file all documentation required by the applicable Canadian Securities Laws to permit each resale by it of the Bonds to a Canadian Purchaser; and

(ii) it has not provided and will not provide to any Canadian Purchaser any document or other material that would constitute an "offering memorandum" for purposes of Canadian Securities Laws, unless it has prepared a Canadian offering memorandum in connection with the issue of the Bonds to be prepared by the Issuer, in form and content satisfactory to the Banks, acting reasonably, and provided to the Banks.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("**NI 33-105**"), so long as a concurrent distribution of the Bonds is made to investors in the United States, the Banks are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering. In the event the Bonds are distributed to investors in Canada without a concurrent distribution of the Bonds to investors in the United States, the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest may apply.

Republic of China

Each Bank has represented and agreed that the offer and sale of the 2026 Bonds, the 2031 Bonds and the 2041 Bonds have not been and will not be registered with the Financial Supervisory Commission of the ROC and/or any other governmental or regulatory authority of the ROC pursuant to relevant securities laws and regulations and may not be offered or sold in the ROC through public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of the ROC that requires a registration or approval of the Financial Supervisory Commission of the ROC and/or any other governmental or regulatory authority of the ROC. No person or entity in the ROC has been authorised to offer or sell any of the 2026 Bonds, the 2031 Bonds or the 2041 Bonds in the ROC.

Notwithstanding of the foregoing, each Joint Bookrunning Manager has represented and agreed that the 2051 Bonds have not been, and shall not be, offered, sold or re-sold, directly or indirectly to investors other than "professional investors" as defined under Paragraph 1 of Article 2-1 of the TPEx Rules. Purchasers of the 2051 Bonds are not permitted to sell or otherwise dispose of the 2051 Bonds except by transfer to a professional investor as aforementioned.

Singapore

Each Bank has acknowledged that this Prospectus has not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act. Chapter 289, of Singapore, as modified and amended from time to time (the "**SFA**"). Accordingly, each Bank has represented and agreed that it has not offered or sold any Bonds or caused such Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell such Bonds or cause such Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Bonds, whether directly or indirectly, to any persons in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

"securities" or "securities based derivatives contracts" (each as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law; or

(iv) as specified in Section 276(7) of the SFA.

NOTIFICATION UNDER SECTION 309B(1) OF THE SFA AND THE SECURITIES AND FUTURES (CAPITAL MARKETS PRODUCTS) REGULATIONS 2018 OF SINGAPORE (THE "**CMP REGULATIONS 2018**") – In connection with Section 309(B) of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of the Bonds, the Issuer has determined, and hereby notifies all persons (including all relevant persons as defined in Section 309A(1) of the SFA)), that the Bonds are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

State of Qatar (excluding the Qatar Financial Centre)

Each Bank has represented and agreed that it has not offered, sold or delivered, and will not offer or sell or deliver at any time, directly or indirectly, any Bonds in the State of Qatar, except: (i) in compliance with all applicable laws and regulations of the State of Qatar; and (ii) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar.

State of Kuwait

Each Bank has represented and agreed that the Bonds have not been licensed for offering in the State of Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of the Bonds in the State of Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with Decree Law No. 31 of 1990, as amended, and Law No. 7 of 2010 and the bylaws thereto, as amended governing the issue, offering and sale of securities. No private or public offering of the Bonds is being made in the State of Kuwait and no agreement relating to the sale of the Bonds will be concluded in the State of Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Bonds in the State of Kuwait.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Bank has represented and agreed that the Bonds have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

Dubai International Financial Centre

Each Bank has represented and agreed that it has not offered and will not offer the Bonds to any person in the Dubai International Financial Centre unless such offer is:

(a) an "Exempt Offer" in accordance with the Market Rules (MKT) Module of the Dubai Financial Services Authority rulebook (the "**DFSA Rulebook**"); and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business (COB) Module of the DFSA Rulebook.

Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended (the "**FIEA**")). Accordingly, each Bank has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell the Bonds in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Hong Kong

Each Bank has represented and agreed, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than:

    (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or

(ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Switzerland

This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Bonds. The Bonds may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Bonds to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Bonds constitutes a prospectus pursuant to the FinSA, and neither this Prospectus nor any other offering or marketing material relating to the Bonds may be publicly distributed or otherwise made publicly available in Switzerland.

General

Other than the actions taken or to be taken for the listing of the 2051 Bonds on the TPEx, which under the relevant laws and regulations of the ROC will be deemed to be a public offering in the ROC, no action has been taken or will be taken in any jurisdiction by the Banks or the Issuer that would permit a public offering of the Bonds, or possession or distribution of this Prospectus or supplement thereto or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Each Bank has represented and agreed that it will comply with all applicable laws and regulations in each jurisdiction in which it offers, sells or delivers Bonds or has in its possession or distributes any Prospectus or supplement thereto or any other offering material.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and a Bank or any affiliate of that Bank is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Bank or its affiliate on behalf of the Issuer in such jurisdiction.

Persons into whose hands this Prospectus comes are required by the Issuer and the Banks to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Bonds or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Bonds, in all cases at their own expense.

INDEPENDENT AUDITORS

The consolidated financial statements of QP as of 31 December 2020 and as of 31 December 2019 and for each of the years then ended, included in this Prospectus, have been audited by KPMG, independent auditors, as stated in their reports appearing herein, which includes emphasis of matter paragraphs related to 2019, which state QP changed its financial reporting framework to IFRS, as discussed in note 2 to those consolidated financial statements; the situation on COVID-19 (coronavirus) outbreak and significant decline in oil price, as discussed in note 42 to those consolidated financial statements; and, an other-matter paragraph that states that the comparative financial information as at and for the year ended 31 December 2018 and as of 1 January 2018 has been derived from the consolidated financial statements as at and for the year ended 31 December 2018 and 31 December 2017, respectively, which were audited by another auditor.

With respect to the unaudited condensed consolidated interim financial information for the three-month periods ended 31 March 2021 and 2020, included herein, the independent auditor has reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their separate report included herein, states that they did not audit and they do not express an opinion on that condensed consolidated interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

GENERAL INFORMATION

Authorisation

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of its obligations under the Bonds. The issue of the Bonds by the Issuer was authorised by a resolution of the Board of Directors of the Issuer dated 23 June 2021.

Listing and Admission to Trading

An application has been made to the FCA for the Bonds to be admitted to the Official List and to the London Stock Exchange for the Bonds to be admitted to trading on the Main Market of the London Stock Exchange; however, no assurance can be given that such application will be accepted. It is expected that admission of the Bonds to the Official List and to trading on the Main Market of the London Stock Exchange will be granted on or around the Closing Date, subject only to the issue of the Bonds.

Application will be made for the listing of the 2051 Bonds on the TPEx. No assurance can be given as to whether the 2051 Bonds will be, or will remain, listed on the TPEx. If the 2051 Bonds fail to, or cease to, be listed on the TPEx, certain investors may not invest in, or continue to hold or invest in, the 2051 Bonds.

The expenses in connection with the admission of the Bonds to the Official List and to trading on the Main Market are expected to amount to approximately £6,515.

LEI Code

The Issuer's LEI is 254900QTESJKJ3P87J26.

Indication of Yield

The yield on the 2026 Bonds will be 1.394% per annum, the yield on the 2031 Bonds will be 2.370% per annum, the yield on the 2041 Bonds will be 3.150% per annum and the yield on the 2051 Bonds will be 3.300% per annum.

Clearing Systems

The Bonds have been accepted for clearance through Euroclear, Clearstream, Luxembourg and DTC.

The ISINs, common codes and CUSIP for each series of Bonds are set forth below:

Unrestricted Global Bond for the 2026 Bonds	ISIN: XS2357493860 Common Code: 235749386
Restricted Global Bonds for the 2026 Bonds	ISIN: US74730DAB91 Common Code: 235795345 CUSIP: 74730DAB9
Unrestricted Global Bond for the 2031 Bonds	ISIN: XS2357494322 Common Code: 235749432
Restricted Global Bonds for the 2031 Bonds	ISIN: US74730DAC74 Common Code: 235795361 CUSIP: 74730DAC7
Unrestricted Global Bond for the 2041 Bonds	ISIN: XS2359548935 Common Code: 235954893

Restricted Global Bonds for the 2041 Bonds	ISIN: US74730DAE31 Common Code: 236170969 CUSIP: 74730DAE3
Unrestricted Global Bond for the 2051 Bonds	ISIN: XS2357494751 Common Code: 235749475
Restricted Global Bonds for the 2051 Bonds	ISIN: US74730DAD57 Common Code: 235795370 CUSIP: 74730DAD5

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium; the address of Clearstream, Luxembourg is Clearstream Banking, S.A., 42 Avenue JF Kennedy L-1885 Luxembourg; and the address of DTC is 55 Water Street, New York, New York 10041, United States of America.

Material Change

Since 31 March 2021, there has been no significant change in the financial performance or financial position of the Issuer. Since 31 March 2021, there has been no material adverse change in the prospects of the Issuer.

Litigation

The Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period covering the previous 12 months which may have, or have had in the recent past, a significant effect on the Issuer's financial position or which are material in the context of the Bonds.

Documents on Display

For so long as any Bonds are outstanding, copies of the following documents (or, pending execution thereof, drafts thereof subject to modification) will, for so long as any of the Bonds are listed on the Main Market of the London Stock Exchange, be made available on the website of the Issuer at the following addresses:

- an English translation of the constitutional documents of the Issuer (available at https://qp.com.qa/en/AboutQP/Documents/QP Laws - English.pdf); and
- copies of the Financial Statements (available at https://qp.com.qa/en/MediaCentre/Pages/Publications.aspx).

This Prospectus will be published on the website of the Regulatory News Service operated by the London Stock Exchange at https://www.londonstockexchange.com/news?tab=news-explorer.

Websites and Web Links

Any websites referred to in this Prospectus are for information purposes only. The information in such websites does not form any part of this Prospectus and has not been scrutinised or approved by the competent authority.

Conflict of Interest

There are no existing or potential conflicts of interest between any duties of any member of the Board of Directors towards the Issuer and such members' private interests and/or other duties.

Banks Transacting with the Issuer

The Banks and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Banks or their respective affiliates may have performed investment banking and advisory services for the Issuer and its affiliates from time to time for which they may have received fees, expenses, reimbursements and/or other compensation. The Banks or their respective affiliates may, from time to time, engage in transactions with and perform advisory and other services for the Issuer and its affiliates in the ordinary course of their business and they may in the future receive customary fees and commissions for these transactions.

In the ordinary course of their various business activities, the Banks and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. In addition, certain of the Banks and/or their respective affiliates may hedge their credit exposure to the Issuer pursuant to their customary risk management policies. These hedging activities could have an adverse effect on the future trading prices of the Bonds offered hereby. The Banks and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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AND INDEPENDENT AUDITORS' REPORTS

Qatar Petroleum

Consolidated Financial Statements

31 December 2020

KPMG

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State of Qatar
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Website: home.kpmg/qa

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF QATAR PETROLEUM

TO THE SUPREME COUNCIL FOR ECONOMIC AFFAIRS AND INVESTMENT, STATE OF QATAR

Opinion

We have audited the consolidated financial statements of Qatar Petroleum ("QP" or the "Corporation") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *"Auditor's Responsibilities for the Audit of the Consolidated Financial Statements"* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (CONTINUED) – QATAR PETROLEUM

Responsibilities of Management for the Consolidated Financial Statements (continued)

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board Audit Committee is responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

KPMG

INDEPENDENT AUDITOR'S REPORT (CONTINUED) – QATAR PETROLEUM

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

27 April 2021
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Qatar Auditors' Registry Number 251

Consolidated statement of financial position
As at 31 December 2020 QR '000

	Note	2020	2019 (Restated)*
ASSETS			
Non-current assets			
Property, plant and equipment	5(a)	**201,685,767**	186,755,942
Right-of-use assets	5(b)	**2,762,111**	2,769,063
Investment property	5(c)	**906,316**	886,272
Intangible assets	6	**4,428,448**	5,405,707
Investments in associates	7	**5,424,310**	6,935,277
Investments in joint ventures	8 (b)	**96,071,628**	101,316,265
Other investments	9	**6,070,730**	6,164,899
Other non-current assets	10	**10,602,123**	6,392,261
		327,951,433	316,625,686
Current assets			
Inventories	12	**5,005,024**	4,980,618
Amounts due from Government of Qatar	13	**37,803,570**	56,732,125
Accounts receivables and prepayments	14	**18,251,695**	17,637,719
Other investments	9	**706,391**	676,608
Cash and cash equivalents	15	**32,489,090**	59,169,020
		94,255,770	139,196,090
Assets held for sale	11	**74,156**	75,311
		94,329,926	139,271,401
TOTAL ASSETS		**422,281,359**	455,897,087

* Refer Note 39

Continued on next page

KPMG For Identification Purposes Only

The accompanying notes 1 to 44 are an integral part of these consolidated financial statements.

Consolidated statement of financial position
As at 31 December 2020 QR '000

Continued from previous page

	Note	2020	2019 (Restated)*
EQUITY AND LIABILITIES			
Equity			
Capital	17	**100,000,000**	100,000,000
General reserve	18	**175,500,000**	100,000,000
Other reserves	19	**(166,101)**	(269,281)
Retained earnings		**75,561,628**	177,297,877
Equity attributable to owner of the Corporation		**350,895,527**	377,028,596
Non-controlling interests	38	**31,680,535**	32,508,004
Total equity		**382,576,062**	409,536,600
Non-current liabilities			
Loans and bonds	20	**6,778,413**	6,763,916
Employee benefits	21	**5,373,448**	5,004,606
Lease liabilities	22	**2,261,878**	2,162,735
Deferred income	23	**1,037,950**	729,346
Other non-current liabilities	24	**3,061,083**	1,882,486
		18,512,772	16,543,089
Current liabilities			
Loans and bonds	20	**769,842**	825,212
Accounts payables and accruals	25	**19,646,563**	28,328,115
Lease liabilities	22	**724,714**	618,530
Deferred income	23	**51,406**	45,541
		21,192,525	29,817,398
Total liabilities		**39,705,297**	46,360,487
TOTAL EQUITY AND LIABILITIES		**422,281,359**	455,897,087

* Refer Note 39

These consolidated financial statements were approved by the Corporation's Board of Directors and signed on its behalf by the following on 27 APR 2021

H.H. Sheikh Abdullah bin Hamad Al-Thani
The Deputy Emir
Chairman

Saad Al-Kaabi.

Saad Sherida Al-Kaabi
Minister of State for Energy Affairs
Vice Chairman and President & CEO

لأغراض التعريف فقط كي بي أم جي
KPMG For Identification Purposes Only

The accompanying notes 1 to 44 are an integral part of these consolidated financial statements.

Qatar Petroleum

Consolidated statement of profit or loss
For the year ended 31 December 2020 QR '000

	Note	2020	2019 *(Restated)**
Continuing operations			
Income			
Revenue	26	**76,442,485**	108,331,608
Other income	27	**8,121,994**	6,063,092
		84,564,479	114,394,700
Expenses			
Operating, selling and administrative expenses	28	**(44,278,983)**	(58,611,560)
Depreciation and amortization	29	**(10,749,962)**	(9,390,454)
Provision for expected credit losses on financial assets	30	**(682,865)**	(1,413,648)
		(55,711,810)	(69,415,662)
Net operating income		**28,852,669**	44,979,038
Share of profit of associates	7	**311,132**	473,324
Share of profit of joint ventures	8(b)	**19,448,196**	40,161,509
Dividend and interest income		**1,161,069**	1,914,858
Finance charges	31	**(505,951)**	(533,825)
Profit before tax		**49,267,115**	86,994,904
Taxes	32	**(8,053,927)**	(14,239,656)
Profit for the year from continuing operations		**41,213,188**	72,755,248
Discontinued operations			
(Loss) / profit from discontinued operations	11	**(1,155)**	12,177
Profit for the year		**41,212,033**	72,767,425
Attributable to:			
Owner of the Corporation		**39,721,229**	69,691,387
Non-controlling interests	38	**1,490,804**	3,076,038
		41,212,033	72,767,425

* Refer Note 39

H.H. Sheikh Abdullah bin Hamad Al-Thani
The Deputy Emir
Chairman

Saad Sherida Al-Kaabi
Minister of State for Energy Affairs
Vice Chairman and President & CEO

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The accompanying notes 1 to 44 are an integral part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2020 QR '000

	Note	2020	2019 (Restated)*
Profit for the year		**41,212,033**	72,767,425
Other comprehensive income from continuing operations			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefits obligations	19(i)	**(112,166)**	(201,183)
Equity investments at FVOCI – net change in fair value	19(ii)	**429,034**	(242,319)
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedges – effective portion of changes in fair value	19(iii)	**(163,612)**	(310,306)
Foreign operations – foreign currency translation differences	19(iv)	**15,209**	59,707
		168,465	(694,101)
Other comprehensive income from discontinued operations		**-**	-
Total other comprehensive income		**168,465**	(694,101)
Total comprehensive income for the year		**41,380,498**	72,073,324
Attributable to:			
Owner of the Corporation		**39,846,201**	68,939,413
Non-controlling interests		**1,534,297**	3,133,911
		41,380,498	72,073,324

* Refer Note 39

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The accompanying notes 1 to 44 are an integral part of these consolidated financial statements.

Qatar Petroleum

Consolidated statement of changes in equity
For the year ended 31 December 2020 QR '000

	Equity attributable to owner of the Corporation						
	Capital	**General reserve**	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total**
At 1 January 2019	100,000,000	100,000,000	376,593	180,891,491	381,268,084	32,323,551	413,591,635
Profit for the year – *restated* (Note 39)	-	-	-	69,691,387	69,691,387	3,076,038	72,767,425
Other comprehensive income for the year	-	-	(751,974)	-	(751,974)	57,873	(694,101)
Total comprehensive income for the year – *restated*	-	-	(751,974)	69,691,387	68,939,413	3,133,911	72,073,324
Reclassification of fair value reserve on sale of investments at FVOCI	-	-	1,695	(1,695)	-	-	-
Transfer to Social Fund (Note 33)	-	-	-	(57,092)	(57,092)	(65,768)	(122,860)
Dividend (Note 40)	-	-	-	(73,143,236)	(73,143,236)	-	(73,143,236)
Dividend paid to non-controlling interests	-	-	-	-	-	(2,900,726)	(2,900,726)
Transfer to other reserves	-	-	41,780	(41,780)	-	-	-
Other movement during the year	-	-	62,625	(41,198)	21,427	17,036	38,463
At 31 December 2019 – *restated*	100,000,000	100,000,000	(269,281)	177,297,877	377,028,596	32,508,004	409,536,600
Profit for the year	-	-	-	39,721,229	39,721,229	1,490,804	41,212,033
Other comprehensive income for the year	-	-	124,972	-	124,972	43,493	168,465
Total comprehensive income for the year	-	-	124,972	39,721,229	39,846,201	1,534,297	41,380,498
Reclassification of fair value reserve on sale of investments at FVOCI	-	-	(12,252)	12,252	-	-	-
Transfer to Social Fund (Note 33)	-	-	-	(52,843)	(52,843)	(51,486)	(104,329)
Dividend (Note 40)	-	-	-	(65,999,667)	(65,999,667)	-	(65,999,667)
Dividend paid to non-controlling interests	-	-	-	-	-	(2,237,143)	(2,237,143)
Transfer to general reserve	-	75,500,000	-	(75,500,000)	-	-	-
Transfer to other reserves	-	-	4,277	(4,277)	-	-	-
Other movement during the year	-	-	(13,817)	87,057	73,240	(73,137)	103
At 31 December 2020	**100,000,000**	**175,500,000**	**(166,101)**	**75,561,628**	**350,895,527**	**31,680,535**	**382,576,062**

The accompanying notes 1 to 44 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows
For the year ended 31 December 2020 QR '000

	Note	2020	2019 (Restated)*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**41,212,033**	72,767,425
Adjustments for:			
- Depreciation of property, plant and equipment	29	**9,679,658**	8,333,573
- Loss on disposal / derecognition of property, plant and equipment		**90,148**	166,225
- Write off of property, plant and equipment	28	**809,858**	8,544
- Depreciation of right-of-use assets	29	**699,009**	666,755
- Depreciation of investment property	29	**15,797**	34,079
- Amortization of intangible assets and catalysts	29	**355,498**	356,047
- Write off of project preliminary costs and pre-incorporation expenses	28	**-**	35,734
- Write off of projects under development	10(b)	**-**	144,605
- Provision for expected credit losses on financial assets, net	30	**682,865**	1,413,648
- Provision for impairment losses – net	28	**3,958,554**	2,112,499
- Provision for inventory obsolescence	28	**22,694**	66,703
- Provision for employee benefits	21	**596,109**	535,952
- Provision for decommissioning costs, net	24	**1,091,615**	22,490
- Profit from discontinued operations	11	**1,155**	(12,177)
- Fair value (gain) / loss on investment at fair value through profit or loss	9(b)	**(32,862)**	12,849
- Share of profit of associates	7	**(311,132)**	(473,324)
- Share of profit of joint ventures	8(b)	**(19,448,196)**	(40,161,509)
- Dividend and interest income		**(1,161,069)**	(1,914,858)
- Deferred income		**(64,116)**	(45,541)
- Finance charges	31	**505,951**	533,825
- Taxes	32	**8,053,927**	14,239,656
- Provision for financial guarantee		**11,000**	-
- Bargain purchase gain	27	**(106,808)**	-
- Fair value gain on business combination	27	**(1,303,286)**	-
		45,358,402	58,843,200
Working capital changes:			
- Inventories		**724,843**	(878,665)
- Amounts due from Government of Qatar		**20,007,443**	45,069,318
- Accounts receivables and prepayments		**(667,861)**	173,128
- Accounts payables and accruals		**(8,317,069)**	(2,295,037)
Cash generated from operations		**57,105,758**	100,911,944
Employee benefits paid	21	**(601,314)**	(458,289)
Finance charges paid		**(413,814)**	(533,825)
Taxes paid		**(8,514,864)**	(14,683,585)
Net cash from operating activities		**47,575,766**	85,236,245

* Refer Note 39

Continued next page

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Consolidated statement of cash flows
For the year ended 31 December 2020 QR '000

Continued from previous page

	Note	2020	2019 (Restated)*
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(12,995,065)**	(15,806,955)
Proceeds from disposal of property, plant and equipment		**4,747**	19,221
Acquisition of investment property	5(c)	**-**	(12,134)
Acquisition of intangible assets	6	**(76,019)**	(1,841,639)
Repayments from associates – net	7	**43,054**	793,470
Additions to investments in joint ventures – net		**(7,070,308)**	(9,694,316)
Dividend received from associates and joint ventures		**22,007,857**	38,688,002
Net cash movement of financial assets at FVOCI		**278,239**	(41,846)
Net cash movement of financial assets at amortised cost		**137,629**	(11,825)
Dividend and interest received from other investments		**1,161,069**	1,914,858
Additions to projects under development	10(b)	**(5,161,531)**	(2,744,133)
Net cash movement in other non-current assets		**(1,107,110)**	628,191
Net cash movement of financial assets at fair value through profit or loss		**(15,675)**	(22,814)
Movement in term deposits and restricted cash		**2,089,596**	611,671
Net cash outflow on acquisition of subsidiaries	37	**(2,422,704)**	-
Net cash (used in) / from investing activities		**(3,126,221)**	12,479,751
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans		**523,575**	618,800
Repayment of loans		**(744,815)**	(934,668)
Payment of lease liabilities		**(523,048)**	(666,719)
Movement in other non-current liabilities		**(26,405)**	(13,176)
Dividend paid	40	**(65,999,667)**	(73,143,236)
Dividends paid to non-controlling interests		**(2,237,143)**	(2,900,726)
Net cash used in financing activities		**(69,007,503)**	(77,039,725)
Net (decrease) / increase in cash and cash equivalents		**(24,557,958)**	20,676,271
Effect of movements in exchange rates on cash held		**(33,725)**	19,009
Cash and cash equivalents at beginning of year		**48,478,149**	27,782,869
Cash and cash equivalents at end of year	15	**23,886,466**	48,478,149

* Refer Note 39

During the year, the Group entered non-cash operating, investing and financing activities which are not reflected in the consolidated statement of cash flows (Note 41).

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The accompanying notes 1 to 44 are an integral part of these consolidated financial statements.

1. Legal status and principal activities

Qatar Petroleum ("QP", the "Corporation" or the "Parent") is a state-owned public corporation established in the State of Qatar by Emiri Decree Number 10 of 1974.

The principal activities of QP, its subsidiaries, joint operations, joint ventures and associates are the exploration, production and sale of crude oil, natural gas and gas liquids and refined products, production and sale of petrochemicals, fuel additives, fertilisers, liquefied natural gas ("LNG"), steel, aluminium, chartering of helicopters, investing in industrial and international projects, underwriting insurance, vehicle inspection services, marine bunkering, bitumen, transportation of oil and gas and refined petroleum products and other services. The principal place of business of QP is in the State of Qatar.

Pursuant to Law No. 5 of 2012, which was issued on 7 August 2012, the State of Qatar amended certain provisions of Decree No. 10 of 1974 and transferred the ownership in QP from the Ministry of Economy of Finance to the Supreme Council for Economic Affairs and Investment effective 1 January 2012.

These consolidated financial statements are prepared to meet the requirements of Article 21 of Emiri Decree No. 10 of 1974 (as amended by Law No. 5 of 2012). These consolidated financial statements reflect the financial information of Qatar Petroleum ("QP") and its subsidiaries, joint operations, joint ventures and associates (together referred to as the "Group").

These consolidated financial statements were approved by the Board of Directors and authorised for issue on 27 April 2021.

2. Basis of preparation

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB).

Accounting policies (Note 3) have been consistently applied to all periods presented in these consolidated financial statements.

These consolidated financial statements are presented in Qatari Riyal (QR) which is the Parent's functional currency. All values are rounded off to the nearest thousand, unless otherwise indicated.

2.2 Basis of measurement

These consolidated financial statements are prepared using the historical cost basis except for:

i. Certain financial instruments that are measured at fair value.
ii. Parcels of land granted to QP from the State of Qatar, which are measured at nominal value as Government Grant.
iii. Assets held for sale which are measured at fair value less cost to sell.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in their entirety, which are described as follows:

i. Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities;
ii. Level 2 inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
iii. Level 3 inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

2. Basis of preparation (continued)

2.2 Basis of measurement (continued)

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.3 Components of the Group

The Group includes the following subsidiaries, joint ventures, associates and joint operations at 31 December 2020:

Direct subsidiaries of QP

Entity/Group	Shareholder	Country of incorporation	Principal activities	Equity holding 2020	Equity holding 2019
Industries Qatar Q.P.S.C. ("IQ")	QP	Qatar	Holding company	**51.00%**	51.00%
QP Qatar Gas (3) Limited (Qatari Private Shareholding Company) ("QPQG3")	QP	Qatar	Own, operate and maintain LNG regasification terminals	**100.00%**	100.00%
Qatar Petroleum International Limited P.Q.S.C. ("QPI")	QP	Qatar	Investment in international projects across the energy value chain	**100.00%**	100.00%
Al Shaheen Holding Q.S.C. ("Al Shaheen")	QP	Qatar	Holding company	**100.00%**	100.00%
QP Qatar Gas (4) Limited (Qatari Private Shareholding Company) ("QPQG4")	QP	Qatar	Own, operate and maintain LNG regasification terminals	**100.00%**	100.00%
Gulf International Services Q.P.S.C. ("GIS")	QP	Qatar	Holding company invested in drilling, helicopter transportation and catering services	**10.00%**	10.00%
QP Ras Gas (3) Limited (Qatari Private Shareholding Company) ("QPRG3")	QP	Qatar	Own, operate and maintain LNG regasification terminals	**100.00%**	100.00%
Mesaieed Petrochemical Holding Company Q.P.S.C. ("MPHC")	QP	Qatar	Own and invest in Petrochemical projects	**65.45%**	65.46%
QP Oil & Gas Limited ("QPOG")	QP	Qatar	Investment in energy industry	**100.00%**	100.00%
Seef Limited Q.P.S.C. ("Seef")	QP	Qatar	Production and sale of linear alkyl benzene, heavy alkyl benzene and other related products.	**100.00%**	100.00%
Zekreet Gasoline Qatari Private Shareholding Company. ("Zekreet")	QP	Qatar	Refinery facilities and production, loading and marketing of refined products.	**100.00%**	100.00%
Qatar Petroleum Oil & Gas (1) (Qatari Private Shareholding Company) ("QPOG1")	QP	Qatar	Investment in energy industry	**100.00%**	100.00%
Qatar Aluminium Manufacturing Company Q.P.S.C. ("QAMCO")	QP	Qatar	Holding company invested in aluminium manufacturing	**51.00%**	51.00%
Qatar Fuel Company Q.P.S.C. ("Woqod")	QP	Qatar	Sale, marketing and distribution of oil, gas and refined petroleum products, vehicle inspection services, marine bunkering, bitumen, transportation of oil and gas, vessel chartering and real estate services.	**20.00%**	20.00%

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Subsidiaries of QP's subsidiaries (Indirect subsidiaries)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QP's effective percentage holding 2020	2019
Qatar Steel Company Q.P.S.C.	IQ	Qatar	Manufacturing of steel billets and reinforcing bars	**51.00%**	51.00%
Qatar Steel Company FZE (Dubai)	IQ	UAE	Production and sale of high-quality steel wire rod products	**51.00%**	51.00%
Qatar Steel Industrial Investment Company S.P.C.	IQ	Qatar	Investment in steel industry	**51.00%**	51.00%
Qatar Fertiliser Company Q.P.S.C. (QAFCO)	IQ	Qatar	Production and sales of urea and ammonia	**51.00%**	-
Gulf Formaldehyde Company (Q.S.C.C.) (GFC)	IQ	Qatar	Production and sales of urea formaldehyde concrete.	**35.70%**	-
Qatar Melamine Company (Q.S.C.C.) (QMC)	IQ	Qatar	Production and sale of Melamine	**51.00%**	-
Qatar Petroleum Gas Trading (QG II) Limited ("QPGAS")	QPI	Qatar	Holding company	**100.00%**	100.00%
Qatar Petroleum LNG Services (QG II) Limited ("QPLNG")	QPI	Qatar	Holding company	**100.00%**	100.00%
Qatar Terminal Limited	QPI	Qatar	Holding company	**100.00%**	100.00%
QPI Egypt Limited	QPI	Cayman Islands	Special purpose entity for potential investments	**100.00%**	100.00%
QP Netherlands Holdings B.V. (formerly QPI Holdings B.V.) ("QPIH")	QPI	The Netherland	Special purpose entity for potential investments	**100.00%**	100.00%
Qatar Petroleum International Upstream Limited	QPI	Qatar	Special purpose entity for potential investments	**100.00%**	100.00%
Qatar Petroleum International Gas & Power Limited	QPI	Qatar	Special purpose entity for potential investments	**100.00%**	100.00%
Qatar Petroleum Marketing LCC	QPI	Qatar	Special purpose entity for potential investments	**100.00%**	100.00%
QTL U.S. Holding Corporation, Inc.	QPI	USA	Holding company	**100.00%**	100.00%

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Subsidiaries of QP's subsidiaries (Indirect subsidiaries) (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QP's effective percentage holding	
				2020	2019
QTL U.S. Terminal L.L.C.	QPI	USA	Holding company	**100.00%**	100.00%
QPI Upstream B.V.	QPI	The Netherland	Special purpose entity for potential investments	**100.00%**	100.00%
QPI Tamba B.V.	QPI	The Netherland	Special purpose entity for potential investments	**100.00%**	100.00%
QPI Brazil Investments B.V. (formerly QPI Brazil B.V.)	QPI	The Netherland	Special purpose entity for potential investments	**100.00%**	100.00%
QP Brazil Investments (2) B.V. (formerly QPI BC-10 B.V.)	QPI	The Netherland	Special purpose entity for potential investments	**100.00%**	100.00%
QPI Energy Canada Ltd.	QPI	Canada	Special purpose entity for potential investments	**100.00%**	100.00%
QPI Brasil Ltda (formerly named as QPI Brasil Petroleo Ltda)	QPI	Brazil	Special purpose entity for potential investments	**100.00%**	100.00%
Green Ocean LNG Limited	QPI	Bahamas	Special purpose entity for potential investments	**100.00%**	100.00%
Qatar Petroleum Holdings (UK) Ltd	QPI	United Kingdom	Holding company	**100.00%**	-
Wave LNG Solutions L.L.C.	QPI	Qatar	Special purpose entity for potential investments	**100.00%**	100.00%
QPI Africa Holdings	QPI	Qatar	Holding company	**100.00%**	100.00%
QPI Mozambique Holdings	QPI	Qatar	Holding company	**100.00%**	100.00%
QP Exploration & Production Holdings LLC (formerly QPI Upstream Holdings LLC)	QPI	Qatar	Holding company	**100.00%**	100.00%
Qatar Petroleum Mozambique, Limitada	QPI	Mozambique	Petroleum operations	**100.00%**	100.00%
QPI Mexico S.A. de C.V.	QPI	Mexico	Exploration and extraction of oil and gas	**100.00%**	100.00%

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Subsidiaries of QP's subsidiaries (Indirect subsidiaries) (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QP's effective percentage holding	
				2020	2019
Qatar Petroleum Argentina LLC (formerly ARQ Holding L.L.C.)	QPI	Qatar	Holding Company	**100.00%**	100.00%
QP Gulf of Mexico LLC (formerly QP Alaska L.L.C.)	QPI	USA	Holding Company	**100.00%**	100.00%
QP Oil & Gas SAU	QPI	Argentina	Exploration & extraction of oil and gas	**100.00%**	100.00%
QP US Petrochemicals LLC	QPI	USA	Special purpose entity for potential investments	**100.00%**	-
QPI Mauritania Ltd	QPI	Cayman Islands	Special purpose entity for potential investments	**-**	100.00%
QPI Downstream B.V.	QPI	The Netherlands	Special purpose entity for potential investments	**-**	100.00%
QPI Gas & Power B.V.	QPI	The Netherlands	Special purpose entity for potential investments	**-**	100.00%
Al Shaheen Distribution Ltd. Q.P.S.C.	Al Shaheen	Qatar	Sale and marketing of products	**100.00%**	100.00%
Al Koot Insurance & Reinsurance Company P.J.S.C. ("Al Koot")	GIS	Qatar	Insurance services	**10.00%**	10.00%
Gulf Helicopters Company (Q.P.S.C.) ("GHC")	GIS	Qatar	Helicopter services	**10.00%**	10.00%
Amwaj Catering Services Limited (Q.P.S.C.) ("Amwaj")	GIS	Qatar	All types of Catering services and related services	**10.00%**	10.00%
Gulf Drilling International Ltd. (Q.P.S.C.) ("GDI")	GIS	Qatar	Drilling services	**10.00%**	10.00%
United Helicharters Private Limited.	GIS	India	Helicopter services	**9.00%**	-

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Subsidiaries of QP's subsidiaries (Indirect subsidiaries) (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QP's effective percentage holding	
				2020	2019
Al Maha Aviation Company	GIS	Libya	Aviation services	**10.00%**	10.00%
Redstar Havacilik Hizmetleri A.S.	GIS	Turkey	Aviation services	**10.00%**	10.00%
Gulf Helicopters Investment & Leasing Company	GIS	Morocco	Helicopter services	**10.00%**	10.00%
WOQOD Vehicle Inspection Co. ("FAHES") W.L.L.	Woqod	Qatar	Vehicle inspection services	**20.00%**	20.00%
Qatar Jet Fuel Company W.L.L.	Woqod	Qatar	Supply of jet fuel	**12.00%**	12.00%
WOQOD Marine Services Co. W.L.L.	Woqod	Qatar	Chartering of marine vessels	**20.00%**	20.00%
WOQOD International Co. W.L.L.	Woqod	Qatar	Holding company for international business of Woqod	**20.00%**	20.00%
WOQOD Kingdom Co. W.L.L.	Woqod	KSA	Dormant entity	**20.00%**	20.00%
Ard Al Khaleej Real Estate W.L.L.	Woqod	Qatar	Owning and renting of real estates	**20.00%**	20.00%
Polaris Marine Services L.L.C.	Woqod	Oman	Chartering of marine vessels	**20.00%**	20.00%
Star Marine Services Limited	Woqod	Republic of Liberia	Ship owners	**20.00%**	20.00%
Sidra Al Wajbah Shipping Co.	Woqod	Republic of Liberia	Ship owners	**20.00%**	20.00%
Ocean Marine Services Limited	Woqod	Republic of Liberia	Ship owners	**20.00%**	20.00%
Galaxy Marine Services Limited	Woqod	Republic of Liberia	Ship owners	**20.00%**	20.00%
Sidra Al Wakra Shipping Co.	Woqod	Republic of Liberia	Ship owners	**20.00%**	20.00%
Sidra Al Rumeila Shipping Co.	Woqod	Republic of Liberia	Ship owners	**20.00%**	20.00%
Sidra Messaied Shipping Co.	Woqod	Republic of Liberia	Ship owners	**20.00%**	20.00%
Horizon Marine Services Limited	Woqod	Republic of Liberia	Ship owners	**20.00%**	20.00%
Sidra Doha Shipping Company	Woqod	Republic of Liberia	Ship owners	**20.00%**	-
Sidra Al Khor Shipping Company	Woqod	Republic of Liberia	Ship owners	**20.00%**	-
Orbit Marine Services	Woqod	Republic of Liberia	Ship owners	**20.00%**	20.00%

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Joint ventures of the Group

Entity/Group	Shareholder(s)	Country of incorporation	Principal activities	QP's effective percentage holding	
				2020	2019
Qatar Liquefied Gas Company Limited (QG1)	QP	Qatar	Production, marketing and transportation of LNG	**65.00%**	65.00%
Ras Laffan Liquefied Natural Gas Company Limited. (RG1)	QP	Qatar	Production, liquefaction, shipping and marketing of LNG	**63.00%**	63.00%
Ras Laffan Liquefied Natural Gas Company Limited. (II) (RG2)	QP	Qatar	Production, liquefaction, shipping and marketing of LNG	**67.05%**	67.05%
RasGas Company Limited	QP	Qatar	Operating company	**70.00%**	70.00%
Qatex Limited	QP	Qatar	Aviation fuel storage and transportation services	**51.00%**	51.00%
Oryx GTL Limited. (Oryx)	QP	Qatar	Management operation and maintenance of Gas to Liquids complex	**51.00%**	51.00%
Qatar Liquefied Gas Company Limited (2) (QG2)	QP	Qatar	Production, marketing and transportation of LNG	**67.50%**	67.50%
Qatar Gas Operating Company Limited.	QP	Qatar	Operating company	**70.00%**	70.00%
Laffan Refinery Company Limited. (LR)	QP	Qatar	Operation of refinery facilities and production and marketing of refined products	**51.00%**	51.00%
Barzan Gas Company Limited. (Barzan)	QP	Qatar	Production, marketing and transportation of Petroleum products.	**93.00%**	93.00%
Qatar Vinyl Company Limited. (QVC)	QP/MPHC	Qatar	Production and sale of Petrochemical products	**62.04%**	62.04%
Qatofin Company Limited Q.P.J.S.C.	QP/IQ	Qatar	Production and Sales of Petrochemical products	**25.97%**	25.97%
Qatar Chemical Company Limited. (Q-chem)	QP / MPHC	Qatar	Production and sale of Petrochemical products	**34.08%**	34.08%

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Joint ventures of the Group (continued)

Entity/Group	Shareholder(s)	Country of incorporation	Principal activities	QP's effective percentage holding 2020	2019
Qatar Chemical Company Limited. (II) (Q-chem II)	QP/ MPHC	Qatar	Production and sale of Petrochemical products	**34.08%**	34.08%
Ras Laffan Olefins Company Limited. Q.S.C.	QP	Qatar	Operate and maintain Ethylene cracker plant	**31.02%**	31.02%
Laffan Refinery Company Limited. (2) (LR2)	QP	Qatar	Operation of refinery facilities and production and marketing of refined products	**84.00%**	84.00%
Gasal Q.P.S.C.	QP	Qatar	Manufacture and supply of industries gases	**30.50%**	30.50%
Siraj Energy Company	QP	Qatar	Investment in renewable energy projects specializing solar energy as a provider and installer of solar panels with focus on solar energy research	**51.00%**	40.00%
Qatar Petrochemical Company Q.P.J.S.C. (QAPCO)	IQ	Qatar	Production and sale of ethylene, polyethylene, hexane and other petrochemical products	**40.80%**	40.80%
Qatar Fuel Additives Company Limited Q.P.S.C. (QAFAC)	IQ	Qatar	Production and sale of Methyl-tertiary-butyl-ether (MBTE) and methanol	**25.50%**	25.50%
Qatar Liquefied Gas Company Limited. (3) (QG3)	QPQG3	Qatar	Production, marketing and transportation of LNG	**68.50%**	68.50%
Qassim Terminal Holdings L.L.C.	QPI	Qatar	Holding company	**83.20%**	14.70%
QPI & Shell Petrochemicals (Singapore) Pte. Ltd. (QSPS)	QPI	Singapore	Investment in petrochemical plants	**49.00%**	49.00%
Petrochemical Corporation of Singapore (PTE) Ltd.	QPI	Singapore	Petrochemical	**50.00%**	50.00%

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Joint ventures of the Group (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QP's effective percentage holding 2020	2019
Tetra Chemicals (Singapore) PTE Ltd.	QPI	Singapore	Petrochemical	**60.00%**	60.00%
South Hook Gas Company Ltd.	QPI	UK	Investment in gas marketing company	**70.00%**	70.00%
South Hook LNG Terminal Company Ltd. (SH LNG)	QPI	UK	LNG receiving and regasification	**67.50%**	67.50%
Adriatic LNG Terminal Ltd. (ALNG)	QPI	Italy	LNG receiving and regasification	**22.02%**	22.02%
Arab Refining Company (ARC)	QPI	Egypt	Investment in refinery projects	**38.11%**	38.11%
Egyptian Refining Company (ERC)	QPI	Egypt	Refining and manufacturing raw oil and its derivatives	**66.60%**	66.60%
Golden Pass LNG Terminal L.L.C. (GP LNG)	QPI	USA	LNG receiving and regasification	**70.00%**	70.00%
Golden Pass Pipeline L.L.C. (GP Pipeline)	QPI	USA	Gas dispatching	**70.00%**	70.00%
Golden Pass LNG Marine Services	QPI	USA	Marine Services	**100.00%**	100.00%
Heron II Viotia Thermoelectric Station S.A.	QPI	Greece	Operation of 432 MW gas-fired power plant	**25.00%**	25.00%
ExxonMobil Exploration Argentina S.R.L. (EMEA)	QPI	Argentina	Petroleum operations	**30.00%**	30.00%
Mobil Argentina S.A. (MASA)	QPI	Argentina	Petroleum operations	**30.00%**	30.00%
Ocean LNG Limited	QPI	Bahamas	Marketing arm of Golden Pass outside U.S.	**70.00%**	70.00%
The Polyolefin Company (Singapore) PTE Ltd.	QPI	Singapore	Petrochemical	**30.00%**	30.00%
Marine LNG Solutions LLC	QPI	Qatar	Special purpose entity	**50.00%**	-
TOQAP Guyana B.V.	QPI	Netherlands	Petroleum operations	**40.00%**	40.00%
Al Shaheen GE Services Company	Al Shaheen	Qatar	Repair of GE gas turbines, compressors and other related auxiliary services	**50.00%**	50.00%
Qatar Liquefied Gas Company Limited. (4) (QG4)	QPQG4	Qatar	Production, marketing and transportation of LNG	**70.00%**	70.00%

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Joint ventures of the Group (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QP's effective percentage holding 2020	2019
Gulf Med Aviation Services Limited	GIS	Malta	Helicopter services	**4.90%**	4.90%
Air Ocean Maroc	GIS	Morocco	Helicopter services	**4.90%**	4.90%
Gulf Drilling L.L.C.	GIS	Qatar	Drilling services	**5.00%**	-
Ras Laffan Liquefied Natural Gas Company Limited. (3) (RG3)	QPRG3	Qatar	Production, liquefaction, shipping and marketing of LNG	**70.00%**	70.00%
North Oil Company Q.P.S.C.	QPOG	Qatar	Petroleum operations- exclusive rights	**70.00%**	70.00%
Qatar Aluminium Company Limited Q.S.C. (Qatalum)	QAMCO	Qatar	Production and sale of Aluminium products	**25.50%**	25.50%

Associates of the Group

Entity/Group	Shareholder(s)	Country of incorporation	Principal activities	QP's effective percentage holding 2020	2019
Arab Maritime Petroleum Transport Company	QP	Kuwait	Operates and charters a fleet of crude and petro product tankers	**14.80%**	14.80%
Arab Petroleum Investment Corporation	QP	KSA	Participation in financing petroleum projects and industries	**10.00%**	10.00%
Arab Petroleum Services Company	QP	Libya	Provision of petroleum services	**10.00%**	10.00%
Arab Petroleum Pipelines Company	QP	Egypt	Operate pipelines to transfer petroleum	**5.00%**	5.00%
Ras Laffan Power Company Limited	QP	Qatar	Production and supply of electricity and production of desalinated water	**10.00%**	10.00%

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Associates of the Group (continued)

Entity/Group	Shareholder(s)	Country of incorporation	Principal activities	QP's effective percentage holding	
				2020	2019
Mesaieed Power Company Limited Q.P.S.C.	QP	Qatar	Production and supply of electricity	**20.00%**	20.00%
Ras Girtas Power Company	QP	Qatar	Production and supply of electricity and production of desalinated water	**15.00%**	15.00%
Umm Al Houl Power Q.P.S.C.	QP	Qatar	Production and supply of electricity and production of desalinated water	**5.00%**	5.00%
Qatar Metals Coating Company W.L.L.	IQ	Qatar	Production and sale of epoxy resin coated bars	**25.50%**	25.50%
Foulath Holding B.S.C.	IQ	Bahrain	Manufacture and sale of various sale products	**12.75%**	12.75%
SOLB Steel Company (SSC)	IQ	KSA	Manufacture and sale of steel products	**15.83%**	15.83%
Total Exploration and Production Congo	QPI	Republic of Congo	Investment in upstream exploration and production	**15.00%**	15.00%
Tamba B.V.	QPI	Netherlands	Operates and manages FPSO leases and Subsea leases	**23.00%**	23.00%
AKG Holding Limited.	QPRG3	Bahamas	Production and sale of gas	**12.50%**	12.50%

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Joint operations of the Group

Entity/Group	Investor	Country of incorporation	Principal activities	QP's effective percentage holding	
Qatar Gas Upstream (Unincorporated)	QP	Qatar	Production and marketing of Condensate	**65.00%**	65.00%
Pearl GTL Project North Field (Unincoporated)	QP	Qatar	Developing of gas to liquid project in Ras Laffan	*	*
Dolphin Gas Project (Unincoporated)	QP	Qatar	Recover and export natural gas for export purpose.	*	*
Al Khaleej Gas Project (Unincoporated)	QP	Qatar	Enhanced gas utilization	*	*
BC-10 P.S.C. (with Shell Brasil Petroleo Ltda.)	QPI	Brazil	Upstream exploration and production assets of Block BC-10	**50.00%**	50.00%
BC-10 P.S.C. (with ONGC Campos Ltda)	QPI	Brazil	Upstream exploration and production assets of Block BC-10	**27.00%**	27.00%
Offshore Block 10 PSC	QPI	Cyprus	Upstream exploration and production	**60.00%**	60.00%
Alto de Cabo Frio-Oeste block (with Shell Brasil Petroleo Ltda.)	QPI	Brazil	Upstream exploration and production	**55.00%**	55.00%
Alto de Cabo Frio-Oeste Block (with China National Offshore Oil Corporation)	QPI	China	Upstream exploration and production	**20.00%**	20.00%
11B/12B Block (with Total E&P South Africa B.V.)	QPI	South Africa	Upstream exploration and production	**45.00%**	45.00%
11B/12B Block (with Canadian Natural Resources Limited)	QPI	South Africa	Upstream exploration and production	**20.00%**	20.00%
11B/12B Block (with Proprietary Limited (Main Street))	QPI	South Africa	Upstream exploration and production	**10.00%**	10.00%
Block 3,4,6,7	QPI	Mexico	Upstream exploration and production	**60.00%**	60.00%
Block 24	QPI	Mexico	Upstream exploration and production	**65.00%**	65.00%
Block 536 & 647	QPI	Brazil	Upstream exploration and production	**64.00%**	64.00%

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Joint operations of the Group (continued)

Entity/Group	Investor	Country of incorporation	Principal activities	QP's effective percentage holding 2020	2019
Tita Block	QPI	Brazil	Upstream exploration and production	**64.00%**	64.00%
Block 753 & 789 (with Petroleo Brasileiro S.A – Petrobras)	QPI	Brazil	Upstream exploration and production	**30.00%**	30.00%
Block 753 & 789 (with ExxonMobil Exploracao Brasil Ltda)	QPI	Brazil	Upstream exploration and production	**40.00%**	40.00%
Block 541 (with Total E&P do Brasil Ltda.)	QPI	Brazil	Upstream exploration and production	**40.00%**	40.00%
Block 541 (with Petronas Petróleo Brasil Ltda.)	QPI	Brazil	Upstream exploration and production	**20.00%**	20.00%
Block 659 & 713 (with Shell Brasil Petróleo Ltda.)	QPI	Brazil	Upstream exploration and production	**40.00%**	40.00%
Block 659 & 713 (with Chevron Brasil Ltda.)	QPI	Brazil	Upstream exploration and production	**35.00%**	35.00%
Block A5A (with ENI Mozambico S.p.A)	QPI	Mozambique	Upstream exploration and production	**34.00%**	34.00%
Block A5A (with Empresa Nacional de Hidrocarbonetos (ENH) E.P.)	QPI	Mozambique	Upstream exploration and production	**15.00%**	15.00%
Block A5A (with Sasol Mozambique AS-A, Limitada)	QPI	Mozambique	Upstream exploration and production	**25.50%**	25.50%
Block A5B, Block Z5C & Block Z5D (with Exxonmobil Moçambique Exploration and Production, Limitada)	QPI	Mozambique	Upstream exploration and production	**50.00%**	50.00%
Block A5B, Block Z5C & Block Z5D (with Empresa Nacional De Hidrocarbonetos, (ENH) E.P.)Block A5B, Block Z5C & Block Z5D	QPI	Mozambique	Upstream exploration and production	**20.00%**	20.00%
Block A5B, Block Z5C & Block Z5D (with RN Angoche Pte. Ltd RN Zambezi South Pte. Ltd RN Zambezi North Pte. Ltd)	QPI	Mozambique	Upstream exploration and production	**20.00%**	20.00%
Block 52 (with Eni Oman B.V.)	QPI	Oman	Upstream exploration and production	**55.00%**	55.00%

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Joint operations of the Group (continued)

Entity/Group	Investor	Country of incorporation	Principal activities	QP's effective percentage holding	
				2020	2019
Block 52 (with OQ Exploration and Production LLC)	QPI	Oman	Upstream exploration and production	**15.00%**	15.00%
Tarfaya Shallow Block (with Eni Maroc B.V.)	QPI	Morocco	Upstream exploration and production	**45.00%**	45.00%
Tarfaya Shallow Block (with The Office National Des Hydrocarbures Et Des Mines	QPI	Morocco	Upstream exploration and production	**25.00%**	25.00%
Block MLO113, Block MLO117 & Block MLO118	QPI	Argentina	Upstream exploration and production	**70.00%**	70.00%
Block CAN107, Block CAN109	QPI	Argentina	Upstream exploration and production	**60.00%**	60.00%
Block 2912 (with Total E&P Namibia BV)	QPI	Namibia	Upstream exploration and production	**37.78%**	-
Block 2912 (with National Petroleum Corporation of Namibia (PTY) Limited)	QPI	Namibia	Upstream exploration and production	**15.00%**	-
Block 2912 (with Impact Oil and Gas Namibia (PTY) Ltd)	QPI	Namibia	Upstream exploration and production	**18.89%**	-
Block 2913B (with Total E&P Namibia BV)	QPI	Namibia	Upstream exploration and production	**40.00%**	-
Block 2913B (with National Petroleum Corporation of Namibia (PTY) Limited)	QPI	Namibia	Upstream exploration and production	**10.00%**	-
Block 2913B (with Impact Oil and Gas Namibia (PTY) Ltd)	QPI	Namibia	Upstream exploration and production	**20.00%**	-
Block CI-705 & Block CI-706 (with Total E&P Cote d'Ivoire BV)	QPI	Cote d'Ivoire	Upstream exploration and production	**45.00%**	-
Block CI-705 & Block CI-706 (with Petroci Holding)	QPI	Cote d'Ivoire	Upstream exploration and production	**10.00%**	-
Al Khalij Block 6 Field	QPOG	Qatar	Petroleum operations-exclusive rights	**60.00%**	60.00%

* The Group's interest in these joint operations is based on contractual terms of production sharing arrangement which varies from time to time.

2. Basis of preparation (continued)

2.4 New amendments to standards adopted by the Group

During the current year, the Group adopted the below amended International Financial Reporting Standards ("IFRS") that are effective for the financial year ended 31 December 2020:

- Amendment to references to Conceptual framework in IFRS standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- COVID-19-Related Rent Concessions (Amendment to IFRS 16)

The adoption of above amended standards did not have a significant impact on the Group's consolidated financial statements.

2.5 New and amended standards not yet effective, but available for early adoption

The below new and amended International Financial Reporting Standards ("IFRS" or "standards") that are not yet effective but available for early adoption, have not been applied in preparing these consolidated financial statements.

Effective for year beginning 1 January 2021	• Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
Effective for year beginning 1 January 2022	• Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) • Annual Improvements to IFRS Standards 2018–2020 • Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) • Reference to the Conceptual Framework (Amendments to IFRS 3)
Effective for year beginning 1 January 2023	• Classification of Liabilities as Current or Non-current (Amendments to IAS 1) • IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
Effective date deferred indefinitely / available for optional adoption	• Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)

The Group does not expect that the adoption of the above new and amended standards, except IFRS 17 "Insurance Contracts" will have a significant impact on the consolidated financial statements.

The Group is yet to assess the impact due to adoption of IFRS 17 "Insurance Contracts" on its consolidated financial statements.

3. Significant accounting policies

3.1 Basis of consolidation and business combination

Basis of consolidation

The consolidated financial statements include the separate financial statements of QP and the (consolidated) financial statements of the entities controlled by QP (its "subsidiaries").

Specifically, the Group controls an investee if and only if the Group has:

a.) power over the investee;
b.) exposure, or rights, to variable returns from its involvement with the investee; and
c.) the ability to use its power over the investee to affect its returns.

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than a majority of voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

a.) the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
b.) potential voting rights held by the Group, other vote holders or other parties;
c.) rights arising from other contractual arrangement; and
d.) any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that the decision needs to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are fully consolidated from the date on which QP obtains control, and continue to be consolidated until the date when such control ceases.

Profit or loss and other comprehensive income of each component are attributed to the owner of QP and the non-controlling interests (NCI). Total comprehensive income of the subsidiaries is attributed to the owner of QP and to the NCI even if this results in the NCI having deficit balance.

The consolidated financial statements incorporate the Group's interest and its share of profits or losses from associates and joint ventures using the equity method of accounting. Joint operations are accounted for in these consolidated financial statements on the Group's share of each of the assets, liabilities, income and expenses of the joint operations and are combined with the similar items, line by line.

Where necessary, adjustments are made to the financial statements of subsidiaries, joint ventures, joint operations and associates to bring their accounting policies in line with those used by the Group.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated or reversed in full.

Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3. Significant accounting policies (continued)

3.1 Basis of consolidation and business combination (continued)

Business combination

Acquisitions of a business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognised in profit of loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair values, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured under the Group's accounting policies; and
- Assets (or disposal group) that are classified as held for sale in accordance with the Group's accounting policies.

Non-controlling interests that are present ownership interests and entitle holders to a proportionate share of the entity's net assets in the event of liquidation is initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of the measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are those adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not measured at subsequent reporting dates and subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with the Group's accounting policies, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the financial reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the 'measurement period', or additional assets or liabilities are recognised, to reflect the information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognised at that date.

3. Significant accounting policies (continued)

3.2 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the fair values of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date fair values of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating unit (CGU) (or groups of CGUs) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

3.3 Property, plant and equipment

Initial recognition

The cost of an item of property, plant and equipment is recognised as an asset if, and only if:

(a) It is probable that future economic benefits associated with the item will flow to the Group; and
(b) The cost of the item can be measured reliably.

However, items of property, plant and equipment may be acquired for safety or environmental reasons, for example to comply with environmental regulations. The acquisition of such items, although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment may be necessary to obtain future economic benefits from other assets or group of assets. Such items are also recognised as assets.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses, if any. The initial cost of an asset comprises:

(a) its purchase price or construction cost, including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.

(b) any costs directly attributable to bringing the asset into present location and condition, for example:
- cost of site preparation;
- initial delivery and handling cost;
- installation and assembly cost;
- cost of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced during the testing period; and
- professional fees associated with the acquisition of the property.

(c) the initial estimate of the cost of decommissioning, dismantling and removing the item and restoring the site on which it is located - wherever applicable and where a decommissioning obligation exists.

(d) for qualifying assets, where applicable, borrowing cost.

3. Significant accounting policies (continued)

3.3 Property, plant and equipment (continued)

Initial recognition (continued)

Spare parts and servicing equipment are carried as inventory and expensed when consumed. However, major spare parts and stand-by equipment qualifying as property, plant and equipment are recognised as property, plant and equipment.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset (as appropriate) only when it is probable that future economic benefits associated with the item of assets will flow to the Group and the cost of assets can be measured reliably, in consideration of the following provisions:

(i) Additions and extension

Cost incurred for additions and extension of an existing asset is capitalised when such cost results in increased efficiency, enhancement of benefits or life of the asset. In other cases, the cost incurred is expensed when incurred.

(ii) Replacements

Cost of replacement of an asset or part of an asset, where this asset/part is separately depreciated and is now replaced, and it is probable that future economic benefits associated with this asset/part will flow to the Group; the replacement costs are capitalized and depreciated as per depreciation policy used for that asset. The carrying amount of the old assets / parts that are replaced is written-off / derecognized.

Where this asset/part is not separately considered as a component and therefore not depreciated separately, the replacement cost is used to estimate the carrying amount of the replaced asset /part.

(iii) Improvements / upgrades

Costs incurred for improvement / upgrade of an existing asset are capitalized if such costs result in an increased efficiency, enhancement of benefits, or extending the useful life of the asset.

(iv) Repairs, Refurbishment and Maintenance Cost

Costs incurred for routine and cyclical maintenance and repairs as well as day-to-day repairs and maintenance are expensed when incurred.

Some assets require major maintenance and refurbishment at regular intervals, which is often described as an overhaul or turnaround. Cost of an item of property, plant and equipment is recognised when future economic benefits are probable and the cost of the item can be measured reliably. Subsequently, when the costs are incurred in relation to such an item of property, plant and equipment, the nature of such costs needs to be determined:

(a) if the costs relate to the replacement of a part of the entire asset then the carrying amount of the part that is replaced is derecognized and recognizes the cost of the replacement part;
(b) costs of day-to-day servicing costs (e.g. costs of labour and consumables and possibly the cost of small parts) should be expensed when incurred;
(c) when each major inspection, overhaul or turnaround is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Such costs are to be depreciated over the period until next inspection, overhaul or turnaround. Any remaining carrying amount of the cost of the previous inspection, overhaul or turnaround is derecognized. This occurs regardless of whether the cost of the previous inspection was identified in the transaction in which the item was acquired or constructed.

3. Significant accounting policies (continued)

3.3 Property, plant and equipment (continued)

Subsequent costs (continued)

(v) Furnishing

In case of initial furnishing of new offices, clubs, medical centres or residential accommodation, the entire cost of furnishing is capitalized. Subsequent refurbishment / repair of furniture and fittings shall be in line with the policy above. Replacement is in line with the policy above.

(vi) Exchange

In case an asset is acquired in exchange for another asset (whether similar or dissimilar in nature), the cost will be measured at the fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognized:

(a) by its sale or disposal by other means, or
(b) when no future economic benefits are expected from its use, sale or disposal by other means.

The gain or loss arising from derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized (unless otherwise in the event of a sale and lease back). The gain or loss resulting from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. Gain / loss is classified as other income / expenses.

Depreciation

Oil and gas properties are depreciated on a unit-of-production basis over the total proved developed reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, or common facility, in which case the straight-line method is used.

Other property, plant and equipment are generally depreciated on a straight-line basis over their estimated useful lives.

Shared infrastructure is depreciated using straight-line basis over the estimated useful lives of those assets.

Cost of major inspection, overhaul or turnaround which is capitalized is to be depreciated over the period until next inspection, overhaul or turnaround.

Land is not depreciated.

Residual value, useful life and methods of depreciation are reviewed at each reporting period, and, if expectations differ from previous estimate, any change is accounted/adjusted prospectively where appropriate.

The useful lives of the assets are as follows:

Oil and gas properties (UOP assets)	unit-of-production basis
Oil and gas properties (other than UOP assets)	10 to 40 years
Other property, plant and equipment (including port)	2 to 50 years

Depreciation begins when the asset is available for use.

3. Significant accounting policies (continued)

3.3 Property, plant and equipment (continued)

Exploration and evaluation assets

Exploration and evaluation activities involve the search for hydrocarbon resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Initial recognition

Exploration and evaluation assets are measured at cost; expenditures associated to exploration and evaluation assets are those expenditures related to exploration and evaluation activities after obtaining the legal right to explore and before extracting the oil and gas resource, for example:

(a) acquisition of rights to explore;
(b) topographical, geological, geochemical and geophysical studies:
(c) exploratory drilling;
(d) trenching;
(e) sampling;
(f) activities in relation to evaluating the technical feasibility and commercial viability of extracting oil and gas resource; and
(g) the initial estimate of the cost of decommissioning, dismantling and removing the item and restoring the site on which it is located, wherever applicable and where a decommissioning obligation exists.

Pre-license costs are expensed in the period in which these are incurred. Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalized as exploration and evaluation assets until the drilling of the well is complete and the results have been evaluated.

Classification

Exploration and evaluation assets are classified as tangible (e.g. drilling rigs) or intangible (e.g. drilling rights) according to the nature of the assets acquired and the classification is applied consistently. Tangible portion of the exploration and evaluation assets is presented as part of property, plant and equipment while intangible portion is presented as intangible assets in the consolidated statement of financial position.

Exploration and evaluation assets remain in a separate un-depreciable asset class in the property, plant and equipment and intangible assets until the status of success or failure is known.

Upon recognition of proved oil and / or gas resources and internal approval for development, the relevant exploration and evaluation assets are to be reclassified as oil and gas properties.

Measurement after initial recognition

Exploration and evaluation assets are stated at cost less impairment – if any. Exploration costs are accounted for using the successful efforts method of accounting. Under the successful efforts method, the exploration and evaluation costs are grouped on a field basis; those costs for successful projects remain as an asset only if the cost directly results in the development of proved reserves. Those costs for unsuccessful projects are immediately expensed and are recognized in profit or loss.

Accordingly, within the context of a successful efforts approach, only those costs that lead directly to the discovery, acquisition, or development of specific discrete oil and/or gas reserves are capitalized. If no potential commercial hydrocarbons are discovered, the exploration asset is written off as a dry well. If extractable hydrocarbons are found and subject to further appraisal activity (e.g., the drilling of additional wells), are likely to be capable of being commercially developed, the costs continue to be carried as exploration and evaluation assets while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons.

3. Significant accounting policies (continued)

3.3 Property, plant and equipment (continued)

Exploration and evaluation assets (continued)

Measurement after initial recognition (continued)

Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons are initially capitalized as exploration and evaluation assets. All such capitalized costs are subject to technical, commercial and management review as well as review for indicators of impairment at least once a year; this is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off to profit or loss.

When proved reserves of oil and/or natural gas are identified and development is sanctioned by management, the relevant capitalized expenditures are first assessed for impairment and (if required) any impairment loss is recognized. The remaining balance is transferred to oil and gas properties or intangible assets where appropriate. No depreciation is charged during the exploration and evaluation phase.

Development costs

Post evaluation phase and upon recognition of proved reserve, development costs including expenditures on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of production wells are capitalised within oil and gas properties.

Capital work-in-progress

Capital work-in-progress is initially recognised at cost, which includes cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use. Following the initial recognition; capital work-in-progress is carried at cost less impairment losses – if any. Capital work-in-progress is not depreciated or amortized.

Capital work-in-progress will be transferred to respective classes of property, plant and equipment when the asset is ready for use as intended by the management.

3.4 Investment property

Investment property represents land and buildings that are occupied substantially for use by third parties and are held by the Group to earn rentals or capital appreciation. Changes in fair values are not recognised as the Group recognizes the investment property at cost model and carries at cost less accumulated depreciation and impairment loss, (if any).

Recognition and measurement

An investment property is recognised initially at cost of acquisition, including any transaction costs and is subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Depreciation

Depreciation is calculated on buildings only to write off the cost of items of investment property using the straight-line method over the estimated useful life of 40 years (2019: 20 years) and is recognised in profit or loss.

During the year, the Group reassessed the useful life of its investment properties, which resulted in a change in the expected useful lives which have increased when compared to the previous year. The effect of these changes is a decrease in depreciation expense for the year amounting to QR 11 million.

3. Significant accounting policies (continued)

3.4 Investment property (continued)

Derecognition

An item of investment property is derecognized upon disposal or when no future economic benefits are expected from its use. Profits and losses on disposals of items of investment property are determined by comparing the proceeds from their disposal with their respective carrying amounts and are recognised in profit or loss.

3.5 Intangible assets

Assets like computer software, IT applications, license costs, field appraisal program and intellectual property are classified as Intangible Assets if these are identifiable, non-monetary, controlled by the Group and it is probable that expected future economic benefits that are attributable to the asset will flow to the Group.

Measurement

Intangible assets are measured on initial recognition at cost. Following the initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. Amortisation of intangible assets is calculated on a straight-line basis over the estimated useful life of those assets. The periodic amortisation is recognized as amortisation expense in profit or loss. The amortisation period is reviewed at each reporting period and adjusted prospectively where appropriate.

Derecognition

An intangible asset is derecognised:

(a) on disposal; or
(b) when no future economic benefits are expected from its use or disposal.

Intangible assets majorly comprise of costs incurred on appraisal wells and computer software. These intangible assets are amortised over the useful life of 4 to 5 years.

3.6 Catalysts

Catalysts (which comprise of chemicals and precious metals) acquired are measured on initial recognition at cost. Following initial recognition, catalysts are carried at cost less any accumulated amortisation and any accumulated impairment losses. The amortisation period is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on catalysts is recognised in profit or loss.

Catalysts with an estimated life of less than one year are recorded as inventory and expensed when used. Catalysts with an estimated life of more than one year are capitalised and are amortised on a straight line basis over their useful life between 2 to 6 years.

3.7 Borrowing costs

Borrowing costs are interests and other costs that are incurred in connection with the borrowing of funds. Borrowing costs attributable to acquisition, construction or production of a qualifying assets are capitalized as part of the cost of the asset up to the date the asset is ready and able to be placed into service. The borrowing costs eligible for capitalisation are those costs that would have been avoided if the expenditure on the qualifying asset had not been made. Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended purpose.

Other borrowing costs are expensed in the period in which they are incurred. For the purpose of determining interest available for capitalisation, the costs related to these borrowings are reduced by any investment income realized on the temporary investment of funds from the borrowing. Costs associated with raising the financing are capitalized and amortised to expense as per the effective interest method.

3. Significant accounting policies (continued)

3.8 Government grants

Government grants, including non-monetary grants, are recognised when there is a reasonable assurance that:

(a) The Group will comply with the conditions attaching to them - if any; and
(b) The grants will be received.

Non-monetary government grants such as land and other resources are recorded at nominal amount.

3.9 Investments in joint ventures and associates

Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Shareholders advances to joint ventures having the characteristics of equity financing are also included in investment in the consolidated statement of financial position.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investees but does not have control or joint control over those entities.

Equity method of accounting

The Group accounts for its investments in joint ventures and associates in its consolidated financial statements using the equity method of accounting.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses of the investee in profit or loss, and the Group’s share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received from equity accounted investees are recognised as a reduction in the carrying amount of the investment.

When the Group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables for which settlement is neither planned nor expected to happen in foreseeable future, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its equity accounted investees are eliminated to the extent of the Group’s interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

3.10 Interests in joint operations

Joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligation for the liabilities, relating to the arrangement. The Group combines its share of each of the assets, liabilities, income and expenses of the joint operation with the similar items, line by line, in its consolidated financial statements. The joint operations are combined from the date of acquisition of joint control until the date on which the Group ceases to have joint control over these joint operations.

3. Significant accounting policies (continued)

3.11 Assets classified as held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method.

Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity’s control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture. When the Company retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Company measures the retained interest at fair value at that date is regarded as its fair value on initial recognition in accordance with IFRS 9 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3.12 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of crude oil and refined products is the purchase cost (in case of crude oil purchased for refining purpose), the cost of refining, including the appropriate proportion of overheads based on normal operating capacity, determined on a weighted average basis.

Cost of purchase

The costs of purchase of inventories comprise the purchase price, import duties and other taxes, if any (other than those subsequently recoverable by the Group from the taxing authorities), and transport, handling and other cost directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Cost of conversion

The costs of conversion of inventories include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. Fixed production overheads are those indirect costs of production that remain relatively constant regardless of the volume of production, such as maintenance of refinery buildings and equipment, and the cost of refinery management and administration. Variable production overheads are those indirect costs of production that vary directly, or nearly directly, with the volume of production, such as indirect materials and indirect labour.

3. Significant accounting policies (continued)

3.12 Inventories (continued)

Other costs

Other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition.

Pipeline fill

Hydrocarbons, which are necessary to bring a pipeline into working order, are treated as a part of the related pipeline. This is on the basis that these are not held for sale or consumed in a production process but are necessary to the operation of a facility during more than one operating cycle, and their cost cannot be recouped through sale.

Net realisable value

Net realisable value refers to the net amount that the Group expects to realise from the sale of inventory in the ordinary course of business. It is based on the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.13 Foreign currency transactions and translation

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss or other comprehensive income depending on where the fair value is adjusted. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction and resulting foreign currency differences are recognised in profit or loss and presented within finance charges.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated to Qatari Riyals at exchange rates at the reporting date. The income and expenses for each statement of consolidated profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions). Moreover, all resulting exchange differences are recognised in other comprehensive income. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

3. Significant accounting policies (continued)

3.14 Financial instruments

Financial instruments – recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets not held in qualifying hedge relationship. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3. Significant accounting policies (continued)

3.14 Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest ("SPPI")

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Group considers:

– contingent events that would change the amount or timing of cash flows;
– terms that may adjust the contractual coupon rate, including variable-rate features;
– prepayment and extension features; and
– terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

3. Significant accounting policies (continued)

3.14 Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Classification and subsequent measurement of financial liabilities

Financial liabilities (accounts payables, bonds, and derivative financial instruments) are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3. Significant accounting policies (continued)

3.14 Financial instruments (continued)

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, due from related parties, loan to related parties, short-term deposits and financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime ECL for trade receivables and loans to related parties. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Derivative financial instruments and hedging

The Group uses derivative financial instruments to hedge its foreign currency and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at the end of reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

a.) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
b.) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; and
c.) Hedges of a net investment in a foreign operation.

3. Significant accounting policies (continued)

3.14 Financial instruments (continued)

Derivative financial instruments and hedging (continued)

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges that qualify for hedge accounting

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss as in finance costs. The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. the deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains/(losses).

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss.

Dividend income

Dividend income is recognised when the Group's right to receive payment is established, which is earlier of when the Group receives the dividends or dividends are approved by the shareholders of the investee companies in the Annual General Assembly.

3. Significant accounting policies (continued)

3.14 Financial instruments (continued)

Interest income and expenses

Interest income and expense for all financial instruments except for those classified as held for trading or those measured or designated as at FVTPL are recognised as 'Interest income' and 'Finance charges', respectively, in profit or loss using the effective interest method. Interest on financial instruments measured as at FVTPL is included within the fair value movement during the period.

3.15 Impairment

Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset or cash-generating unit (CGU) may be impaired. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of the impairment testing, assets are grouped together into the smallest group of assets that independently generate cash inflow (i.e. the cash generating unit or "CGU").

Recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the asset is tested as part of a larger CGU to which it belongs. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount.

In calculating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU. In determining fair value less costs to sell, recent market transactions are taken into account.

Impairment losses of continuing operations, including impairment of inventories, are recognized in profit or loss in expense categories consistent with the function of the impaired asset.

Reversal of impairment loss

The Group assesses at each reporting date whether there is any indication that an impairment loss recognized in prior periods for an asset, may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated.

If the recoverable amount of that asset is higher than the carrying amount, the impairment loss recognized in prior periods are reversed to the extent that the reversal of impairment loss does not exceed the carrying amount of the asset that would have been determined had no impairment loss been recognized for that asset in prior year.

A reversal of an impairment loss for an asset is recognized in profit or loss.

3.16 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and in hand and short-term bank deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and bank deposits with short-term maturities, net of any outstanding bank overdrafts.

3. Significant accounting policies (continued)

3.17 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3. Significant accounting policies (continued)

3.17 Leases (continued)

As a lessee (continued)

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term and included under operating, selling and administrative expenses.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other operating income'.

3.18 Social fund contribution

Some entities in the Group make contributions equivalents to 2.5% of the adjusted consolidated net profit for the year into a state social fund for the support of sports, cultural, social and charitable activities in accordance with Law No. 13 of 2008. This is presented in the consolidated statement of changes in equity as an appropriation from consolidated profit.

3.19 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

3. Significant accounting policies (continued)

3.20 Provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is recognized in profit or loss net of any reimbursement except in case of provision for dismantling and decommissioning which are capitalised in property, plant and equipment if the future economic benefits of the related assets will flow to the Group. If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Onerous contracts
Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

3.21 Revenue recognition

IFRS 15 “Revenue from Contracts with Customers” outlines a single comprehensive model of accounting for revenue arising from contracts with customers. It establishes a new five-step model that applies to revenue arising from contracts with customers.

Step 1: Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that create enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2: Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer that is distinct.

Step 3: Determine the transaction price: Transaction price is the amount of consideration to which the entity expects to be entitled to in exchange for transferring the promised goods and services to a customer, excluding amounts collected from third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the entity will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the entity expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue from contracts with customers is recognised when control of the products or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those products or services.

The Group recognises revenue from the following major sources:

Sale of petroleum and related products

Sale of petroleum and related products includes revenue earned by the Group through the export of regulated products and sale of petroleum and other products for local consumption. Revenue from sale of petroleum and related products is recognized at a point-in-time (when the control is transferred) or over time (as and when the control transfers). Control of the petroleum and related products is determined to be transferred to the customer when the title of petroleum and related products passes to the customer, which typically takes place when product is physically transferred into a vessel, pipe or other delivery mechanism.

3. Significant accounting policies (continued)

3.21 Revenue recognition (continued)

Sale of products produced as a result of underlying Production Sharing Agreements ("PSAs")

The Group, on behalf of the Government of State of Qatar, has entered into PSAs with Foreign Partners, to facilitate the exploration and production of the petroleum resources of the State of Qatar. Under the terms of the relevant PSAs, the Group is entitled to its participating share in the petroleum products. Revenue from products lifted as a result of PSAs is recognized at a point-in-time or over time when the control of the products transfers from Group to the customers.

Provision of services and sale of non-petroleum products

The Group is engaged in provision of services, such as port services, seawater cooling facility, secondment services, lease, miscellaneous services. Revenue from sale of non-petroleum products and services is recognized at a point-in-time (when the control is transferred) or over time (as and when the control transfers).

Overlift / underlift of crude oil

Overlift or underlift of crude oil occurs when the volume of oil lifted by a partner in a joint arrangement from its participating interest in the production is in excess or short of the allocated amount. Transaction of overlift or underlift creates an obligation for the underlifter to the overlifter. The obligation would be satisfied and revenue recognized by the underlifter when the output is lifted by the overlifter only if:

- overlifter meets the definition of the customer; and
- transaction is not a non-monetary exchange between entities.

The overlifter recognizes revenue when it delivered the output that it actually lifted to its customers.

The initial measurement of the overlift liability or underlift asset is at the market price of crude oil at the date of lifting. Subsequent measurement of overlift / underlift liabilities and assets depends on the settlement terms of the related operating agreements. If such terms allow for a cash settlement of the overlift / underlift balances between the parties, the balances are re-measured at fair value at reporting dates subsequent to initial recognition.

Sales of steel products

The Group manufactures and sells a range of steel products and by-products. Sales of goods are recognised when the Group has delivered products to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from sales is measured based on the price specified in the sales contracts, net of the estimated volume discounts and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases. No element of financing is deemed present as the sales are made with a credit term of 30 to 90 days.

Terms of delivery to customers are specified in the Offtake Requirements for the sale of steel. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or possible return of goods. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

3. Significant accounting policies (continued)

3.21 Revenue recognition (continued)

Sale of fertiliser goods

The Group manufactures and sells urea, ammonia and melamine products. Sales of goods are recognised when the Group has delivered products to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Terms of delivery to customers are specified in the offtake requirements for regulated products. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or possible return of goods.

Service and management charges

Service and management charges relate to management of operation of one of the Group's associates while agency commission relates to management of the marketing activities of the same associate. They are recognised in the accounting period in which the services are rendered.

Revenue from drilling services

The Group has generally had comprehensive agreements with customers to provide integrated services to operate a rig and drill a well. The Group is seen by the operators as the overseer of all services and are compensating the Group to provide that entire suite of services. In identifying performance obligations, IFRS 15 series guidance states that a contract may contain a single performance obligation composed of a series of distinct goods or services if:

a) each distinct good or service is substantially the same and would meet the criteria to be a performance obligation satisfied over time; and

b) each distinct good or service is measured using the same method as it relates to the satisfaction of the overall performance obligation.

The Group determined that the delivery of day rate drilling services is within the scope of the series guidance as both criteria are met:

- each distinct increment of service (i.e. hour available to drill) that the Group promises to transfer represents a performance obligation that would meet the criteria for recognizing revenue over time; and
- the Group would use the same method for measuring progress toward satisfaction of the performance obligation for each distinct increment of service in the series.

Consideration for activities that are not distinct within the scope of contracts, such as mobilization, demobilization and upgrade/modification, and do not align with a distinct time increment within the contract term are allocated across the single performance obligation and are recognized over the expected recognition period in proportion to the passage of each hour available to drill.

Consideration for activities which align with a distinct time increment within the contract term is recognized in the period when the services are performed.

Drilling services are consumed as the services are performed and generally enhance a well site which the customer controls. Work performed on a well site does not create an asset with an alternative use to the contractor since the well/asset being worked on is owned by the customer. Therefore, the Group's measure of progress for a drilling contract is hours available to drill over the contracted duration.

Helicopter transportation services revenue

The Group provides helicopter transportation services to its customers. As these services are provided "over time", revenue is recognized accordingly.

Revenue is recognised over time as the services are provided. Transfer of control of the service is assessed based on the service performed.

3. Significant accounting policies (continued)

3.21 Revenue recognition (continued)

Revenue from insurance contracts

Premiums and reinsurance premiums are taken into income over the terms of the policies to which they relate. Gross insurance and reinsurance written premiums comprise the total premium receivable for the whole period of cover provided by contracts entered into during the accounting period. They are recognised on the date on which the policy commences.

Unearned premiums represent the portion of net premiums written relating to the unexpired period of coverage calculated at actual number of days method (daily pro-rata basis). The change in the provision for unearned premium is taken to profit or loss in order that revenue is recognised over the period of risk.

Catering, manpower, accommodation and housekeeping and other revenue

The Group provides catering, manpower, accommodation and cleaning services to customers. Length of the contract depends on the customers' requirement. Revenue is recognised over the period of contract based on the output. Revenue is recognised over time as the services are provided. Transfer of control of the service is assessed based on the service performed.

Revenue from function or event sales

Revenue is recognised point in time when the foods are delivered to the customers based on the rates agreed with the customer.

Revenue from Air Ambulance Services, Supply of spares, maintenance, repair operation services and Training services.

Revenue is recognized based on the actual services rendered and goods delivered based on the rates agreed with the customer.

Revenue from vehicle inspection, transportation and distribution of refined petroleum products services

Revenue from such services is recongnised upon completion of services as the duration of services is generally short in nature.

Revenue from sale of Petrochemical products

The Group manufactures and sells a range of petrochemical products and by-products. Sales of goods are recognised when the control of the product has transferred upon completion of loading. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or possible return of goods.

3.22 Insurance claims and expense recognition

Insurance claims

Insurance claims incurred consist of amounts payable to policyholders and third parties and related loss adjustment expenses, net of salvage and other recoveries and are charged to profit or loss as incurred.

Gross outstanding claims comprise the gross estimated cost of claims incurred but not settled at the end of the reporting period, whether reported or not. Provisions for reported claims, but not settled as at the end of the reporting period, are made on the individual case estimates. In addition, a provision based on a range of historical trends, empirical data and current assumptions is maintained for the cost of settling claims incurred but not reported at the end of the reporting period.

3. Significant accounting policies (continued)

3.22 Insurance claims and expense recognition (continued)

Reinsurers' share of claims

Reinsurers' share of claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

3.23 Reinsurance

The Group enters into agreements with other parties for reinsurance purposes, in order to minimize insurance risk exposure from large claims and to ensure the risk management policy of the Group, in the normal course of business for all of its business classes. Reinsurance contract assets represent balances due from reinsurance companies. Recoverable amounts are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contract.

Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

Premiums and claims on assumed reinsurance are recognised as income and expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsurance business.

Reinsurance assets are reviewed for impairment at the end of each reporting period or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measureable impact on the amounts that the Group will receive from the reinsurance companies. The impairment loss is recorded in the profit or loss.

Reinsurance contract liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the associated reinsurance contract.

Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance.

3.24 Deferred acquisition costs (DAC)

DAC are amortised over the period in which the related revenues are earned. The reinsurers' share of deferred acquisition costs is amortised in the same manner as the underlying asset's derecognized is recorded in profit or loss, the deferred portion of the acquisition costs is included in the consolidated statement of financial position.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognised in profit or loss. DAC are included as part of the liability adequacy test for each reporting period.

DAC are derecognized when the related contracts are either settled or disposed off.

3.25 Insurance contract liabilities

Insurance contract liabilities include the provision for outstanding claims, provision for claims incurred but not reported and the provision for unearned premium. Insurance contact liabilities are recognized when contracts are entered into and premiums are charged. The provision for outstanding claims is recognized for claims reported but not settled and accounts for the liability for unpaid loss and loss adjustment expense amounts based on the management's and loss adjusters' best estimate.

The provision for claims incurred but not reported is calculated based on empirical data, historical trends and patterns and appropriate assumption with the application of widely acceptable actuarial techniques.
The provision for unearned premium represents the portion of premium which relates to risks that have not expired as the reporting date. The provision for unearned premium is calculated based on the insurance service pattern provided by the insurance contract and is recognized as income over the term of the contract.

3. Significant accounting policies (continued)

3.25 Insurance contract liabilities (continued)

The Group reviews the adequacy of the provision for unearned premium to cover costs associated with liability arising from unexpired risk at each reporting date. Where the provision is considered inadequate to cover future contractual obligations for unexpired risks, a provision for premium deficiency is established and recognized.

3.26 Capital

Capital is authorised and represented by Government of State of Qatar in accordance with Decree Law No.10 of 1974 (as amended by Law No.5 of 2012).

3.27 Taxes and royalties

Taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable on the taxable income for the year and any adjustment to the tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantially enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount taxable temporary differences is insufficient to recognize a deferred tax asset in full, then the future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

3. Significant accounting policies (continued)

3.27 Taxes and royalties (continued)

Royalties

The Group complies with all valid and applicable laws related to royalties issued by the Government of the State of Qatar. Royalties are payable to the Government of State of Qatar. Royalties are applied on export sale of crude oil, refined products and gas including condensate and recorded under operating, selling and administrative expenses. Royalities are deductible for tax calculation purpose.

3.28 Dividend distribution

Dividends payable are recognised in the consolidated financial statements in the period in which these are approved by the Board of Directors. However, if these are approved after the reporting period but before the consolidated financial statements are authorised for issue, they are disclosed in the notes to these consolidated financial statements.

3.29 Post-employment benefit plans

Defined contribution plan

QP and certain entities in the Group have a defined contribution plan for the Qatari national employees and other GCC national employees (who joined on or after 5 March 2003). In case of Qatari employee, QP and those entities contribute as pension, 10% of salary on behalf of the employee and the employee contributes 5%, and therefore a total 15% is remitted to the Government Pension Fund in accordance with the requirements of Law No 24 of 2002 (as amended) pertaining to Retirement and Pensions. In case of other GCC nationals, QP and other GCC employees contribute at specified rates which are then remitted to Government pension fund. Under this Law and QP’s policy, QP and those entities do not have any legal or constructive obligation to pay future pension to those employees and hence QP and those entities' obligations are limited to their contributions paid to Government Pension Fund which are expensed when due.

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognized in the consolidated statement of financial position in respect of defined benefit plans should be the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. When no deep market in such bonds exists, the market rates on government bonds are used.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised, when material, in the period in which they occur, directly in other comprehensive income. They are included in ‘defined benefits obligations remeasurement reserve’ within equity.

The Group maintains two defined benefit plans as follows:

Qatari pension scheme

QP and certain entities in the Group provide a defined benefit plan for the Qatari national employees who retired before 5 March 2003. Under this plan, QP and those entities pay a monthly pension to those employees until death. The defined benefit plan is valued at each reporting date by professionally qualified independent actuaries. The pension liability recognised in the consolidated statement of financial position represents the present value of the defined benefit obligation based on the actuarial valuations.

3. Significant accounting policies (continued)

3.29 Post-employment benefit plans (continued)

Defined benefit plans (continued)

Employees' end of services benefits

Employees' end of services benefits represents terminal gratuities and are provided for services rendered in accordance with entitlements stipulated in the employees' contract, QP policy and/or Qatar Labour Law number 14 of 2004. This plan is for Qatari and non-Qatari employees. The employees' end of services benefits liability is valued at each reporting date by professionally qualified independent actuaries. The employees' end of services benefits liability recognised in the consolidated statement of financial position represents the present value of the employees' end of services benefits obligation based on the actuarial valuations.

3.30 Events after the reporting date

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in these consolidated financial statements. Post year-end events that are not adjusting events are disclosed in these consolidated financial statements, when they are material.

4. Critical judgments and key sources of estimation uncertainty

In preparing these consolidated financial statements, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations, that management has made in the process of preparation of these consolidated financial statmenents and that have the most significant effect on the amounts recognised in these consolidated financial statements:

(i) Classification of investments in subsidiaries

The Group has classified its investments in Qatar Fuel Company ("Woqod") and Gulf International Services Q.S.C. ("GIS") as subsidiaries. Under the terms of the incorporation documents of these entities, the Group is in a position to exercise control over the relevant activities of these entities. Accordingly, the Group has classified these investments as investments in subsidiaries.

(ii) Assumptions to determine the carrying amount of the defined benefit obligation

The Group's defined benefit obligation (under Qatari pension scheme and employees end of service benefits) is based on the following:

- Discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant judgment is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the bonds, quality of the bonds and the identification of outliners which are excluded.

- Pension / salary increase rate reflects the management's view on long term pension / salary increases.

- Post retirement mortality is based on best estimate of the future life expectancy of pensioners and their dependent. Management intends to keep the mortality assumption under review to take account of new research or scheme experience where credible.

4. Critical judgments and key sources of estimation uncertainty (continued)

4.1 Critical judgments in applying accounting policies (continued)

(ii) Assumptions to determine the carrying amount of the defined benefit obligation (continued)

- Retirement life of both males and females has been assumed to be 60 years.

(iii) Exploration and evaluation expenditure

The Group's accounting policy for exploration and evaluation expenditure results in certain items of expenditure being capitalized for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalized the expenditure under the policy, a judgment is made that recovery of the expenditure is unlikely, the relevant capitalized amount will be written off to profit or loss.

(iv) Development costs

Development activities commence after project sanctioning by the appropriate level of management. Judgment is applied by the management in determining when a project is economically viable. In exercising this judgment, management is required to make certain estimates and assumptions similar to those described above for capitalized exploration and evaluation expenditure. Any such estimates and assumptions may change as new information becomes available. If, after having commenced development activity, a judgment is made that a development asset is impaired, the appropriate amount will be written off to profit or loss.

(v) Decommissioning liabilities

The Group has recognized certain provisions for the future costs of decommissioning as outlined in Note 24(a). Management has assessed that no other decommissioning liabilities exist as at the reporting date since there is no legal or constructive obligation on the Group with respect to decommissioning, except for those recognized in the consolidated financial statements.

(vi) Revenue recognition

Satisfaction of Performance Obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue. For sale of goods and rendering of services, revenue is recognized by the Group at a point in time when the control is transferred to the customer and over time when the customer is consuming the benefits as and when the control is being transferred.

Determination of transaction price

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement, the Group assesses the impact of any variable consideration in the contract, due to true up adjustments, discounts and bonus payments. In determining the impact of variable consideration, the Group uses the "expected-value" method whereby the transaction price is determined by reference to a sum of probability weighted amounts.

4. Critical judgments and key sources of estimation uncertainty (continued)

4.1 Critical judgments in applying accounting policies (continued)

(vi) Revenue recognition (continued)

Allocate the transaction price to the performance obligations in the contract

The Group is required to allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation. For contracts that have more than one performance obligation, the Group is required to allocate the transaction price between the identified performance obligations under the contracts on a relative separate selling price basis. In determining the stand-alone selling price of each performance obligation, if it is not directly observable, the Group estimates it considering all information (including market conditions, entity-specific factors and information about the customer or class of customer) that is reasonably available to the Group.

(vii) PSAs entered on behalf of the Government

QP is a party to the Production sharing agreements (“PSAs”) agreements with the contractors as the representative of the Government of State of Qatar. The Group has determined that it is acting as the principal in relation to these agreements and accordingly, all the assets, rights and obligations arising from these agreements are assessed by the Group and accounted for in these consolidated financial statements.

QP has determined that it has full control over the operations of some PSAs (“Full Controlled Operations”) while some PSAs are jointly controlled by QP with foreign partners (“Joint Operations”) under the terms of PSAs. Under Full Controlled Operations, full revenue, expenses, assets and liabilities of the operations are recorded in the consolidated financial statements. In case of Joint Operations, those PSAs are accounted for in accordance with accounting policy mentioned in Note 3.10.

(viii) Taxes paid on behalf

The Group has various fiscal regimes and arrangements whereby income tax is being assumed, paid and discharge by QP on behalf of the contractors and joint venture partners to the tax authorities. These taxes are calculated based on the PSA and other agreements with the contractors and joint venture partners. These taxes represent the cost of revenue for the PSA transaction. Accordingly, the Group is accounting for these taxes as an operating expense.

(ix) Taxes on export income from crude oil, refined products, gas and condensates

Management believes that the Group is liable to pay taxes to the State of Qatar on export income of certain products based on the communications received from the Government and the established past practises of the Group notwithstanding any provisions in the general income tax law. In calculating the tax expense, management is required to make certain estimates and assumptions related to the products that would be subject to taxes as well as the allowable expenses to be deducted from the revenue of such products.

(x) Transactions with Government of Qatar

QP enters into various transactions with Government of Qatar. These transactions are entered with Ministry of Finance (“MOF”) where MOF acts on behalf of Government of Qatar. Since QP is a state-owned public corporation, the management, depending on the nature of the transaction, considers transactions with MOF as either the transaction with Government or the representative of the shareholder.

(xi) Classification of cash flow hedge

Classification of cash flow hedge is identified based on exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes

4. Critical judgments and key sources of estimation uncertainty (continued)

4.1 Critical judgments in applying accounting policies (continued)

(xi) Classification of cash flow hedge (continued)

to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

(xii) Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

(xiii) Tax

Tax matters of the Group's certain subsidiaries, associates and joint ventures are governed by the Joint Venture Agreements ("JVA"). Any tax clauses agreed under a joint venture agreement ("JVA") and approved by MOF / GTA will take precedence over the Qatar tax law.

It has been agreed by the parties to certain joint venture agreements, that each party is responsible for its own tax and therefore, the foreign shareholder's share of profits is adjusted for 100% of the tax payable to GTA.

In addition, a Memorandum of Understanding (MoU) was concluded on 4 February 2020 between QP, Qatar Electricity and Water Company Q.P.S.C. ("QEWC"), GTA and MOF, where MOF agreed to bear tax on behalf of the listed entities mentioned in the MoU. According to MoU, certain joint ventures make payments to GTA for the taxes due on the share of foreign shareholders and make payments to the listed company in amounts equal to assumed tax on the listed company's share.

When it is virtually certain that the foreign shareholders of the Group's joint ventures compensate the venture for their share of the results in the respective joint ventures, a tax indemnity is recognised as a tax reimbursement asset in the financial statements of the joint ventures.

The management of the Group assessed that no further tax liability exists on the Group beyond what is recorded and remitted to GTA.

(xiv) Classification of assets classified as held for sale

The Group has classified its investment in joint venture and related assets as held for sale assets. Management has assessed that the carrying amount of these investments will be recovered principally through a sale transaction rather than through continuing use.

(xv) Lease liabilities

Management assesses whether contracts entered by the Group for renting various assets contain a lease. The lease identification, including whether or not the Group has contracted to substantially all the economic benefits of the underlying asset, may require significant judgement. Establishing the lease term may also present challenges where a contract has an indefinite term or is subject to auto renewal or there are renewal options that are unclear if they will be exercised at the option date. The extension of the lease term significantly influences the value of the lease liability and the related right-of-use asset and arriving at a conclusion sometimes requires significant judgement calls. Furthermore, once the lease term is established, management needs to estimate the future cash flows payable over the lease term and discount them using the incremental borrowing rate that a lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. That also requires significant judgment and affects both the lease liability and the fair value of the underlying asset.

4. Critical judgments and key sources of estimation uncertainty (continued)

4.1 Critical judgments in applying accounting policies (continued)

(xvi) Classification of loans to equity accounted investees

The Group has provided interest-bearing loans to an associate and a joint venture. The proceeds of the loans are used by the associate for general working capital requirements and by the joint venture to lend it to its joint venture. Management has assessed that these loans are financial assets as the intention in providing the loan is to recover the full amount of loan in accordance with the terms of the agreement. Management presents portion of the loan as current based on the associate's projected cash flows or contractual repayments for the next 12 months after the reporting period.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(i) Estimation of oil and gas reserves

Proved Reserves are those quantities of Petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from known reservoirs and under defined technical and commercial conditions. If deterministic methods are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. The Group estimates its reserves and resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, volume of the reservoir, quality of the hydrocarbon fluid and suitable production techniques and recovery rates. Reserves are determined using estimates of oil and gas in place, recovery factors and future commodity prices. The Group forecasts reserves based on technical assessment and economic limit test, in addition to and with respect to end of remaining useful life of each asset facility. Future development costs are estimated using assumptions as to the number of wells required to produce the reserves, the cost of such wells and associated production facilities, and other capital costs. Within the inclusion of future development, the Group considers commerciality of the projected reserve profiles in their assessment. Reserves are most sensitive in these assets to end of field life facilities limitations that the Group has forecast on each asset. With capital investment, the Group fully expects that these dates will be extended and provide added value, but this has not been considered in the forecast of the Proved Reserves. Reserves are also very sensitive to continued development / investment, operational limitations, and price volatility. The long-term Brent oil price assumption used in the estimation of commercial reserves is per management's forecast. The carrying amount of oil and gas properties at 31 December 2020 amounted to QR 30,965 million (2019: QR 31,579 million) (Note 5(a)).

As the economic assumptions used may change and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change. Such changes may impact the Group's reported consolidated financial position and results, which include:

- The carrying value of exploration and evaluation assets, oil and gas properties (Note 5(a)) and licenses included in intangible assets (Note 6);
- Depreciation and amortisation charges in profit or loss may change where such charges are determined using the UOP method, or where the useful life of the related assets change (Note 29).

4. Critical judgments and key sources of estimation uncertainty (continued)

4.2 Key sources of estimation uncertainty (continued)

(ii) Impairment of non-financial assets

Impairment assessment is an area involving management judgment, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. For the purpose of the impairment testing, assets are grouped together into CGU. In calculating value in use, certain assumptions are required to be made in respect of highly uncertain matters including the estimated future cash flows that are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU.

The Group's management tests annually whether there are any indicators that non-financial assets (other than inventory) may be impaired in accordance with accounting policies stated in Note 3 to the consolidated financial statements. If indication exists, the recoverable amount of the asset or a CGU is determined based on the higher of fair value less costs to sell or value-in-use method which uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates.

In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of:

- growth in earnings before interest, tax, depreciation and amortisation ("EBITDA"), calculated as adjusted operating profit before depreciation and amortisation;
- long term growth rates; and
- the selection of discount rates to reflect the risks involved.

The Group prepares detailed long term plans for its investments which are reflected in the financial models of these investments. These plans are reviewed and approved by the Group's management and are subsequently used as the basis for its impairment reviews. In estimating the value in use, the Group uses financial models which are regularly reviewed and updated over the operating period of the investment. As part of the review process, management challenges and reassess the validity of the underlying assumptions of these financial models. During the year, the Group has identified indicators for impairment in its investments in Laffan Refinery Company Limited (2) ("LR 2"), Barzan Gas Company Limited ("Barzan"), Laffan Refinery Company Limited, Qatar Vinyl Company Limited, Oryx GTL Limited, Total Exploration and Production Congo ("TEPC"), Tamba B.V.and Arab Refining Company("ARC"). Accordingly, management assessed impairment on these investments. As a result of impairment testing, the Group has recognized provision amounting to QR 306 million related to its investment in LR2, QR 884 million related to investment in TEPC, QR 452 million on Tamba B.V. and QR 501 million related to investment in ARC the details of which are disclosed in Note 7 and Note 8(b).

Furthermore, due to continuous losses over past periods on sales made to international customers, Qatar Steel (Group's subsidiary) made a reassessment of its business model. Based on the reassessment made, the Group concluded that the prices of steel in the export market are not expected to recover due to current COVID-19 pandemic and other economic factors, to the extent to which it will enable the Group to make profits on sales to international customers. Hence, the management of Qatar Steel decided to cease Qatar Steel's export sales and mothball one of Qatar Steel's production facilities until the prices of steel in international market improves to a sustainable position. Accordingly, Management assessed the impairment of property, plant and equipment during the current period which led to a full impairment of QR 1,225 million of property, plant and equipment related to the mothballed production facility. Refer Note 5(a) v.

Additionally, as at the reporting date, the management of the Group's subsidiaries has assessed the receovrable value of certain assets included within property plant and equipment as at the reporting date using discounted cash flow model and recognized an impairment loss for the excess of carrying value of the recoverable values. Refer Note 5(a) v.

The Group has not identified impairment indicators against other non-financial assets as at the reporting date.

4. Critical judgments and key sources of estimation uncertainty (continued)

4.2 Key sources of estimation uncertainty (continued)

(iii) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined upon a consideration of the expected usage of the asset, physical wear and tear and technical or commercial obsolescence. In case of assets depreciated at unit of production basis, an estimate is made on the future expected hydrocarbon production throughout the remaining life of the asset.

The life of each item, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation/amortisation will be impacted to the extent that actual production in the future is different from current forecast production based on total proved reserves, or future capital expenditure estimates change. Changes to proved reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- The effect on proved reserves of differences between actual commodity prices and commodity price assumptions; and
- Unforeseen operational issues.

During the year, the Group's management has conducted a detailed assessment of reviewing the useful lives of certain categories of assets which resulted in changes in the expected usage of those assets. These asset classes, which management had previously estimated to have useful lives of 20 to 25 years, are now expected to remain in use for 40 years from the date of capitalisation. As a result, the expected useful lives of these assets have been increased. The effect of these changes on actual and expected depreciation expense is as follows. The expected impact of these changes will continue beyond 2025 and the below analysis is provided only for next 5 years.

	2020	2021	2022	2023	2024	2025
Decrease in depreciation expense	**572,462**	560,448	560,437	559,425	555,556	551,762

(iv) Impairment of project preliminary and pre-incorporation expenses

Project preliminary and pre-incorporation expenses are incurred by the Group in respect of a prospective subsidiary/joint venture companies in which the Group has or intends to acquire interest in. On a regular basis, the Group management performs assessment and reviews the recoverability and feasibility of these projects.

(v) Fair value measurements

The Group's investments in equity investments at FVOCI, financial assets at FVTPL and foreign currency swaps are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent available. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 35.

4. Critical judgments and key sources of estimation uncertainty (continued)

4.2 Key sources of estimation uncertainty (continued)

(vi) Provision for inventories

Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value ("NRV"). NRV for crude oil, gas and refined products is calculated based on their estimated selling prices in the ordinary course of business less the estimated costs to sell. Provision for obsolescence for maintenance and other materials is based on inventory type and ageing.

(vii) Financial instruments

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Significant increase in credit risk

The Group monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Group monitors all financial assets and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized.

In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

4. Critical judgments and key sources of estimation uncertainty (continued)

4.2 Key sources of estimation uncertainty (continued)

(vii) Financial instruments (continued)

Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

(viii) Provision for outstanding insurance claims

Considerable judgment by management is required in the estimation of amounts due to policy holders and third parties arising from claims made under insurance contracts. Such estimates are necessarily based on significant assumptions about several factors involving varying, and possible significant, degrees of judgment and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities. In particular, estimates have to be made both for the expected ultimate cost of claims reported at the end of the reporting period and for the expected ultimate cost of claims incurred but not yet reported (IBNR) at the end of the reporting period. The primary technique adopted by management in estimating the cost of notified and IBNR claims, is that of using past claim settlement trends and loss ratios to predict future claims settlement trends with support of external activities for certain line of business.

Claims requiring court or arbitration decisions are estimated individually. Independent loss adjusters normally estimate property claims. Management reviews its provisions for claims incurred, and claims incurred but not reported (IBNR), on a half-yearly basis.

The Group does not cover pandemics and is not liable to COVID-19 claims. However, for health insurance, actuary has factored in the potential impact of the COVID-19 pandemic and allowed for a 15% margin on IBNR for the possible delay in reporting and deferment of medical services related to non-COVID claims as a result of the pandemic.

The outbreak of COVID-19 continues to progress and evolve. The outbreak has had an impact on the demand and supply of healthcare services across the globe. New data on the spread of COVID-19 is still emerging. In addition, actions taken by governmental authorities and the healthcare system related to the COVID-19 pandemic are rapidly changing. Due to the limited information available on the pandemic, any analysis is subject to a substantially greater than usual level of uncertainty. These developments could impact estimated provisions and the assumptions may be revised significantly in 2021.

The management has given specific consideration to the relevant impact of COVID-19 on the qualitative and quantitative factors when determining the provision for outstanding claims this has resulted in recognition of provision as at 31 December 2020.

4. Critical judgments and key sources of estimation uncertainty (continued)

4.2 Key sources of estimation uncertainty (continued)

(ix) Unearned premiums

The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognized when contracts are entered into and premiums are charged and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract. Unearned premiums are calculated on a daily pro rata basis.

(x) Abandonment of wells and decommissioning of area

The future obligation for abandonment of wells and decommissioning of production area, where applicable, is booked at its present value, discounted at a risk free rate and is fully recorded at the time of declaration of commerciality of each field, as part of the cost of the related assets and a corresponding provision recorded in the liabilities that will support these expenses. The discount rate used in the determination of the decommissioning liability ranges from 3% - 8% (2019: 4.5% - 8%).

(xi) Valuation of investment in QAFCO at acquisition date

At the date of reclassification of investment in QAFCO as a subsidiary, the Group ceases to equity account for the share in the profit of QAFCO. The investment in QAFCO is remeasured to its acquisition-date fair value.

Management has assessed the fair value of the investment by using discounted cash flow model. The calculations were based on the following assumptions:

- WACC: 9.6%
- Utilization of capacity: 95% to 100%
- Enterprise value to Earnings Before interest, tax, depreciation and amortisation (EBITDA) multiple: 8.85 multiple
- Terminal period growth rate: 2.5%
- Projected cash flows over 17 years

The above assumptions are based on management best estimate and any change thereof may result in materially different recoverable amount.

(xii) Purchase price allocation for assumed control

On the achievement of control over a subsidiary, the cost is allocated by recognising the identifiable assets, liabilities and contingent liabilities acquired at fair value at the date at which control is achieved. The determination of the fair values of acquired assets and liabilities is based, to a considerable extent, on management's judgement. If the purchase consideration exceeds the fair value of the net assets acquired, then the difference is recognised as goodwill. If the purchase price consideration is lower than the fair value of the net assets acquired, then a gain is recognised in profit or loss.

As at and for the year ended 31 December 2020 QR '000

5(a). Property, plant and equipment

	Oil and gas assets	Other property, plant and equipment	Exploration and evaluation assets	Capital work-in-progress	Total
Cost:					
At 1 January 2019	77,464,244	179,562,736	2,238,147	20,058,891	279,324,018
Additions	758,662	7,554,431	1,614,039	6,103,777	16,030,909
Reclassification / transfers (Note ii)	396,501	1,363,958	202,380	(2,181,433)	(218,594)
Effect of foreign currency translation	-	(87,381)	(115,973)	-	(203,354)
Derecognition (Note iv)	(12,766)	(1,247,815)	-	(38,166)	(1,298,747)
At 31 December 2019	78,606,641	187,145,929	3,938,593	23,943,069	293,634,232
Additions	575,918	5,053,560	2,227,493	5,243,091	13,100,062
Acquisitions through business combinations (Note 37)	-	25,576,304	-	246,478	25,822,782
Reclassification / transfers (Note ii)	2,432,370	1,292,697	1,576,216	(3,781,099)	1,520,184
Effect of foreign currency translation	-	(605,446)	(35,596)	(102)	(641,144)
Derecognition (Note iv)	(3,379,731)	(2,352,768)	(208,973)	(38,471)	(5,979,943)
At 31 December 2020	**78,235,198**	**216,110,276**	**7,497,733**	**25,612,966**	**327,456,173**
Accumulated depreciation:					
At 1 January 2019	45,080,200	54,626,307	-	-	99,706,507
Charge for the year (Note 29)	1,987,816	6,345,757	-	-	8,333,573
Impairment charges for the year	-	3,463	-	-	3,463
Reversal of impairment	-	(3,760)	-	-	(3,760)
Effect of foreign currency translation	-	(56,736)	-	-	(56,736)
Derecognition (Note iv)	(40,412)	(1,064,345)	-	-	(1,104,757)
At 31 December 2019	47,027,604	59,850,686	-	-	106,878,290
Reclassification / transfers	196,945	(196,721)	-	-	224
Additions through business combination (Note 37)	-	12,741,212	-	-	12,741,212
Charge for the year (Note 29)	3,009,054	6,670,604	-	-	9,679,658
Impairment charges for the year (Note v)	-	1,679,652	-	-	1,679,652
Effect of foreign currency translation	-	(408,987)	-	-	(408,987)
Derecognition (Note iv)	(2,963,546)	(1,836,097)	-	-	(4,799,643)
At 31 December 2020	**47,270,057**	**78,500,349**	**-**	**-**	**125,770,406**
Net carrying amount:					
At 31 December 2020	**30,965,141**	**137,609,927**	**7,497,733**	**25,612,966**	**201,685,767**
At 31 December 2019	31,579,037	127,295,243	3,938,593	23,943,069	186,755,942

5(a). Property, plant and equipment (continued)

Notes:

(i) Included in property, plant and equipment is the Group's share of property, plant and equipment from its joint operations amounting to QR 76,075 million (2019: QR 72,784 million).

(ii) In 2020, out of the net balance of QR 1,520 million (2019: QR 219 million), an amount of QR 130 million (2019: QR 173 million) pertains to the transfer to intangible assets (Note 6) and QR 43 million (2019: QR 3 million) pertains to the transfer to investment property (Note 5(c)).

(iii) As at 31 December 2020, the cost of fully depreciated property, plant and equipment which are still in use amounted to QR 26 billion (2019: QR 29 billion).

(iv) Out of the total amount derecognized during the year, the Group has written off assets aggregating to QR 810 million (2019: QR 9 million) (Note 28).

(v) During the year, the Group has recorded an impairment of QR 1,680 million against property, plant and equipment of its subsidiaries, the details of which are as follows:

- Impairment in Qatar Steel Company Q.P.S.C. (Qatar Steel)

  Due to continuous losses over past periods on sales made to international customers, Qatar Steel (the Group's subsidiary) made a reassessment of its business model. Based on the reassessment made, the Group concluded that the prices of steel in the export market are not expected to recover due to current COVID-19 pandemic and other economic factors, to the extent to which it will enable the Group to make profits on sales to international customers. Hence, the management of Qatar Steel decided to cease Qatar Steel's export sales and mothball one of Qatar Steel's production facilities until the prices of steel in international market improves to a sustainable position. Accordingly, Management assessed the impairment of property, plant and equipment during the current period which led to a full impairment of property, plant and equipment related to the mothballed production facility.

  The Group reassessed the recoverable amount of a mothballed facility using the value-in-use method and recorded QR 1,225 million of impairment loss as a result of the impairment assessment.

- Impairment in Gulf International Services Q.P.S.C. (GIS)

  Management of GIS has carried out an assessment of impairment of its aircraft and rigs in light of the external indicators, current economic conditions surrounding the oil prices and market rates of such assets. The Group considers each of its aircraft and drilling rig together with lift boat and accommodation barges as individual CGUs. Based on the assessment, recoverable amount of each CGU was found to be more than its carrying value except certain aircraft (Bell series) and rigs and accordingly, impairment loss of QR 308 million has been recognized in respect of aircraft and rigs.

  The Group has used contractual cash flows in determining the value-in use of each CGU (aircraft and rigs) discounted using the weight average cost of capital (WACC) of 9.1% and 10% respectively.

- Impairment in Qatar Melamine Company Q.S.C.C. (QMC)

  management recorded an impairment loss on QMC's property, plant and equipment amounting to QR 145 million based on an assessment of the recoverable amount using the value-in-use method. WACC used was 12%,terminal value used was 5 times the 2024 forecasted earnings before income tax, depreciation and amortization, product price used was higher between independent market forecasted prices of Argus and IHS and material price used was average of Argus and IHS prices.

5(a). Property, plant and equipment (continued)

- Impairment in Qatar Fuel Company Q.P.S.C. (Woqod)

  The management recorded an impairment of Woqod's property, plant and equipment amounting to QR 2 million during the year.

5(b). Right-of-use assets

	Land & buildings	Vehicles and mobile equipment	Vessels	Others	Total
Costs:					
At 1 January 2019	741,447	221,356	2,424,739	22,899	3,410,441
Additions (Note 22)	19,241	43,341	124,699	455,835	643,116
Reclassification / transfers / adjustments	(1,352)	(44,185)	-	(15,442)	(60,979)
Effect of foreign currency translation	-	-	-	(8,583)	(8,583)
At 31 December 2019	759,336	220,512	2,549,438	454,709	3,983,995
Additions (Note 22)	720,176	33,034	158,695	100,771	1,012,676
Additions through business combination (Note 37)	331,449	8,730	-	3,453	343,632
Reclassification / transfers / adjustments	(85,431)	(38,207)	-	(322,658)	(446,296)
Effect of foreign currency translation	-	-	-	(79,656)	(79,656)
At 31 December 2020	**1,725,530**	**224,069**	**2,708,133**	**156,619**	**4,814,351**
Accumulated depreciation:					
At 1 January 2019	192,893	63,390	333,920	7,834	598,037
Charge for the year (Note 29)	207,294	66,111	343,584	49,766	666,755
Effect of foreign currency translation	-	-	-	(613)	(613)
Reclassification / transfers / adjustments	(9,092)	(35,448)	-	(4,707)	(49,247)
At 31 December 2019	391,095	94,053	677,504	52,280	1,214,932
Charge for the year (Note 29)	177,215	67,737	400,778	53,279	699,009
Additions through business combination (Note 37)	196,110	8,279	-	1,511	205,900
Effect of foreign currency translation	-	-	-	(5,554)	(5,554)
Reclassification / transfers / adjustments	(8,751)	(5,590)	-	(47,706)	(62,047)
At 31 December 2020	**755,669**	**164,479**	**1,078,282**	**53,810**	**2,052,240**
Net carrying amount:					
At 31 December 2020	**969,861**	**59,590**	**1,629,851**	**102,809**	**2,762,111**
At 31 December 2019	368,241	126,459	1,871,934	402,429	2,769,063

5(c). Investment property

	2020	2019
Costs:		
At 1 January	**1,040,613**	1,025,610
Additions	**-**	12,134
Transfers (Note 5(a) ii)	**43,269**	2,869
At 31 December	**1,083,882**	1,040,613
Accumulated depreciation:		
At 1 January	**154,341**	119,384
Charge for the year (Note 29)	**15,797**	34,079
Impairment charges for the year	**7,428**	-
Transfers (Note 5(a) ii)	**-**	878
At 31 December	**177,566**	154,341
Net carrying amount:		
At 31 December	**906,316**	886,272

Investment property is carried at cost less accumulated depreciation and impairment losses, if any.

The fair value of the investment properly as at 31 December 2020 was QR 1,585 million (2019: QR 1,512 million) based on a valuation carried out using the income earning approach. Under this approach, a property's fair value is estimated based on the capitalization of the net operating income of the relevant property using the market yield.

The fair value was determined by independent external property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The fair value measurement for the investment property has been categorized as a Level 3 fair value based on the above inputs on the valuation technique used.

6. Intangible assets

	Software (Note i)	Data acquisition – cost for appraisal wells	Other intangible assets (Note ii)	Total
Costs:				
At 1 January 2019	738,619	2,408,825	2,593,765	5,741,209
Additions	-	-	1,841,639	1,841,639
Transfer from property, plant and equipment (Note 5(a) ii)	149,971	22,998	-	172,969
Derecognition	(3,725)	-	-	(3,725)
At 31 December 2019	884,865	2,431,823	4,435,404	7,752,092
Additions	2,533	-	73,486	76,019
Additions from business combination (Note 37)	-	-	10,400	10,400
Transfer from property, plant and equipment (Note 5(a) ii)	22,558	107,447	-	130,005
Effect of foreign currency translation	-	-	(852,762)	(852,762)
Derecognition / reclassification	(4,050)	(2,645)	2,645	(4,050)
At 31 December 2020	**905,906**	**2,536,625**	**3,669,173**	**7,111,704**
Accumulated amortization:				
At 1 January 2019	672,832	1,298,814	23,754	1,995,400
Charge for the year (Note 29)	39,756	314,273	681	354,710
Derecognition	(3,725)	-	-	(3,725)
At 31 December 2019	708,863	1,613,087	24,435	2,346,385
Charge for the year (Note 29)	66,106	265,548	1,183	332,837
Impairment charge	-	-	8,084	8,084
Derecognition / reclassification	(4,050)	(1,629)	1,629	(4,050)
At 31 December 2020	**770,919**	**1,877,006**	**35,331**	**2,683,256**
Net carrying amount:				
At 31 December 2020	**134,987**	**659,619**	**3,633,842**	**4,428,448**
At 31 December 2019	176,002	818,736	4,410,969	5,405,707

i. This represents computer software which is not an integral part of hardware and is amortised over the useful life of 4 to 5 years.

ii. These include licenses in offshore blocks in various countries amounting to QR 3,323 million (2019: QR 4,334 million) through the Group's joint operations.

As at and for the year ended 31 December 2020 QR '000

7. Investments in associates

2020	**Group percentage of holding 2020**	**2019**	**At 1 January 2020**	**Additions/ (disposal)**	**Share in profit**	**Dividends**	**Other adjustments (i)**	**At 31 December 2020**
Total Exploration and Production Congo (iii & v)	**15.0**	15.0	2,673,159	-	38,220	-	(883,917)	**1,827,462**
Foulath Holding B.S.C. – Bahrain (ii)	**25.0**	25.0	1,462,708	-	13,158	-	(12,633)	**1,463,233**
Tamba B.V. (iv)	**23.0**	23.0	635,980	-	19,195	(41,860)	(452,426)	**160,889**
Others			2,163,430	(43,054)	240,559	(190,393)	(197,816)	**1,972,726**
Total			**6,935,277**	**(43,054)**	**311,132**	**(232,253)**	**(1,546,792)**	**5,424,310**

2019	Group percentage of holding 2019	2018	At 1 January 2019	Additions / (disposals)	Share in profit/(loss)	Dividends	Other adjustments (i)	At 31 December 2019
Total Exploration and Production Congo (iii & v)	15.0	15.0	2,227,623	-	445,536	-	-	2,673,159
Foulath Holding B.S.C. – Bahrain (ii)	25.0	25.0	1,391,968	(98,320)	73,742	-	95,318	1,462,708
Tamba B.V. (iv)	23.0	23.0	1,287,376	(582,698)	31,766	(100,464)	-	635,980
Others			2,675,119	(112,452)	(77,720)	(114,966)	(206,551)	2,163,430
Total			7,582,086	(793,470)	473,324	(215,430)	(111,233)	6,935,277

7. Investments in associates (continued)

i.) Other adjustments in the above table mainly include the Group's share in the associates' other comprehensive income, transfer of investment in associate for acquisition of subsidiary (Note 37) and recognition/reversal of impairment losses during the year.

ii.) Foulath Holding B.S.C. is a Bahraini Closed Joint Stock Company incorporated on 26 June 2008 in the Kingdom of Bahrain. Foulath Holding B.S.C. is a holding company for a group of commercial / industrial companies that are engaged in the manufacture and sale of various steel products.

During 2019, the Group reversed a previously recognised impairment loss on investment in Foulath Holding amounting to QR 100 million (Note 28(c)). The Group computed value in use of its investment in Foulath Holding based on cash flow models. Significant assumptions included discount rate of 13%, EBITDA of 12% to 16%, utilization capacity of 95% to 110% and a terminal growth rate of 1.5% beyond the cash flows projected for a period of 5 years.

iii.) As at 31 December 2020, the Group performed an impairment assessment on the investment in TEPC due to unfavourable changes to future cash flows driven by lower gas price and loss on concessions.

The Group applied the following assumptions in performing impairment assessment in TEPC:

- discount rate of 11.1%
- inflation rate of 2%
- royalty rate of 15%
- Other assumptions are as follows:
    - Pricing is based on a differential pricing between the market price input and oil selling price as agreed on the French government contract with Congo government.
    - Costing is based on certain allocations allowed by the government.
    - Moho exploration block is assumed to continue until 2050, and to be dismantled by 2051. The other exploration blocks are expected to be abandoned/dismantled between 2028 to 2032.
    - Market price inputs of first 5 years of forecast period: 2021-$45/bbl, 2022-$47.5/bbl, 2023-$50/bbl, 2024-$52.4/bbl, 2025-$56.4/bbl.

The Group recognised impairment loss relating to investment in TEPC amounting to QR 884 million (2019: Nil) for the year ended 31 December 2020.

iv.) As at 31 December 2020, the Group performed an impairment assessment on the investment in Tamba B.V. due to the novation of lease contract with and transfer of remaining assets to the BC-10 concession which resulted to uncertainty in Tamba B.V.'s future earnings and cashflows.

The recoverable amount has been determined to be the share of the Group in the net cash that Tamba B.V. will receive from BC-10 concession in 2021 amounting to QR 161 million. As a result, the Group recognised impairment loss relating to investment in Tamba B.V. amounting to QR 452 million (2019: Nil) for the year ended 31 December 2020.

v.) The Group considered the contractual terms and conditions of this investment and decided that the Group exercises significant influence over this entity.

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7. Investments in associates (continued)

The following table gives the summarised financial information of the Group's investments in associates as reported in their own financial statements.

2020	**Total assets**	**Total liabilities**	**Net assets**	**Proportion of Group's interest in associates' net assets (i)**	**Total revenue**	**Total profit / (loss)**	**Total other comprehensive income / (loss)**	**Proportion of Group's interest in associates' total comprehensive income (i)**
Total Exploration and Production Congo	22,688,120	6,777,680	15,910,440	2,386,566	6,424,600	254,800	-	38,220
Foulath Holding B.S.C.	8,532,162	4,669,984	3,862,178	965,545	4,963,801	52,637	(10,531)	10,527
Tamba B.V.	767,188	66,081	701,107	161,256	-	83,458	-	19,195

2019	Total assets	Total liabilities	Net assets	Proportion of Group's interest in associates' net assets	Total revenue	Total profit /(loss)	Total other comprehensive income / (loss)	Proportion of Group's interest in associates' total comprehensive income
Total Exploration and Production Congo	25,334,400	9,675,120	15,659,280	2,348,892	11,182,080	2,970,240	-	445,536
Foulath Holding B.S.C.	8,474,365	4,653,357	3,821,008	955,252	6,117,835	295,103	(17,049)	69,060
Tamba B.V.	1,246,966	447,312	799,654	183,921	-	138,113	-	31,766

(i) Proportion of the Group in net assets and total comprehensive income does not include goodwill, impairment losses and other adjustments.

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8. Investments in joint arrangements

a. Interest in joint operations

These consolidated financial statements include the Group’s share of assets, liabilities, income and expenses of the following Joint arrangements which are unincorporated joint operations.

1.) Qatar Gas Upstream:

Qatar Gas Upstream was granted the right to develop and produce non associated gas and condensate from designated area in Qatar's North Gas Field. This joint operation provides feedstock gas to Qatar Liquefied Gas Company Limited. The period of the joint operation is for 25 years effective 31 December 1996.

2.) Pearl GTL Project North Field:

QP, on behalf of Government of State of Qatar, and Qatar Shell GTL Limited entered into a Development and Production Sharing Agreement (“DPSA”) on 8 July 2004 to develop gas-to-liquids (GTL) project in Ras Laffan, State of Qatar. The period of the DPSA is for 27 years effective 13 June 2011.

3.) Dolphin Gas Project:

QP, on behalf of Government of State of Qatar, Offset Investments Company Limited ("OIC") and TotalFinaelf E & P Dolphin ("TFE") entered into a Development and Production Sharing Agreement (“DPSA”) on 23 December 2001 to design, develop, construct and operate the facilities and conduct petroleum operations to recover and export certain quantities of natural gas for export purpose. The period of the DPSA is for 25 years effective 21 July 2007.

4.) Al Khaleej Gas Project:

QP, on behalf of Government of State of Qatar, and ExxonMobil Middle East Gas Marketing Limited entered into a Development and Production Sharing Agreement (“DPSA”) on 2 May 2000 to carry out the Enhanced Gas Utilisation Project. The period of the DPSA is for 25 years effective 2 May 2000.

5.) BC-10 Concession:

BC-10 Concession comprises of upstream exploration and production assets of Block BC-10 located at Campos Basin, offshore Brazil and is operated by Shell Petroleo Ltda under a Joint Operating Agreement (JOA) signed with joint partners in which the Group has a 23% interest.

6.) Al Khalij Oil Field Joint Operation:

Al Khalij Block 6 Field (Al Khalij) is an unincorporated joint operation between Qatar Petroleum Oil and Gas and Total E&P Golfe Limited, located in State of Qatar in which the Group has 60% interest. Al Khalij is engaged for production of crude oil from the offshore Alkhalij Block 6 field.

The remaining joint operations of the Group owned through its subsidiary QPI are still in exploration stage and their exploration and evaluation cost has been capitalized as part of property, plant and equipment and/or intangible assets as appropriate.

The Group’s share of assets, liabilities, income and expenses from the above joint operations included in these consolidated financial statements is as follows:

	2020	2019
Non-current assets	**80,695,766**	76,975,671
Current assets	**900,985**	1,071,416
Non-current liabilities	**1,301,613**	992,582
Current liabilities	**697,004**	771,548
Income	**24,965,809**	33,760,084
Expenses	**6,854,628**	7,305,278

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8. Investments in joint arrangements (continued)

b. Investments in joint ventures

2020	Group percentage of holding 2020	2019	1 January 2020 *(Restated)*	Net additions/ (repayments) / (disposals)	Share in profits/ (losses)	Dividends	Other adjustments	31 December 2020
Qatar Liquefied Gas Company Limited (Note v)	**65.0**	65.0	1,002,600	-	2,040,843	(1,878,604)	-	**1,164,839**
Qatar Liquefied Gas Company Limited (2) (Note v)	**67.5**	67.5	12,057,015	-	2,692,833	(4,114,128)	30,587	**10,666,307**
Laffan Refinery Company Limited (Note v)	**51.0**	51.0	889,662	-	(105,534)	-	70,543	**854,671**
Laffan Refinery Company Limited 2 (Note v) & (Note viii)	**84.0**	84.0	-	305,760	-	-	(305,760)	**-**
Ras Laffan Liquefied Natural Gas Co. Limited (Note v)	**63.0**	63.0	1,624,301	-	2,507,318	(2,049,914)	(39,927)	**2,041,778**
Ras Laffan Liquefied Natural Gas Co. Limited (II) (Note v)	**67.1**	67.1	2,599,128	-	3,299,152	(3,280,014)	77,920	**2,696,186**
Barzan Gas Company Limited (Note ii and v)	**93.0**	93.0	16,255,197	4,532,263	(1,087,370)	-	42,504	**19,742,594**
Qatar Vinyl Company Limited (Note v)	**68.1**	68.1	1,387,903	-	118,304	(185,186)	(18,219)	**1,302,802**
Qatar Chemical Company Limited (Note v)	**51.0**	51.0	1,503,334	-	277,238	(307,513)	-	**1,473,059**
Qatar Chemical Company Limited (II) (Note v)	**51.0**	51.0	3,354,052	-	206,071	(343,434)	-	**3,216,689**
Oryx GTL Limited (Note v)	**51.0**	51.0	2,407,690	-	(81,947)	-	-	**2,325,743**
Qatar Liquefied Gas Company Limited (3) (Note v)	**68.5**	68.5	6,661,754	(324,142)	2,472,379	(2,772,661)	-	**6,037,330**
Qatar Liquefied Gas Company Limited (4) (Note v)	**70.0**	70.0	5,940,529	(252,252)	1,222,686	(1,610,336)	-	**5,300,627**
Ras Laffan Liquefied Gas Company Limited (3) (Note v)	**70.0**	70.0	5,999,559	(621,630)	3,722,708	(3,722,710)	-	**5,377,927**
Golden Pass LNG Terminal LLC (Note iv & v)	**70.0**	70.0	6,691,596	3,241,764	155,983	-	-	**10,089,343**
Adriatic LNG Terminal	**22.0**	22.0	1,569,021	(47,693)	3,139	(19,546)	137,910	**1,642,831**
South Hook LNG Terminal Ltd. (Note v)	**67.5**	67.5	2,144,702	-	282,110	(232,913)	71,422	**2,265,321**
Golden Pass Pipeline LLC (Note v)	**70.0**	70.0	1,182,735	-	75,933	-	-	**1,258,668**
QPI & Shell Petrochemicals (Singapore) PTE Ltd.	**49.0**	49.0	1,410,953	-	193,487	(288,943)	-	**1,315,497**
Arab Refining Company ("ARC") (Note iii)	**38.1**	38.1	1,032,712	-	(518,047)	-	(514,665)	**-**
Qatar Petrochemical Company Q.P.S.C. (Note v)	**80.0**	80.0	5,931,851	-	336,860	(503,200)	405,686	**6,171,197**
Qatar Fertiliser Company Q.P.S.C. ('QAFCO') (Note vii)	**-**	75.0	9,847,874	-	-	-	(9,847,874)	**-**
North Oil Company (Note v)	**70.0**	70.0	3,642,526	-	1,695,039	-	-	**5,337,565**
Qatar Aluminium Company (Qatalum)	**50.0**	50.0	4,823,351	-	101,485	(391,300)	-	**4,533,536**
Others			1,356,220	193,029	(162,474)	(75,202)	(54,455)	**1,257,118**
Total			**101,316,265**	**7,027,099**	**19,448,196**	**(21,775,604)**	**(9,944,328)**	**96,071,628**

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8. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

2019	Group percentage of holding 2019	2018	1 January 2019	Net additions/ (repayments) / (disposals)	Share in profits/ (losses) *(Restated)*	Dividends	Other adjustments *(Restated)*	31 December 2019 *(Restated)*
Qatar Liquefied Gas Company Limited (Note v)	65.0	65.0	1,355,065	-	3,433,135	(3,785,600)	-	1,002,600
Qatar Liquefied Gas Company Limited (2) (Note v)	67.5	67.5	11,741,480	-	6,671,794	(6,348,156)	(8,103)	12,057,015
Laffan Refinery Company Limited (Note v)	51.0	51.0	1,018,134	-	(128,472)	-	-	889,662
Ras Laffan Liquefied Natural Gas Co. Limited (Note v)	63.0	63.0	1,648,657	-	4,234,284	(4,301,653)	43,013	1,624,301
Ras Laffan Liquefied Natural Gas Co. Limited (II) (Note v)	67.1	67.1	2,699,626	-	5,216,327	(5,418,764)	101,939	2,599,128
Barzan Gas Company Limited (Note ii and v)	93.0	93.0	9,818,173	6,725,718	(298,172)	-	9,478	16,255,197
Qatar Vinyl Company Limited (Note v) & (Note 39)	68.1	68.1	1,176,951	-	335,885	(183,434)	58,501	1,387,903
Qatar Chemical Company Limited (Note v) & (Note 39)	51.0	51.0	1,114,877	-	630,294	(324,870)	83,033	1,503,334
Qatar Chemical Company Limited (II) (Note v) & (Note 39)	51.0	51.0	2,606,337	-	1,072,585	(324,870)	-	3,354,052
Oryx GTL Limited (Note v)	51.0	51.0	2,170,138	-	237,552	-	-	2,407,690
Qatar Liquefied Gas Company Limited (3) (Note v)	68.5	68.5	6,728,527	-	4,660,713	(4,727,486)	-	6,661,754
Qatar Liquefied Gas Company Limited (4) (Note v)	70.0	70.0	5,686,524	-	2,641,481	(2,387,476)	-	5,940,529
Ras Laffan Liquefied Gas Company Limited (3) (Note v)	70.0	70.0	6,103,489	-	6,662,378	(6,766,308)	-	5,999,559
Golden Pass LNG Terminal LLC (Note iv & v)	70.0	70.0	2,768,320	1,860,913	178,057	-	1,884,306	6,691,596
Adriatic LNG Terminal	22.0	22.0	1,664,660	(62,944)	23,315	(23,541)	(32,469)	1,569,021
South Hook LNG Terminal Ltd. (Note v)	67.5	67.5	1,974,992	-	325,739	(292,788)	136,759	2,144,702
Golden Pass Pipeline LLC (Note v)	70.0	70.0	1,217,225	(137,592)	103,102	-	-	1,182,735
QPI & Shell Petrochemicals (Singapore) PTE Ltd.	49.0	49.0	1,320,491	-	179,642	(89,180)	-	1,410,953
Arab Refining Company ("ARC") (Note iii)	38.1	38.3	1,036,516	32,760	(15,602)	-	(20,962)	1,032,712
Golden Pass Products LLC	70.0	70.0	416,353	1,512,564	(44,611)	-	(1,884,306)	-
Qatar Petrochemical Company Q.P.S.C. (Note v)	80.0	80.0	6,056,070	-	1,077,586	(1,217,600)	15,795	5,931,851
Qatar Fertiliser Company Q.P.S.C.	75.0	75.0	10,766,538	-	813,784	(1,722,600)	(9,848)	9,847,874
North Oil Company (Note v)	70.0	70.0	1,912,169	-	1,857,757	(127,400)	-	3,642,526
ExxonMobil Exploration Argentina (EMEA) (Note vi)	30.0	30.0	1,564,070	88,452	(131,804)	-	(1,520,718)	-
ExxonMobil Argentina S.R.L. (Note vi)	30.0	30.0	672,495		8,736	-	(681,231)	-
Qatar Aluminium Company (Qatalum)	50.0	50.0	4,749,847	-	145,729	(81,900)	9,675	4,823,351
Others			1,856,686	(244,987)	270,295	(348,946)	(176,828)	1,356,220
Total			91,844,410	9,774,884	40,161,509	(38,472,572)	(1,991,966)	101,316,265

8. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

i. Other adjustments in the above table mainly include the Group's share in the joint ventures' other comprehensive income for the year, foreign currency translation differences, impairment losses and other adjustments.

ii. During the year, Barzan Gas Company Limited ("Barzan") issued 1,075,200,000 preference shares (2019: 322,425,000 ordinary shares and 1,400,375,476 preference shares) at par value of USD 1 each, amounting to QR 3,914 million (2019: QR 6,271 million) through conversion of the shareholder advances and projects preliminary and pre incorporation expenses to share capital. The Group's share in the additional shares issued amounted to 999,936,000 preference shares valuing QR 3,640 million (2019: 299,855,250 ordinary shares and 1,302,349,193 preference shares valuing QR 5,832 million). Additionally, the Group paid shareholder advances amounting to QR 944 million (2019: QR 894 million) which were also capitalized as part of investments during the year.

iii. At the meeting held on 28 August 2017, the Board of Directors of ARC decided to increase the issued capital by issuing new 562,500 shares with par value USD 10 each. The increase in share capital was paid in full only by QPI Egypt Ltd., wholly-owned subsidiary of the Group, the rest of the shareholders announced that they are not interested to participate in the mentioned capital increase. During 2018, additional paid in capital has been requested by ARC and the Group has paid an amount of QR 61.4 million, an amount less than its current shareholdings. After the additional capital was made by all shareholders, the effective shareholding of the Group has decreased to 38.31%. During 2019, additional paid in capital has been requested by ARC and the Group has paid an amount of QR 32.8 million, an amount less than the equivalent of its shareholding. After the additional capital was made, the effective shareholding of the Group decreased to 38.11%.

In 2017, the Group recognised an impairment loss of QR 391 million on investment in ARC due to delay in commissioning of the refinery project of Egyptian Refining Company S.A.E. ("ERC"), a subsidiary of ARC. In 2020, the Group recognised additional impairment loss amounting to QR 501 million due to delays in project commencement, reduction in margins and default in debt service leading to potential debt restructuring.

The Group applied the following assumptions in performing impairment assessment:

- discount rate of 11.3%
- inflation rate of 2.2%
- Other assumptions are as follows:
  - Production based on operator estimate
  - Group's expectation of product prices and / or price index

iv. In 2018, the Group and ExxonMobil (joint venture partner) have taken the final investment decision for developing the Golden Pass LNG export project, which is owned by Golden Pass Products L.L.C., a joint venture between the Group (70%) and ExxonMobil (30%). The construction of the Golden Pass LNG export facility started during the year and is expected to be completed by 2024. Further, Golden Pass Products L.L.C. has been merged with Golden Pass LNG Terminal L.L.C. during the year. Golden Pass LNG Terminal L.L.C. is the surviving entity and the Group retained its equity interest at 70%.

v. The Group has classified these investments as joint ventures. The Group considers the terms and condition of the agreements and the purpose and design of the joint arrangements. As per the agreement, the venturers of the above companies jointly control these companies. As such, the Group concluded that the arrangements are joint ventures rather than subsidiaries.

8. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

vi. In 2018, the Group acquired 30% equity stake in two ExxonMobil affiliates in Argentina namely, ExxonMobil Exploration Argentina S.R.L. ("EMEA") and Mobil Argentina S.A. ("MASA") that hold different interests in hydrocarbon licenses for seven blocks in Vaca Muerta in the onshore Neuquén basin in Argentina.

These entities hold rights with other partners for seven blocks under unconventional exploration licenses in Argentina with active drilling plans as well as exploitation licenses with pilot drilling and production.

In 2019, the Group performed an impairment assessment on the investments in EMEA and MASA due to unfavourable changes to future cash flows driven by the following:

- regulatory changes leading to lower gas price resulting in gas development becoming uneconomical;
- lower oil prices leading to delay in development of oil; and
- higher than planned lifecycle operating expenses

The Group applied the following assumptions in performing impairment assessment in EMEA and MASA:

- discount rate of 15.2%
- inflation rate of 2%
- Other assumptions are as follows:
  - production is based on the Group's type curve estimate.
  - domestic oil and gas prices are expected to be regulated at a level below international price.
  - export prices for oil are expected to be unregulated and set by quality and transport differentials to international benchmarks.
  - transportation differential is calculated assuming that oil would be loaded on Suezmax vessels.

In 2019, the Group recognised impairment loss relating to investments in EMEA and MASA amounting to QR 2,202 million. No additional impairment loss nor reversal of impairment loss is recognised during the year.

vii. The Group acquired 25% stake in QAFCO from Yara Nederland B.V. on 1 January 2020 against a purchase consideration of QR 3,640 million and classified this as investment in a subsidiary as the Group exercises control over this investment. Refer Note 37 for details.

viii. During the year, the Group has paid an additional equity advance amounting to QR 306 million to LR2 and recognized impairment loss on equity advance amounting to QR 306 million following the impairment assessment as at 31 December 2020.

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8. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

2020	Cash and cash equivalents	Other current assets	Non-current assets	Current financial liabilities (excluding trade payables and provision)	Other current liabilities	Non-current financial liabilities (excluding trade payables and provision)	Other non-current liabilities	Net assets	Adjustments*	Proportion of Group's interest in joint venture's net assets
QG1	198,202	1,512,285	2,312,558	509,629	1,721,356	-	-	1,792,060	-	1,164,839
QG2	3,806,141	2,608,977	30,509,847	846,213	3,249,388	17,027,427	-	15,801,937	-	10,666,307
LR	287,545	1,122,518	2,092,876	40,965	906,466	879,683	-	1,675,825	-	854,671
LR2	366,584	953,796	3,804,393	11,033	1,142,876	3,970,864	-	-	-	-
RG1	2,607,430	1,392,751	3,125,475	54,473	3,164,856	731,067	-	3,175,260	41,364	2,041,778
RG2	3,366,876	2,009,939	10,816,548	486,646	4,202,799	7,482,760	-	4,021,158	-	2,696,186
Barzan	568,630	1,424,197	39,366,265	2,812,402	434,634	16,883,460	-	21,228,596	-	19,742,594
QVC	365,751	542,775	892,007	732	234,937	174,450	-	1,390,414	355,930	1,302,802
Q-chem	316,328	974,998	2,061,260	23,306	634,441	596,029	3,247	2,095,563	404,322	1,473,059
Q-chem II	551,170	1,112,260	5,044,279	51,002	179,384	1,518,523	-	4,958,800	687,701	3,216,689
Oryx	289,617	1,264,740	3,662,226	14,498	439,370	202,434	-	4,560,281	-	2,325,743
QG3	2,637,781	1,823,243	19,413,230	1,514,924	1,052,117	12,493,593	-	8,813,620	-	6,037,330
QG4	2,194,887	1,240,705	18,826,411	1,674,567	1,485,833	11,529,278	-	7,572,325	-	5,300,627
RG3	3,959,519	2,793,995	29,986,560	1,170,606	3,656,365	24,230,350	-	7,682,753	-	5,377,927
GP LNG	1,002,801	77,341	14,644,339	2,574	1,245,393	60,959	-	14,415,555	(1,546)	10,089,343
ALNG	97,178	123,131	7,904,850	6,564	64,131	57,640	-	7,996,824	(116,470)	1,642,831
SH LNG	198,257	123,462	5,633,612	159,968	136,942	2,403,502	96,261	3,158,658	133,227	2,265,321
GP Pipeline	159,741	26,191	1,917,594	222	69,772	3,642	-	2,029,890	(162,255)	1,258,668
QPI & SP	3,352	92,067	1,254,974	-	151	-	-	1,350,242	653,878	1,315,497
ARC	127,309	597,573	13,671,972	1,512,915	672,801	8,869,080	-	3,342,058	(1,273,324)	-
QAPCO	855,496	1,599,130	6,362,645	436,281	718,805	478,876	-	7,183,309	424,550	6,171,197
NOC	272,523	2,897,345	14,085,755	681,321	3,393,761	2,866,624	2,688,824	7,625,093	-	5,337,565
Qatalum	663,073	1,673,566	12,315,230	89,948	422,753	5,134,865	-	9,004,303	31,385	4,533,536

*Pertains mainly to foreign currency translation differences, impairment losses and other adjustments.

As at and for the year ended 31 December 2020 QR '000

8. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

2020	**Revenue**	**Depreciation and amortization**	**Interest income**	**Interest expense**	**Income tax expense**	**Profit / (loss) from continuing operations**	**Other comprehensive income**	**Total comprehensive income / (loss)**	**Proportion of Group's interest in joint venture's total comprehensive income / (loss)**
QG1	11,636,443	(1,703,363)	15,768	(100,988)	(1,690,376)	3,139,758	-	3,139,758	2,040,843
QG2	19,511,401	(1,910,490)	13,748	(952,883)	(2,186,220)	3,989,382	-	3,989,382	2,692,833
LR1	7,071,297	(146,525)	4,383	(2,566)	(31,537)	(206,930)	-	(206,930)	(105,534)
LR2	6,144,426	(827,620)	2,734	(140,606)	(1,263)	(1,073,937)	-	(1,073,937)	-
RG1	9,672,317	(501,028)	946	(30,292)	(2,143,006)	3,979,870	-	3,979,870	2,507,318
RG2	17,507,217	(1,271,252)	6,785	(553,076)	(2,649,469)	4,920,436	-	4,920,436	3,299,152
Barzan	1,786,104	(373,093)	-	(363,636)	(1,107,849)	(1,169,215)	-	(1,169,215)	(1,087,370)
QVC	1,153,145	(133,555)	4,470	(200)	(281,317)	(54,310)	-	(54,310)	118,304
Q-chem	1,884,223	(261,014)	5,691	(3,674)	(182,113)	337,254	-	337,254	277,238
Q-chem II	1,961,269	(390,605)	4,069	(4,353)	(120,878)	287,923	-	287,923	206,071
Oryx	851,250	(359,756)	4,150	(12,267)	89,846	(160,681)	-	(160,681)	(81,947)
QG3	13,910,060	(1,320,909)	8,692	(850,297)	(551,831)	3,609,311	-	3,609,311	2,472,379
QG4	11,874,284	(1,276,785)	10,385	(728,517)	(944,176)	1,746,694	-	1,746,694	1,222,686
RG3	23,162,321	(2,077,799)	8,991	(1,252,928)	(2,808,853)	5,318,153	-	5,318,153	3,722,708
GP LNG	547,187	(99,473)	3,475	-	-	222,833	-	222,833	155,983
ALNG	688,842	(306,519)	9	(3,921)	(5,615)	14,254	-	14,254	3,139
SH LNG	293,724	(13,038)	635,813	(64,058)	(165,923)	417,941	12,462	430,403	290,522
GP Pipeline	180,432	(34,513)	427	-	-	108,476	-	108,476	75,933
QPI & SP	394,394	-	914	-	(58)	394,871	-	394,871	193,487
ARC	4,966,824	(875,491)	-	(619,047)	(564,248)	(1,341,045)	(54,893)	(1,395,938)	(531,992)
QAPCO	3,036,439	(321,623)	6,549	(7,143)	(324,369)	421,075	(23,580)	397,495	317,996
NOC	13,449,017	(1,262,687)	18,338	(169,071)	(1,303,877)	2,421,485	-	2,421,485	1,695,039
Qatalum	4,394,474	(893,391)	2,846	(210,585)	(62,772)	140,198	-	140,198	70,099

Proportion of Group's interest in joint ventures total comprehensive income / (loss) does not include intra group adjustments.

As at and for the year ended 31 December 2020 QR '000

8. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

2019	Cash and cash equivalents	Current assets (excluding. cash and cash equivalents)	Non-current assets	Current financial liabilities (excluding trade payables and provision)	Other current liabilities	Non-current financial liabilities (excluding trade payables and provision)	Other non-current liabilities	Net assets	Adjustments*	Proportion of Group's interest in joint venture's net assets
QG1	326,035	1,724,344	3,514,289	450,406	3,061,982	509,818	-	1,542,462	-	1,002,600
QG2	9,044,916	2,943,635	28,528,675	2,050,503	6,255,089	14,349,390	-	17,862,244	-	12,057,015
LR	360,367	1,326,591	2,217,037	39,469	1,236,751	882,605	735	1,744,435	-	889,662
RG1	4,513,469	1,069,851	3,048,908	53,697	5,112,388	887,887	-	2,578,256	-	1,624,301
RG2	5,505,991	2,543,596	11,796,013	1,862,708	6,088,657	8,017,832	-	3,876,403	-	2,599,128
Barzan	163,665	1,157,320	38,329,943	2,879,346	917,602	18,375,273	-	17,478,707	-	16,255,197
QVC	458,818	453,231	954,608	57,927	60,988	4,535	-	1,743,207	200,779	1,387,903
Q-chem	486,170	904,169	2,071,095	332,936	246,901	832,097	-	2,049,500	458,089	1,503,334
Q-chem II	1,121,477	1,253,740	5,213,798	520,990	311,249	1,412,502	-	5,344,274	628,472	3,354,052
Oryx	1,005,273	1,297,238	3,226,918	17,348	563,553	227,566	-	4,720,962	-	2,407,690
QG3	2,804,070	2,441,669	20,597,814	1,669,435	1,168,878	13,280,052	-	9,725,188	-	6,661,754
QG4	3,350,529	2,332,082	19,874,964	1,626,985	2,601,609	12,842,510	-	8,486,471	-	5,940,529
RG3	5,110,760	3,005,464	28,817,662	848,280	5,693,484	21,821,323	-	8,570,799	-	5,999,559
GP LNG	469,444	543,939	9,691,278	-	1,128,059	-	14,931	9,561,671	(1,841)	6,691,596
ALNG	97,112	162,830	7,593,553	5,984	96,753	59,189	3,752	7,687,817	(123,962)	1,569,021
SH LNG	227,509	118,338	5406,556	142,774	170,389	2,386,036	109,137	2,944,067	157,456	2,144,702
GP Pipeline	77,925	22,204	1,831,826	222	11,022	3,862	-	1,916,849	283	1,182,735
QPI & SP	380,100	92,026	1,073,520	597	-	-	-	1,545,049	653,879	1,410,953
ARC	116,893	896,302	14,454,089	990,141	603,714	8,841,961	-	5,031,468	138,100	1,032,712
QAPCO	530,742	1,142,048	7,045,815	510,669	285,480	507,642	-	7,414,814	-	5,931,851
QAFCO	1,223,752	1,692,807	11,483,403	155,640	425,718	497,597	-	13,321,007	-	9,847,874
NOC	310,956	3,924,469	8,897,968	722,130	4,265,166	974,772	1,967,715	5,203,610	-	3,642,526
Qatalum	993,203	1,866,716	12,957,687	836,370	509,521	4,825,013	-	9,646,702	-	4,823,351

*Pertains mainly to foreign currency translation differences, impairment losses and other adjustments.

As at and for the year ended 31 December 2020 QR '000

8. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

2019	Revenue	Depreciation and amortization	Interest income	Interest expense	Income tax expense	Profit / (loss) from continuing operations	Other comprehensive income	Total comprehensive income / (loss)	Proportion of Group's interest in joint venture's total comprehensive income / (loss)
QG1	16,640,078	(1,699,949)	21,265	(183,132)	(2,835,203)	5,281,749	-	5,281,749	3,433,135
QG2	28,929,213	(1,911,717)	79,847	(1,039,125)	(5,348,758)	9,884,140	-	9,884,140	6,671,794
LR	11,687,050	(149,699)	12,962	(2,038)	(32,065)	(251,906)	-	(251,906)	(128,472)
RG1	15,193,600	(538,982)	15,943	(32,225)	(3,619,045)	6,721,085	-	6,721,085	4,234,284
RG2	26,250,774	(1,222,920)	32,199	(653,453)	(4,317,604)	7,779,757	-	7,779,757	5,216,327
Barzan	-	-	18,731	-	-	(320,615)	-	(320,615)	(298,172)
QVC	1,269,628	(131,084)	9,511	-	180,635	496,001	-	496,001	335,885
Q-chem	2,158,069	(5,944)	13,271	(3,596)	(270,063)	500,475	-	500,475	630,294
Q-chem II	2,609,501	(324,178)	21,505	(33,368)	(141,873)	872,020	-	872,020	1,072,585
Oryx	2,372,513	(14,816)	-	(7,514)	(241,348)	465,789	-	465,789	237,552
QG3	19,013,467	(1,282,478)	38,551	(95,732)	(287,968)	6,803,961	-	6,803,961	4,660,713
QG4	16,346,232	(1,263,175)	34,544	(832,038)	(2,043,478)	3,773,544	-	3,773,544	2,641,481
RG3	31,646,000	(2,027,637)	56,704	(1,433,254)	(4,395,893)	9,517,683	-	9,517,683	6,662,378
GP LNG	559,875	106,332	6,552	-	-	254,368	-	254,368	178,057
ALNG	999,360	(315,180)	1,466	(4,276)	(42,243)	105,857	-	105,857	23,315
SH LNG	282,207	(12,863)	617,543	(71,528)	(112,855)	482,577	10,572	493,149	332,875
GP Pipeline	258,760	(71,016)	-	-	-	147,289	-	147,289	103,102
QPI & SP	364,764	-	-	-	422	366,617	-	366,617	179,642
ARC	-	-	-	(17,476)	-	(40,938)	(55,004)	(95,942)	(36,564)
GPP	-	(11)	-	-	-	(63,730)	-	(63,730)	(44,611)
QAPCO	2,863,071	(343,108)	14,470	(9,339)	-	1,346,982	-	1,346,982	1,077,586
QAFCO	5,676,798	(1,039,125)	162,839	(13,029)	(1,053)	1,073,810	(13,131)	1,060,679	795,509
NOC	22,380,004	(1,110,228)	25,698	(202,225)	(1,453,786)	2,653,939	-	2,653,939	1,857,757
Qatalum	4,952,216	(903,688)	16,780	(246,046)	-	291,459	18,877	310,336	155,168
Others	24,425,981	(3,123,375)	55,154	(458,500)	285,611	(1,015,260)	-	(1,015,260)	147,227

Proportion of Group's interest in joint ventures total comprehensive income / (loss) does not include intra group adjustments.

As at and for the year ended 31 December 2020 QR '000

9. Other investments

	2020	2019
Non-current assets		
Financial assets at FVOCI (Note a)	**4,740,613**	4,697,153
Financial assets at amortised cost	**1,330,117**	1,467,746
	6,070,730	6,164,899
Current assets		
Financial assets at FVTPL (Note b)	**706,391**	676,608

a. Financial assets at FVOCI

The carrying amounts of the Group's financial assets at FVOCI are as follows:

	2020	2019
Quoted equity instruments	**4,392,257**	4,333,620
Quoted debt instruments	**291,252**	302,434
Quoted managed funds	**55,601**	59,597
Unquoted equity instruments	**1,503**	1,502
	4,740,613	4,697,153

The movement during the year was as follows:

	2020	2019
As at 1 January	**4,697,153**	4,841,292
Additions during the year	**1,792,681**	1,210,309
Disposals during the year	**(2,070,920)**	(1,168,463)
Reclassification	**-**	29,211
Fair value changes during the year	**453,751**	(215,196)
Other adjustments	**(132,052)**	-
As at 31 December	**4,740,613**	4,697,153

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the Group has elected to designate these investments in equity instruments as at FVOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

b. Financial assets at FVTPL

These represent financial assets which are acquired and incurred principally for the purpose of selling or repurchasing in the near term or to take advantage of short-term market movements. Details are as follows:

	2020	2019
Quoted equity instruments	**581,635**	430,655
Quoted debt instruments	**124,756**	245,953
	706,391	676,608

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9. Other investments (continued)

b. Financial assets at FVTPL (continued)

The movement during the year was as follows:

	2020	2019
As at 1 January	**676,608**	679,852
Acquisition during the year	**446,438**	122,331
Disposals during the year	**(430,763)**	(99,517)
Reclassification	**-**	(13,209)
Net movement in fair value during the year (Note 27 & 28)	**32,862**	(12,849)
Other adjustments	**(18,754)**	-
As at 31 December	**706,391**	676,608

10. Other non-current assets

	2020	2019
Loans and advances to related parties (Note 16(a))	**738,439**	1,587,138
Lease receivables (Note a)	**1,130,714**	1,023,252
Projects under development (Note b)	**6,515,465**	3,158,971
Catalysts	**217,776**	87,677
Deferred tax asset (Note c)	**756,646**	462,238
Recoverable injected gas (Note d)	**1,225,046**	-
Other non-current assets	**18,037**	72,985
	10,602,123	6,392,261

a. Lease receivables

These lease receivables relate to plots of land in Ras Laffan and Mesaieed leased out under operating leases to various parties by the Group based on non-cancellable lease agreements for a term ranging from 10 to 40 years. Lease payments received under these operating leases are recognized on a straight-line-basis over the lease term resulting in long term lease receivables.

	2020	2019
Later than one year and not later than five years	**149,595**	216,168
Later than five years	**981,119**	807,084
	1,130,714	1,023,252

b. Projects under development

Projects under development represent cash advances made by the Group to meet project expenses that will subsequently be capitalized. Projects under development comprise the following;

	2020	2019
North Field Expansion Project	**5,270,547**	2,871,243
North Field Production Sustainability Project	**1,244,918**	278,156
Others	**-**	9,572
	6,515,465	3,158,971

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10. Other non-current assets (continued)

b. Projects under development (continued)

The movement of projects under development during the year was as follows:

	2020	2019
As at 1 January	**3,158,971**	559,443
Project costs paid during the year	**5,161,531**	2,744,133
Transfer to property, plant and equipment	**(1,693,241)**	-
Transfer to investments in joint ventures	**(111,796)**	-
Write off	**-**	(144,605)
As at 31 December	**6,515,465**	3,158,971

c. Deferred tax asset

Deferred tax asset represents asset recognized on carried forward tax losses of QR 382 million (2019: QR 391 million) and other deductible temporary differences of QR 375 million (2019: QR 71 million) and pertains to an overseas subsidiary of the Group.

d. Recoverable injected gas

This represents amounts incurred on the excess quantities of gas injected in Khuff reservoir which have been produced internally or purchased from third parties. Management assessed that these injected quantities of gas can be extractable in long term future. Accordingly, the cost incurred on injected quantities of gas has been capitalized to the extent of extractable gas quantities.

11. Assets held for sale

In 2017, the Group has classified its investment in a joint venture as held for sale as the management decided to dispose the investment. The delay to sell these assets from 2017 to date was caused by circumstances beyond the Group's control. However, the Group is currently engaged in discussion with a potential buyer.

Carrying values of assets classified as held for sale as of the reporting date amounted to QR 74.16 million (2019: QR 75.31 million).

Discontinued operations

The loss from discontinued operations during the year amounted to QR 1.1 million (2019: profit of QR 12.18 million) and is attributable entirely to the owner of the Corporation.

There is no cumulative income or expense included in other comprehensive income relating to the assets held for sale. The Group has no cash flows from its discontinued operations during the year.

12. Inventories

	2020	2019
Crude oil, gas and refined products	**565,666**	680,066
Steel and other related products	**452,355**	967,901
Maintenance and other materials	**4,570,687**	3,801,544
	5,588,708	5,449,511
Less: Provision for obsolescence	**(583,684)**	(468,893)
	5,005,024	4,980,618

As at and for the year ended 31 December 2020 QR '000

12. Inventories (continued)

Movement in the provision for obsolescence was as follows:

	2020	2019
As at 1 January	**468,893**	402,190
Provision during the year (Note 28)	**22,694**	66,703
Additional provision from business combination	**92,097**	-
As at 31 December	**583,684**	468,893

13. Amounts due from Government of Qatar

Represents the outstanding balances receivable from the Ministry of Finance of the Government of Qatar at the year end. None of the balances with the Ministry of Finance at the end of the reporting period are past due and taking into account the current credit ratings of the Ministry, the Group's management has assessed that there is no impairment, and hence has not recorded any loss allowances on these balances.

Balance and transactions with the Ministry of Finance have been disclosed in Note 16 (e).

14. Accounts receivables and prepayments

	2020	2019 *(Restated)*
Due from related parties (Note 16(b))	**5,046,690**	4,873,963
Trade and insurance receivables (Note a)	**8,997,398**	9,510,689
Reinsurance contract assets (Note c)	**806,130**	929,964
Loans to employees (Note b)	**443,972**	450,304
Advances to vendors	**1,316,873**	537,640
Prepayments and other debit balances	**382,578**	477,872
Contract assets	**753,754**	57,173
Loans and advances to related parties (Note 16(a))	**542,633**	589,120
Other receivables	**356,379**	531,501
Other current assets	**106,362**	22,138
	18,752,769	17,980,364
Less: Loss allowance (i)	**(501,074)**	(342,645)
	18,251,695	17,637,719

(i) The breakup of loss allowance is as follows.

	2020	2019
Trade and insurance receivables (Note 14(a))	**369,550**	211,761
Due from related parties (Note 16(b))	**88,881**	87,884
Loans to employees (Note 14(b))	**42,643**	43,000
	501,074	342,645

a. Trade and insurance receivables

	2020	2019
Trade receivables	**8,997,398**	9,510,689
Loss allowance	**(369,550)**	(211,761)
	8,627,848	9,298,928

The average credit period on sales of goods is thirty (30) days to ninety (90) days. No interest is charged on the trade receivables due. The Group does not hold any collateral over these balances.

As at and for the year ended 31 December 2020 QR '000

14. Accounts receivable and prepayments (continued)

a. Trade receivables (continued)

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. During the year, the Group has recognised a loss allowance of QR 158 million (2019: reversed a loss allowance of QR 200 million) against trade receivables (Note 30).

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As QP's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Trade receivables – days past due					
31 December 2020	**Not past due**	**0 – 30 days**	**30 – 60 days**	**60 – 120 days**	**> 120 days**	**Total**
Gross carrying amount	4,719,113	682,534	520,321	755,407	2,320,023	**8,997,398**

	Trade receivables – days past due					
31 December 2019	Not past due	0 – 30 days	30 – 60 days	60 –120 days	> 120 days	Total
Gross carrying amount	6,455,572	561,852	105,794	355,453	2,032,018	9,510,689

As at the reporting date, the expected credit loss rate ranged from 0% - 11.70% (2019: 0% - 7.70%) resulting in a lifetime ECL of QR 370 million (2019: QR 212 million).

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the requirements set out in IFRS 9.

	2020	2019
As at 1 January	**211,761**	411,752
Expected credit loss allowance remeasured during the year (Note 30)	**157,789**	(199,991)
As at 31 December	**369,550**	211,761

b. Loans to employees

	2020	2019
Loans to employees	**443,972**	450,304
Loss allowance	**(42,643)**	(43,000)
	401,329	407,304

The following table shows the movement in lifetime ECL that has been recognised for loans to employees in accordance with the requirements set out in IFRS 9.

	2020	2019
As at 1 January	**43,000**	42,653
Expected credit loss allowance remeasured during the year (Note 30)	**(357)**	347
As at 31 December	**42,643**	43,000

As at and for the year ended 31 December 2020 QR '000

14. Accounts receivable and prepayments (continued)

c. Reinsurance contract (assets) and liabilities

Reinsurance share of outstanding claims are as follows:

	2020			2019		
	Gross	**Reinsurance Share**	**Net**	Gross	Reinsurance Share	Net
As at 1 January						
Reported claims	847,872	(687,716)	160,156	545,742	(406,915)	138,827
Unearned premiums	214,390	(129,816)	84,574	155,837	(74,615)	81,222
IBNR and other technical reserves	254,980	(112,432)	142,548	242,683	(111,036)	131,647
	1,317,242	**(929,964)**	**387,278**	944,262	(592,566)	351,696

Movement during the year was as follows:

	2020			2019		
	Gross	**Reinsurance**	**Net**	Gross	Reinsurance	Net
Reported claims	(261,520)	263,404	1,884	302,130	(280,801)	21,329
Unearned premiums	53,298	(24,392)	28,906	58,553	(55,201)	3,352
IBNR and other technical reserves	119,632	(115,178)	4,454	12,297	(1,396)	10,901
	(88,590)	**123,834**	**35,244**	372,980	(337,398)	35,582

	2020			2019		
	Gross	**Reinsurance Share**	**Net**	Gross	Reinsurance Share	Net
As at 31 December						
Reported claims	586,352	(424,312)	162,040	847,872	(687,716)	160,156
Unearned premiums	267,688	(154,208)	113,480	214,390	(129,816)	84,574
IBNR and other technical reserves	374,612	(227,610)	147,002	254,980	(112,432)	142,548
	1,228,652	**(806,130)**	**422,522**	1,317,242	(929,964)	387,278

15. Cash and cash equivalents

	2020	2019
Cash at banks and on hand	**11,971,400**	18,895,797
Short-term deposits	**20,518,691**	40,275,573
Total cash and bank balances	**32,490,091**	59,171,370
Less: Loss allowance	**(1,001)**	(2,350)
Cash and bank balances as per consolidated statement of financial position	**32,489,090**	59,169,020
Less: Term deposits maturing after ninety (90) days	**(8,089,258)**	(10,257,342)
Less: Restricted cash (Note i)	**(514,367)**	(435,879)
Add: Loss allowance	**1,001**	2,350
Cash and cash equivalents as per consolidated statement of cash flows	**23,886,466**	48,478,149

i. As at 31 December 2020, certain cash balances and deposits amounting to QR 514 million (2019: QR 436 million) have been set aside for meeting the other liabilities and commitments.

As at and for the year ended 31 December 2020 QR '000

15. Cash and cash equivalents (continued)

Cash at banks earns interest at floating rates based on daily bank deposit rates. Term deposits are made for varying periods between one day and six months depending on the immediate cash requirements of the respective Group entities at average interest rates of 0.30% to 3.75% (2019: 1.98% to 5.19%).

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, the management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month ECL. None of the balances with banks at the end of the reporting period are past due and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group has assessed and recorded minimal impairment on these balances.

16. Related party balances and transactions

Related parties represent associated companies, the shareholder, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties.

(a) Loans and advances to related parties

	2020	2019
Associates and joint ventures of the Group		
Laffan Refinery Company Limited (2) (LR2) (Note i)	**3,280,803**	3,351,410
Total Exploration and Production Congo (TEPC) (Note ii)	**270,765**	557,415
Gasal Q.P.S.C. (Gasal) (Note iii)	**103,388**	115,436
Arab Refining Company (ARC) (Note iv)	**189,320**	189,416
Total gross receivable	**3,844,276**	4,213,677
Less: Loss allowance (Note 36 and Note v)	**(2,563,204)**	(2,037,419)
Net receivable	**1,281,072**	2,176,258

	2020	2019
Classified as below:		
Non-current asset (Note 10)	**738,439**	1,587,138
Current asset (Note 14)	**542,633**	589,120
	1,281,072	2,176,258

i. Details of loan to LR2

This pertains to shareholders' loan agreement with LR2 wherein 70% of the cash call advances will form part of a loan while the other will be capitalized as part of the investments in LR2's share capital. Equity funding were derived from the equity advances amounting to USD 198 million (QR 721 million) which were converted to share capital amounting to QR 259 million and loans receivable amounting to QR 462 million. The loan receivable bears an interest rate which is the aggregate of the margin (2.75% per annum) and LIBOR rate. LR 2 shall repay the loan over a period of fourteen (14) years on a quarterly basis. The initial payment was due on 31 March 2018 and maturity date is on 31 December 2031. On 17 December 2018, the shareholders of LR2 amended the agreement and revised the margin from 2.75% per annum to 2.49% per annum effective from 1 October 2018 to 30 September 2020 and 1.74% per annum from 1 October 2020 until the end of the term. In addition, there would be no repayment of outstanding principal from 1 October 2018 to 30 September 2020.

ii. Details of the loan to TEPC

On 5 November 2014, the Group, via its wholly owned subsidiary QPI Upstream ("Lender"), signed a shareholder loan agreement with TEPC ("Borrower") for an initial principal amount of USD 135 million (QR 491 million). Further, pursuant to the section 2.3(a) of the shareholder agreement, the Lender has also committed to fund the operation of the Borrower, if required, as per the annual budget of the Borrower approved by the Borrowers's Board for the relevant calendar year. The outstanding principal amount bears interest at LIBOR plus 1.8% per annum. TEPC plans to fully repay the loan within the year ending 31 December 2021 based on its annual budget approved by its Board.

16. Related party balances and transactions (continued)

(a) Loans and advances to related parties (continued)

iii. Details of loan to Gasal

Loan 1

This loan was provided in 2013 for a period of 9.8 years as an unsecured term loan of USD 6.2 million (QR 22.6 million) to Gasal Q.S.C., repayable in 36 quarterly instalments, which started on 16 June 2014 and ending on 15 March 2023. The loan bears an interest rate of 3-month LIBOR + 2.75% per annum.

Loan 2

This loan facility was provided in 2014 for a period of 10.1 years as an unsecured term loan facility of USD 30 million (QR 110 million) to Gasal Q.S.C., of which USD 14 million (QR 51 million) has been utilized in 2014 and USD 16 million (QR 58 million) in 2015. The loan is repayable in 32 quarterly instalments, which started on 15 September 2016 and ending on 15 June 2024. The loan bears an interest rate of 3-month LIBOR + 2.75% per annum.

iv. Details of the loan to ARC

On 13 May 2019, the Group ("lender"), ARC ("borrower") and QPI Egypt Ltd. ("subsidiary") entered into a Committed Further Shareholder Funding (CFSF) loan agreement under which the lender will provide loan to the borrower for the purpose of on-lending all amounts borrowed to Egyptian Refining Company, a joint venture of the borrower, to fund the new controlling account and to comply with the borrower's obligations in respect of the Committed Further Shareholding Payment Provisions in accordance with the terms of the Deed of Shareholder Support. The borrower shall repay the loan on every 20 June and 20 December of each year starting from 20 June 2020 until 20 June 2024. During the year, ARC was not able to pay the instalment payment of principal including the capitalised interest totalling to QR 43 million due in the current year.

The rate of interest is the aggregate of LIBOR + 5% margin per annum in each interest period. Interest accrued is payable on every 30 June and 30 December of each year. Interest accrued on CFSF loan as at the interest capitalization date shall be added to and deemed to be part of the principal outstanding.

v. Loss allowance

For the purpose of impairment assessment, the loss allowance is measured at an amount equal to lifetime ECL using the general approach. The expected credit losses on loans to related parties are estimated using factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

During the year, the Group has recognised a loss allowance of QR 369 million (2019: QR 1,529 million) against the loan provided to LR2, reversal of loss allowance of QR 25 million (2019: loss allowance of QR 51 millon) against the loan provided to TEPC and loss allowance of QR 182 million (2019: QR 7 million) against the loan provided to ARC (Note 30).

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16. Related party balances and transactions (continued)

(b) Due from related parties

	2020	2019
Joint ventures of the Group		
Ras Laffan Liquefied Natural Gas Co. Limited	**608,116**	767,309
North Oil Company	**448,864**	474,090
Qatar Fertiliser Company Q.P.S.C. ('QAFCO') *	**-**	239,453
Qatar Petrochemical Company Limited Q.P.S.C.	**651,297**	331,358
Qatar Liquefied Gas Company Limited (2)	**516,740**	751,464
Qatar Fuel Additives Company Limited Q.P.S.C.	**60,217**	86,019
Qatar Liquefied Gas Company Limited	**139,574**	293,076
Qatofin Company Limited	**45,838**	94,771
Qatar Chemical Company Limited	**80,457**	83,030
Qatar Chemical Company Limited II	**51,111**	120,163
Qatar Aluminium Limited	**56,907**	28,504
Oryx GTL Limited	**21,049**	15,902
Qatargas Operating Company Limited	**166,031**	136,813
Laffan Refinery Company Limited II	**161,169**	218,262
Ras Laffan Olefins Company Limited	**29,583**	11,345
Gasal Q.P.S.C.	**13,050**	5,574
Associates of the Group		
Mesaieed Power Company Limited Q.P.S.C.	**33,064**	31,078
Umm Al Houl Power Q.P.S.C.	**93,240**	121,753
Ras Girtas Power Company	**166,018**	161,144
Qatar Metals Coating Company W.L.L.	**18,769**	15,289
Ras Laffan Power Company Limited (Q.P.S.C.)	**13,073**	12,461
Others	**1,672,523**	875,105
Total (Note 14)	**5,046,690**	4,873,963
Loss allowance	**(88,881)**	(87,884)
Net	**4,957,809**	4,786,079

* QAFCO is a subsidiary of the Group from 1 January 2020.

Due from related parties are unsecured and non-interest bearing. These are collectible within the Group's normal credit term.

For the purpose of impairment assessment, the loss allowance is measured at an amount equal to lifetime ECL using the simplified approach The expected credit losses on due from related parties are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

As at the reporting date, the expected credit loss rate ranged from 0% - 6% (2019: 0% - 5.80%) resulting in a lifetime ECL of QR 89 million (2019: QR 88 million) against due from related parties.

As at and for the year ended 31 December 2020 QR '000

16. Related party balances and transactions (continued)

(b) Due from related parties (continued)

The following table shows the movement in lifetime ECL that has been recognised for due from related parties in accordance with the requirements set out in IFRS 9.

	2020	2019
As at 1 January	**87,884**	64,842
Expected credit loss allowance recognized during the year (Note 30)	**997**	23,042
As at 31 December	**88,881**	87,884

(c) Due to related parties

	2020	2019
Joint ventures of the Group		
Ras Laffan Liquefied Natural Gas Co. Limited (II) (Note i)	**1,927,044**	3,274,627
Qatar Liquefied Gas Company Limited (2) (Note i)	**1,713,768**	4,623,101
Ras Laffan Liquefied Natural Gas Company Limited (3) (Note i)	**2,127,781**	2,907,214
Ras Laffan Liquefied Natural Gas Co. Limited	**1,591,126**	2,674,234
Qatar Liquefied Gas Company Limited (4) (Note i)	**787,054**	1,915,085
Qatar Liquefied Gas Company Limited (3) (Note i)	**811,402**	1,087,671
Laffan Refinery Company Limited 2	**317,483**	368,552
Laffan Refinery Company Ltd.	**186,613**	407,923
North Oil Company	**384,196**	561,493
Others	**542,663**	957,095
	10,389,130	18,776,995

i. These amounts mainly represent amounts received from the joint ventures under 'Acceptable Credit Support' agreement. This non-interest bearing amount is repayable within three to five business days upon demand.

ii. Due to related parties are unsecured and non-interest bearing. These are payable within the normal terms and operations of the Group.

As at and for the year ended 31 December 2020 QR '000

16. Related party balances and transactions (continued)

(d) Related party transactions

	2020	2019
Operating income		
Joint ventures of the Group		
Qatar Liquefied Gas Company Limited (2)	**3,841,500**	5,601,904
RasGas Company Limited	**3,581,076**	4,332,952
Laffan Refinery Company Limited	**2,788,354**	4,966,666
Qatar Fertiliser Company Q.P.S.C. ('QAFCO') *	**-**	2,706,827
Qatar Fuel Additives Company Limited Q.S.C.	**703,305**	791,852
Others	**9,575,752**	10,639,407
	20,489,987	29,039,608
Purchases		
Joint ventures of the Group		
Laffan Refinery Company Limited (2)	**2,492,467**	5,858,225
Laffan Refinery Company Limited	**1,800,244**	3,624,430
Qatar Liquified Gas Company (2)	**1,403**	634,385
Ras Laffan Liquified Natural Gas Co. Limited	**449,572**	731,527
Qatar Petrochemical Company	**99,950**	89,968
Others	**2,321,389**	2,211,143
	7,165,025	13,149,678
Dividends received from joint ventures (Note 8(b))	**21,775,604**	38,472,572
Dividends received from associates (Note 7)	**232,253**	215,430

* QAFCO is a subsidiary of the Group from 1 January 2020.

(e) Balance and transactions with the Ministry of Finance (where MOF acts on behalf of Government of Qatar)

	2020	2019
Balance at 1 January	**56,732,125**	101,801,443
Sales revenue collected by Ministry of Finance (MOF) on behalf of QP	**16,264,639**	22,846,384
Grant income from Government (Note 27 (i))	**176,653**	267,340
Cash transfers to MOF	**85,704,449**	103,110,280
Dividend transferred to shareholder during the year (Note 40)	**(65,999,667)**	(73,143,236)
Taxes paid to the Government (Note 32)	**(8,418,810)**	(14,585,308)
Taxes paid to the Government on behalf (Note i)	**59,992**	(9,599,666)
Royalties paid to the Government	**(4,717,699)**	(6,666,101)
Collections on behalf of the Government:		
Qatargas royalty collection	**(17,359,126)**	(25,955,344)
Rasgas royalty collection	**(18,143,427)**	(25,861,079)
North Oil royalty collection / supplementary contribution	**(6,941,711)**	(14,479,099)
Barzan royalty	**(332,647)**	-
Al-Khalij royalty collection / supplementary contribution	**(116,836)**	(377,843)
Other transactions	**895,635**	(625,646)
Balance at 31 December	**37,803,570**	56,732,125

i. Current year amount of QR 60 millon pertains to adjustment made to taxes paid on behalf of the joint arrangement entities and Development Production Sharing Agreements with partners for the year 2019. From 2020 onwards, these taxes are paid to General Tax Authority directly by the Group.

As at and for the year ended 31 December 2020 QR '000

16. Related party balances and transactions (continued)

(f) Key management personnel's remuneration

The remuneration of the directors of the Group and other key management personnel in the Group entities is set out below:

	2020	2019
Remuneration and other benefits	**117,488**	119,012

QP is owned by the Supreme Council for Economic Affairs and Investment of the State of Qatar ("Government") and accordingly all government related entities i.e. the entities which are under the control, joint control or significant influence of the Government are related parties of the Group. The Group has claimed the partial exemption available under IAS 24 for not disclosing related party balances and transactions with Government related entities. For the year ended 31 December 2020, 29.08% (2019: 26.42%) of total sales are made to two government-related entities, other than those which are disclosed in Note 16 (d). Further, 31.19% (2019: 31.50%) out of trade receivables are related to two government-related entities, other than those which are disclosed in Note 16 (b). Management has determined that all other transactions and balances with Government related entities (other than those disclosed above) are not significant individually or collectively.

17. Capital

	2020	2019
Authorised and fully paid capital	**100,000,000**	100,000,000

18. General reserve

During the year, the Board of Directors in their meeting held on 21 April 2020 approved an additional transfer of QR 75,500 million to general reserve from retained earnings.

19. Other reserves

This account includes the following:

	2020	2019
Employee benefit reserve (i)	**(687,567)**	(583,648)
Fair value reserve (ii)	**2,448,180**	2,113,290
Hedging reserve (iii)	**(983,369)**	(821,048)
Foreign currency translation reserve (iv)	**(1,553,824)**	(1,581,753)
Legal and other reserves from subsidiaries	**610,479**	603,878
	(166,101)	(269,281)

(i) Employee benefit reserve

	2020	2019
At 1 January	**(583,648)**	(439,177)
Share of movement in employee benefits reserve during the year:		
From the Parent	**(92,755)**	(191,553)
From Joint ventures	**(19,411)**	(9,630)
	(112,166)	(201,183)
Less: share attributable to non-controlling interests	**8,247**	4,826
Other movements during the year	**-**	51,886
At 31 December	**(687,567)**	(583,648)

As at and for the year ended 31 December 2020 QR '000

19. Other reserves (continued)

(ii) Fair value reserve

	2020	2019
At 1 January	**2,113,290**	2,419,345
Share of movement in fair value reserve during the year:		
From the Parent and subsidiaries	**437,928**	(224,782)
From associates	**(8,894)**	(17,537)
	429,034	(242,319)
Less: share attributable to non-controlling interests	**(65,751)**	(65,431)
Other movements during the year	**(28,393)**	1,695
At 31 December	**2,448,180**	2,113,290

(iii) Hedging reserve

	2020	2019
At 1 January	**(821,048)**	(502,100)
Share of movement in hedging reserve during the year:		
From the Parent and subsidiaries	**(99,062)**	(127,776)
From Joint ventures	**3,643**	(168,026)
From associates	**(68,193)**	(14,504)
	(163,612)	(310,306)
Less: share attributable to non-controlling interests	**1,291**	2,664
Other movements during the year	**-**	(11,306)
At 31 December	**(983,369)**	(821,048)

(iv) Foreign currency translation reserve

	2020	2019
At 1 January	**(1,581,753)**	(1,659,573)
Share of movement in foreign currency translation reserve during the year:		
From the Parent and subsidiaries	**(185,820)**	(34,722)
From Joint ventures	**201,029**	97,108
From associates	**-**	(2,679)
	15,209	59,707
Less: share attributable to non-controlling interests	**12,720**	68
Other movements during the year	**-**	18,045
At 31 December	**(1,553,824)**	(1,581,753)

20. Loans and bonds

This account includes the following:

	Current		**Non-current**	
	2020	2019	**2020**	2019
Interest bearing loans	769,842	825,212	3,702,263	3,862,016
Bond	-	-	3,076,150	2,901,900
	769,842	825,212	**6,778,413**	6,763,916

As at and for the year ended 31 December 2020 QR '000

20. Loans and bonds (continued)

Interest bearing loans

	2020	2019
Loans related to drilling segment (i)	**4,310,020**	4,439,577
Loans related to aviation segment (ii)	**46,386**	84,357
Syndicated Murhaba facility (iii)	**99,840**	180,267
Others	**26,715**	-
	4,482,961	4,704,201
Less: unamortized finance cost associated with raising finance	**(10,856)**	(16,973)
	4,472,105	4,687,228

i.) These borrowings are related to the Group's subsidiary, Gulf Drilling International (Qatari Private Shareholding Company) ("GDI"). GDI has entered into various borrowing arrangements with different banks. All facilities bear interest at the rates varying between 3 months LIBOR plus 1.35% - 2.70% (2019: LIBOR plus 1.35% - 2.70%). Most of these loans are to be repaid in quarterly installments. The loans obtained by GDI are unsecured.

Further, loan balances of GDI also consist of a Master Murabaha facility agreement of US$ 925 million with a local Islamic Bank. The proceeds of the facility were utilized on general corporate purposes and the settlement or refinancing of various outstanding loan facilities. The loan is unsecured and has an effective interest of LIBOR plus 2.70%, and repayable in lump sum upon maturity on 31 December 2023. GDI has drawn down US$ 669.5 million from this facility as of 31 December 2020 (2019: US$ 533 million).

ii.) These borrowings are related to the Group's subsidiary, Gulf Helicopters Company (Qatari Private Shareholding Company) ("GHC"). GHC has entered into various borrowing arrangements with different banks. All facilities bear interest at the rates varying between 3 months LIBOR plus 1.35% - 2.75% (2019: LIBOR plus 1.35% - 2.75%). The loans are to be repaid in quarterly installments. The loans obtained are unsecured and do not have any financial covenants.

iii.) On 20 April 2014, the Group obtained syndicated Murabaha facility of US$ 80 million from a local Islamic Bank to finance the acquisition of the additional 30% shares of GDI. The effective profit rate is 6 months LIBOR plus 1.45% (2019: LIBOR plus 1.45%). The loan is repayable in 15 semi-annual instalments commencing from April 2015 and is unsecured.

Further, the Group obtained a loan of US$ 80 million from a local commercial bank to further finance the acquisition of the additional 30% of GDI. The effective interest rate is 6 months LIBOR plus 1.45% (2019: 6 months LIBOR plus 1.45%). The loan is repayable in 14 semi-annual installments starting from April 2015 and is unsecured.

Bond

On 17 August 2012, the Group issued a bond amounting to JPY 85 billion through a private placement. The bond bears interest at a fixed rate of 1.14% per annum payable semi-annually in arrears on February and August. The bond matures on 17 August 2022. The bond is direct, unconditional, unsecured and unsubordinated and rank equally with other outstanding unsecured and unsubordinated indebtedness of the Group.

The Group's exposure to JPY from the bond was swapped to USD at the time of the bond issuance by entering in cross currency swaps with various highly rated counterparties. As a result of the swaps, the Group pays a fixed rate of 3.3758% per annum payable semi-annually in arrears in February and August. The hedge relationship is treated as a cash flow hedge. The fair value change in the cross currency swap was recognised in the consolidated statement of profit and loss and other comprehensive income as hedge reserve. The value of foreign currency swap as at 31 December 2020 amounted to QR 1,042 million (2019: QR 1,118 million).

As at and for the year ended 31 December 2020 QR '000

20. Loans and bonds (continued)

Bond (continued)

Movement of the bond during the year was as follow:

	2020	2019
At 1 January	**2,901,900**	2,856,850
Revaluation of bond value during the year	**174,250**	45,050
At 31 December	**3,076,150**	2,901,900

Movement of foreign currency swap was as follows:

	2020	2019
At 1 January	**1,117,607**	1,034,881
Revaluation of hedging instrument during the year	**(75,189)**	82,726
At 31 December (Note 24)	**1,042,418**	1,117,607

The movement in fair value of cash flow hedges was as follows:

	2020	2019
Fair value changes included in equity at 1 January	**(115,406)**	12,370
Fair value change in the hedging instrument	**75,189**	(82,726)
Adjustments for hedged item	**(174,250)**	(45,050)
Fair value changes included in equity at 31 December	**(214,467)**	(115,406)

Under the Group's foreign exchange management policy, the Group hedges foreign exchange risk on the bond by using cross currency swaps.

21. Employee benefits

	2020	2019
Qatari pension scheme	**1,838,159**	1,878,712
Employees' end of service benefits	**3,535,289**	3,125,894
	5,373,448	5,004,606

The Group has two defined benefit plans as follows:

Qatari pension scheme

The Group has an unfunded scheme i.e. "Qatari pension scheme", where the present value of the defined benefit obligation is backed by a liability.

The Employee's Pension Scheme covers all pensioners and their dependents who retired from the services of Qatar Petroleum before the implementation of Qatari Pension Law No. 24 of 2002.

For pensioners, the monthly pension amount is calculated in accordance with the pension rules applicable before the implementation of Qatari Pension Law No. 24 of 2002. The benefits were on the basis of final salary by considering the length of service.

The pension benefits in respect to the dependents of the deceased pensioner are paid in accordance to the Qatar Labor Law.

The most recent actuarial valuation of the defined benefit plans was carried out at 31 December 2020 by an independent consultant appointed by the management.

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21. Employee benefits (continued)

Employees' end of service benefits

Employees' end of services benefits represents terminal gratuities and are provided for services rendered in accordance with entitlements stipulated in the employees' contract, QP's policy and/or Qatar Labor Law number 14 of 2004. This plan is for all permanent employees including Qatari and non-Qatari employees. The Group has measured the liability through an independent consultant using actuarial valuations as at 31 December 2020.

The present value of the defined benefit obligation, and the related cost, were measured using the projected unit credit method.

The principal assumptions used for the purpose of the actuarial valuation were as follows:

	Employees' end of service benefits		**Qatari pension scheme**	
	2020	2019	**2020**	2019
Discount rate	**1.93% - 4.25%**	4.5 – 4.6 %	**4.25%**	4.5%
Salary increase rate	**2.0%-4.75%**	3.5 – 6.0 %	**-**	-
Plan duration	**10.5**	11.05	**9.02**	9.39
Mortality in service	**Swiss EVK 2000**	Swiss EVK 2000	**Swiss EVK 2000 adjusted**	Swiss EVK 2000 adjusted
Normal retirement age	**60 years**	60 years	**N/A**	N/A

Movements in the present value of the unfunded defined benefit obligation were as follows:

	Employees' end of service benefits		**Qatari pension scheme**	
	2020	2019	**2020**	2019
As at 1 January	**3,125,894**	2,879,276	**1,878,712**	1,856,388
Current service cost	**398,286**	349,796	**-**	-
Interest cost	**116,945**	106,561	**80,878**	79,595
Benefits paid	**(434,808)**	(288,208)	**(166,506)**	(170,081)
Addition from business combination (Note 37)	**292,330**	-	**-**	-
Reclassified to other payables / related parties' balances	**(11,038)**	(274)	**-**	-
Actuarial loss charged to other comprehensive income	**47,680**	78,743	**45,075**	112,810
As at 31 December	**3,535,289**	3,125,894	**1,838,159**	1,878,712

Charge to profit or loss on account of unfunded defined benefit obligation was as follows:

	Employees' end of service benefits		**Qatari pension scheme**	
	2020	2019	**2020**	2019
Current service cost	**398,286**	349,796	**-**	-
Interest cost	**116,945**	106,561	**80,878**	79,595
For the year	**515,231**	456,357	**80,878**	79,595

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21. Employee benefits (continued)

Charge to other comprehensive income on account of unfunded defined benefit obligation was as follows:

	Employees' end of service benefits		**Qatari pension scheme**	
	2020	2019	**2020**	2019
Actuarial (gain) / loss arising from				
- Demographic assumptions	**-**	-	**-**	(22,450)
- Financial assumptions	**73,084**	-	**39,563**	-
- Experience adjustments	**(25,404)**	78,743	**5,512**	135,260
For the year	**47,680**	78,743	**45,075**	112,810

Significant actuarial assumptions for the determination of the defined obligation are the discount rate, pension growth rate and salary growth rate. The sensitivity analysis below has been determined based on reasonable possible change of the respective assumptions occurring at the end of the reporting period, while keeping all other assumptions constant.

	Employees' end of service benefits		**Qatari pension scheme**	
	(Decrease) / increase in liability			
	2020	2019	**2020**	2019
Discount rate (+0.5%)	**(143,242)**	(130,698)	**(77,203)**	(78,906)
Discount rate (-0.5%)	**154,935**	141,590	**84,555**	84,542
Pension increase rate (+0.5%)	**-**	-	**86,394**	88,300
Salary increase rate (+0.5%)	**163,705**	152,481	**-**	-
Salary increase rate (-0.5%)	**(152,012)**	(141,590)	**-**	-

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior year.

22. Lease liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2020	2019
Current liabilities	**724,714**	618,530
Non-current liabilities	**2,261,878**	2,162,735
	2,986,592	2,781,265

The movement in lease liabilities during the year was as follows:

	2020	2019
As at 1 January	**2,781,265**	2,804,868
Liabilities recognized during the year (Note 5(b))	**1,012,676**	643,116
Finance charges on lease liabilities (Note 31)	**130,993**	149,298
Additions from business combination (Note 37)	**231,628**	-
Payments made	**(654,041)**	(816,017)
Derecognition and other adjustments	**(515,929)**	-
As at 31 December	**2,986,592**	2,781,265

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23. Deferred income

	2020	2019
Deferred income	**1,089,356**	774,887
Classified as below:		
Current liabilities	**51,406**	45,541
Non-current liabilities	**1,037,950**	729,346
	1,089,356	774,887

a. In 2010, an offshore facilities license agreement was executed among Qatar Liquefied Gas Company Limited (2) (QG 2), Qatar Liquefied Gas Company Limited (3) (QG 3), Qatar Liquefied Gas Compan Limited (4) (QG 4), Qatar Liquefied Gas Company Limited (QG1), Qatargas Operating Company Limited (QG OpCo) and QP with an effective date from 19 December 2007. Under this agreement QG2, QG3, and QG4 paid a one-time license fee of USD 54.19 million (QR 197.25 million) to the Group.

   Throughout the life of the license, if the joint arrangement is required to refund any portion of the facility license fees in accordance with Article 2.3.3 of the license agreement, the Group is obligated to refund such portion of the facility license fees to the joint arrangement to enable the joint arrangement to refund licensees accordingly.

   The license fees have been treated as deferred income and are being amortised over the tenure of the agreement i.e. 22 years. Amount of revenue recognized during the year under "other income" in profit or loss amounted to QR 8.97 million (2019: QR 8.97 million). The carrying value as at 31 December 2020 amounted to QR 108 million (2019: QR 117 million).

b. In 2014, a joint license agreement was executed among Ras Laffan Liquified Natural Gas Company Limited (RG), Ras Laffan Liquified Natural Gas Company Limited (II) (RG II), Ras Laffan Liquified Natural Gas Company Limited (3) (RG 3), Barzan Gas Company Limited, AKG Marketing Company Limited, QG 2, QG 3, QG 4, Laffan Refinery Company Limited, Qatar Shell GTL Limited, Dolphin Energy Limited, Oryx GTL Limited and Ras Laffan Olefins Company Limited with an effective date from 1 January 2013. Under this agreement, the Group granted a non-exclusive license share of Common Facilities for loading and export of products.

   The Group received a one-time license fee of USD 251.2 million (QR 914.3 million). The license fees have been treated as deferred income and are being amortised over the tenure of the agreement i.e. 25 years. Revenue recognized during the year under other income in profit or loss amounted to QR 36.57 million (2019: QR 36.57 million). The carrying value as at 31 December 2020 amounted to QR 622 million (2019: QR 658 million).

c. In addition to above, the Group has received amounts from customers for the reimbursement of construction cost of pipelines which are to be used for the execution of gas supply agreements entered with the customers. These amounts have been treated as deferred income and are being amortised over the tenure of the agreements as these pipelines will be used exclusive for the supply to the respective customer.

24. Other non-current liabilities

	2020	2019
Foreign currency swap (Note 20)	**1,042,418**	1,117,607
Decommissioning provision (Note a)	**1,832,989**	606,203
Deferred tax liability (Note b and 32)	**185,370**	152,934
Contract liabilities	**306**	5,742
	3,061,083	1,882,486

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24. Other non-current liabilities (continued)

a. Decommissioning provision

Movement of the decommissioning provision during the year was as follows:

	2020	2019
As at 1 January	**606,203**	561,070
Unwinding of discount (Note 31)	**66,392**	-
Provision recognized during the year	**1,091,615**	22,490
Effect of foreign currency exchange differences	**(41,595)**	(5,934)
Change in estimate during the year	**110,374**	28,577
As at 31 December	**1,832,989**	606,203

b. Deferred tax liability

Deferred tax liability mainly represents taxable temporary differences on account of difference in the method of depreciation of assets for tax and accounting purposes.

25. Accounts payables and accruals

	2020	2019
Trade creditors (Note a)	**5,027,100**	5,662,833
Accrued liabilities	**1,246,239**	1,080,633
Advance from customers	**103,492**	125,052
Financial guarantees (Note b)	**400,000**	389,000
Due to related parties (Note 16(c))	**10,389,130**	18,776,995
Contract liabilities	**169,055**	105,164
Reinsurance premium payables	**163,925**	389,699
Taxes payable	**4,658**	88,220
Other payables	**2,142,964**	1,710,519
	19,646,563	28,328,115

a. Trade creditors include balances owed to suppliers relating to goods received and services incurred as at the reporting date wherein invoices were not yet received.

b. This represents the provisions on financial guarantees given to lenders of one of the Group's associates. As per the terms of the financial guarantee agreement, the maximum exposure of the Group is QR 489 million (2019: QR 489 million) upon which QR 400 million (2019: QR 389 million) is recognised as a liability.

26. Revenue

Revenue of the Group consists of the following:

	2020	2019
Revenue from contracts with customers (Note a)	**75,461,246**	107,501,663
Revenue from insurance contracts (Note b)	**981,239**	829,945
	76,442,485	108,331,608

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26. Revenue (continued)

a. Revenue from contracts with customers

	2020	2019
Crude oil	**13,633,756**	22,443,816
Condensate	**10,579,213**	16,938,035
Natural gas	**22,709,581**	28,660,879
Refined products	**19,454,540**	31,536,372
Steel products	**2,994,713**	5,095,823
Fertilizers	**3,718,267**	-
Petrochemicals	**448,024**	517,890
Services	**1,091,819**	1,186,276
Others	**831,333**	1,122,572
	75,461,246	107,501,663

	2020	2019
Disaggregation of revenue – over time		
Natural gas	**22,709,581**	28,660,879
Condensate	**10,579,213**	16,938,035
Services	**694,793**	848,362
	33,983,587	46,447,276

	2020	2019
Disaggregation of revenue – at a point in time		
Crude oil	**13,633,756**	22,443,816
Refined products	**19,454,540**	31,536,372
Steel products	**2,994,713**	5,095,823
Fertilizers	**3,718,267**	-
Petrochemicals	**448,024**	517,890
Services	**397,026**	337,914
Others	**831,333**	1,122,572
	41,477,659	61,054,387
	75,461,246	107,501,663

The analysis of sales between domestic and export customers is as follows:

	2020	2019
Domestic sales	**33,555,374**	50,571,686
Export sales (i & ii)	**41,905,872**	56,929,977
	75,461,246	107,501,663

(i) This includes export sales made through Qatar Petroleum for the Sale of Petroleum Products Company Limited ("QPSPP") which has been setup exclusively for the marketing and selling of Regulated Products outside the State of Qatar.

(ii) This also includes export sales made through Qatar Chemical and Petrochemical Marketing and Distribution Company Q.J.S.C. ("Muntajat"). Pursuant to Decree Law 11 of 2012 of the State of Qatar, Muntajat was established in the year 2012 to carry out marketing and distribution activities of all steel products and regulated chemical and petrochemical products.

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26. Revenue (continued)

b. Revenue from insurance contracts

	2020	2019
Gross insurance revenue	**981,239**	829,945

The details of gross insurance revenue are as follows:

	2020	2019
Gross premium	**1,032,548**	890,788
Movement in unearned premium, gross	**(53,298)**	(58,553)
Net commission income / (expense)	**1,989**	(2,290)
	981,239	829,945

The details of retained premiums and earned premium are as follows:

2020

	Gross	**Reinsurance**	**Net**
Written premiums	1,032,548	(593,088)	439,460
Change in unearned premiums	(53,298)	24,392	(28,906)
	979,250	**(568,696)**	**410,554**

2019

	Gross	Reinsurance	Net
Written premiums	890,788	(486,680)	404,108
Change in unearned premiums	(58,553)	55,201	(3,352)
	832,235	(431,479)	400,756

27. Other income

	2020	2019
Recoveries	**1,551,948**	1,696,209
Fair value gain on business combination (Note 37)	**1,303,286**	-
Rental income	**966,442**	735,406
Berthing fees	**435,627**	406,332
Terminal charges	**387,325**	402,196
Government grant (i)	**176,653**	267,340
Bargain purchase gain (Note 37)	**106,808**	-
Fair value gain in FVTPL investments (Note 9(b))	**32,862**	-
Other income	**3,161,043**	2,555,609
	8,121,994	6,063,092

i. Government grant relates to the sale of refined products to Woqod at a subsidized price of which the loss has been covered by the Government (Note 16(e)). Income from grant is recognised on sale of refined products to Woqod as there are no other conditions attached to the grant.

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28. Operating, selling and administrative expenses

	2020	2019
Direct costs	**20,014,799**	31,879,100
Taxes paid on behalf (Note a)	**4,212,768**	9,599,666
Royalties (Note b)	**4,754,623**	6,762,940
Net impairments losses (Note c)	**3,958,554**	2,112,499
Salaries and related costs (Note d)	**8,518,582**	7,326,684
Foreign exchange loss	**1,032,980**	40,880
Write-off of property, plant and equipment (Note 5(a) iv)	**809,858**	8,544
Provision for inventory obsolescence (Note 12)	**22,694**	66,703
Write off of project preliminary costs and pre-incorporation expenses	**-**	35,734
Fair value loss in FVTPL investments (Note 9(b))	**-**	12,849
Other expenses	**954,125**	765,961
	44,278,983	58,611,560

(a) Included in the taxes paid on behalf for the year is an amount of QR 1,364 million (2019: QR 4,343 million) pertaining to tax on the income of certain joint venture companies, and tax charged on the income of operators who are parties to certain Production Sharing Agreements amounting to QR 2,849 million (2019: QR 5,257 million). This tax obligation has been assumed by QP on behalf of the joint venture companies and the operators in relation to Production Sharing Agreements.

(b) Royalties due to the Ministry of Finance (as Government) amounting to QR 4,718 million (2019: QR 6,666 million) are derived from oil and gas export sales, primarily on an ad-valorem basis depending upon the earnings type and resources. Royalties are applied at a rate of 20% on crude oil and refined product exports, and at a rate of 12.5% on gas product exports, including condensates. This also includes QR 37 million (2019: QR 97 million) on account of royalty on crude oil equal to 10% of the oil sales of Al Khalij Block 6 Field.

(c) Details of the recognition / (reversal) of impairment losses are as follows:

	2020	2019
Impairment loss on other property, plant and equipment (Note 5(a) v) – net of reversal	**1,679,652**	(297)
impairment loss / (reversal) on investment in associates (Note 7)	**1,336,343**	(100,000)
Impairment loss on investment in joint ventures (Note 8(b))	**806,481**	2,202,167
Others	**136,078**	10,629
	3,958,554	2,112,499

(d) This includes defined benefit obligation expense amounting to QR 596 million (2019: QR 536 million) (Note 21).

29. Depreciation and amortization

	2020	2019
Depreciation of property, plant and equipment (Note 5(a))	**9,679,658**	8,333,573
Depreciation of right-of-use assets (Note 5(b))	**699,009**	666,755
Depreciation of investment property (Note 5(c))	**15,797**	34,079
Amortization of intangible assets (Note 6)	**332,837**	354,710
Amortization of catalysts	**22,661**	1,337
	10,749,962	9,390,454

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30. Provision for expected credit losses (ECL) on financial assets

	2020	2019
Provision for / (reversal of) ECL on trade receivables (Note 14(a))	**157,789**	(199,991)
(Reversal of) / provision for ECL on loans to employees (Note 14(b))	**(357)**	347
Provision for ECL on loans to related parties (Note 16(a))	**525,785**	1,587,419
Provision for ECL on due from related parties (Note 16(b))	**997**	23,042
Provision for ECL on other financial assets	**-**	2,651
(Reversal of) / provision for ECL on bank balances	**(1,349)**	180
	682,865	1,413,648

31. Finance charges

	2020	2019
Interest on loans, bonds and foreign currency swaps	**288,938**	364,445
Interest on lease liabilities (Note 22)	**130,993**	149,298
Unwinding of discount on decommissioning provision (Note 24(a))	**66,392**	-
Others	**19,628**	20,082
	505,951	533,825

32. Taxes

Provision for taxation for the year is as follows:

	2020	2019
Taxes on income from export sales of QP (Note i) (Note 16(e))	**8,418,810**	14,585,308
Current income tax	**12,492**	73,897
Deferred tax (Note ii)	**(377,375)**	(419,549)
	8,053,927	14,239,656

i. These taxes are calculated at a rate of 85% of the taxable income for crude oil and refined products and at the higher of royalty payments or 50% of the taxable income for gas and condensate products. The total of royalty and taxation for gas and condensate products should not exceed 50% of the taxable income. Taxable income is determined on the value of all export sales less the costs of operations, depreciation and amortization, and royalties. For the year ended 31 December 2020, taxes amounting QR 8,419 million (2019: QR 14,585 million) were recognized in profit of loss.

Details of the taxes on income from QP's export sales are as follows:

	2020	2019
Export sales subject to tax – net	**27,968,633**	39,017,310
Less:		
Royalties	**4,717,699**	6,666,101
Cost of operation and depreciation	**8,254,193**	8,474,878
Taxable income	**14,996,741**	23,876,331
Tax rate	**50% – 85%**	50% – 85%
Taxes	**8,418,810**	14,585,308

ii. The deferred tax has arisen mainly due to the temporary differences and tax losses available to be carried forward.

As at and for the year ended 31 December 2020 QR '000

32. Taxes (continued)

Movement in the balance of deferred tax during the year was as follows:

	2020	2019
As at 1 January	**309,304**	(110,245)
Recognised during the year	**377,375**	419,549
Effect of foreign currency translation	**(115,403)**	-
As at 31 December	**571,276**	309,304

Presented in consolidated statement of financial position as follows:

	2020	2019
Deferred tax asset (Note 10)	**756,646**	462,238
Deferred tax liability (Note 24)	**(185,370)**	(152,934)
	571,276	309,304

33. Social fund contribution

In accordance with Law No. 13 of 2008, the Group made an appropriation of profit of QR 104 million (2019: QR 123 million) which is equivalent to 2.5% of the adjusted net profit of listed subsidiaries for the year for the support of sports, cultural, social and charitable institutions.

34. Contingent liabilities and commitments

a. Capital commitments

	2020	2019
Capital commitments of the Group	**25,584,057**	15,379,963
Group's share of joint ventures' capital commitments	**12,717,703**	27,871,712
Group's share of associates' capital commitments	**27,364**	186,153
	38,329,124	43,437,828

b. Contingent liabilities

	2020	2019
Claims against the Parent (i)	**412,000**	421,000
Contingent liabilities of the subsidiary companies	**609,429**	1,341,655
Group's share of joint ventures' contingent liabilities	**10,474,065**	9,541,082
Group's share of associates' contingent liabilities	**491,532**	493,106
	11,987,026	11,796,843

(i) Claims against the Parent

As at 31 December 2020, claims against the Parent amounted to QR 412 million (2019: QR 421 million). These claims pertain mainly to court cases related to contractual and employment disputes. While settlement of these claims cannot be predicted with certainty, management does not expect these claims to have a material effect on the Group's financial position. Further, various other claims related to operations and infrastructure have been made against the Group which are currently under review and negotiation with the respective counterparties. Management does not expect these claims to have a material effect on the Group's financial position as of the reporting date.

34. Contingent liabilities and commitments (continued)

b. Contingent liabilities (continued)

(ii) Guarantees provided by the Group

- In December 2011, Barzan Gas Company Limited signed a USD 7.25 billion facility agreement for the financing and construction of offshore and onshore gas trains and distribution facilities. The facilities were fully drawn in 2016. QP has provided a guarantee to the Lenders in proportion of its shareholding amounting to approximately USD 4.5 billion (equivalent to QR 16.24 billion) which will be released following successful completion to be achieved prior to year-end 2022. QP has also given an undertaking to provide shareholder loans if (i) there is a shortfall in gas sold (ii) as a result of which Barzan has insufficient operating revenues (iii) to an amount equal to its Relevant Percentage as calculated in the QP Offtake Support Commitment Agreement.

- In 2013, QP transferred a portion of its shares in the Qatar Chemical Company Limited (Q-Chem) and in the Qatar Chemical Company Limited II (Q-Chem II) to MPHC. QP has provided a guarantee to the other shareholders in these joint ventures with respect to the due and timely performance of all obligations of MPHC as a shareholder arising from the respective Joint Venture Agreements.

(iii) Other contingent liabilities

- Under the IPO Prospectus for MPHC dated December 31, 2013, QP has agreed to release incentive shares it holds in MPHC to current private investors provided that certain conditions are met as set out in the Prospectus. During the year, 1,414,810 shares (2019: 5,537,400 shares) were transferred accordingly.

- Ras Laffan Liquefied Natural Gas Company Limited (II), a joint venture of the Group, has guaranteed, subject to the terms of the Common Security Agreement, as primary obligator and not as a surety, the full and prompt payment when due, of the obligations of Ras Laffan Liquefied Natural Gas Company Limited (3) ("RL 3") to pay principal, interest and other amounts when due in respect of all senior debt obligations of RL 3. As at 31 December 2020, the loans outstanding in the books of RL 3 amounted to QR 8,700 million (2019: QR 9,009 million).

- The Group's joint ventures entered into executed Joint Facility Agreements for the Common Condensate Storage and Loading Facilities, Common Sulphur Project and Jetty Boil-Off Gas Project. Under these agreements, QP, as one of the owners of the joint ventures, is required, within fifteen years of the effective date of the agreement, to formulate a plan to decommission and restore the respective sites of the Joint Facilities based on the useful lives of the individual components as determined by the Facilities' Management Committees, in accordance with the Environmental Laws of the State of Qatar and Internationally Accepted Petroleum Industry Practices. The Facilities' Management Committees are required to review, modify and approve the Abandonment and Decommissioning Plan prepared by the Operator of the facilities and to determine and agree the basis for funding of the Abandonment and Decommissioning Plan. Since, no commercial discussions among the owners of the joint ventures have been concluded as of 31 December 2020 and a funding plan is yet to be submitted to the Facilities' Management Committees, no provision has been made for any present obligation with respect to the costs of abandonment, decommissioning and site restoration in these consolidated financial statements.

- During the year, the General Tax Authority ("GTA") issued income tax assessments to certain components of Industries Qatar Q.P.S.C. (IQ, the Group's subsidiary) for the years from 2007 to 2014, requiring the components to pay additional taxes and penalties of QR 4,550 million. This includes penalties amounting to QR 2,270 million on the contention that the components have not paid the income tax related to the share of IQ during those years.

  The components have submitted formal objections, as per the requirement of the tax law, rejecting the full amount claimed by the GTA. The components also intend to submit a formal appeal against the assessments in full as they believe that it has meritorious defences in law and fact and will to pursue each dispute through the judicial system as necessary.

34. Contingent liabilities and commitments (continued)

b. Contingent liabilities (continued)

(iii) Other contingent liabilities (continued)

Management has concluded that it is probable (i.e., it is more likely than not) that the GTA will accept the tax treatment in the objection and accordingly has not recorded a liability for the assessments received or for any potential further amounts which may be assessed in relation to this matter in subsequent years.

Further, as per the terms of the Memorandum of Understanding (MOU) entered into between QP, MOF and the GTA on 4 February 2020, MOF undertakes to settle any income tax amounts payable by these components for the previous years directly to the GTA. Based on the ongoing advanced discussions and correspondence between QP, MOF, and the GTA, it is expected that the assessments will be withdrawn.

c. Purchase and supply commitments

(i) To purchase from the State of Qatar and AKG Marketing Company Limited (formerly know as Exxon Mobil Middle East Gas Marketing Limited), under a gas supply agreement dated 4 June 2006, certain quantities of gas per day over a period of 25 years.

(ii) To supply natural gas to Dolphin Energy Limited, for export to the UAE, on behalf of the State of Qatar, together with Dolphin Investment Company, Total E&P Dolphin Upstream Limited, and Oxy Dolphin E&P LLC, per year over a period of 25 years from 21 July 2007. Qatar Petroleum commitment is the share of the State of Qatar under the DPSA for Dolphin project.

(iii) To supply Dolphin Energy Limited, for export to the UAE, certain quantities of gas over a period of 10 years starting on 1 July 2016.

(iv) To purchase from the State of Qatar and Qatar Shell GTL Limited under an ethane sale and purchase agreement dated 22 November 2018, certain quantities of ethane per day

(v) To purchase from the State of Qatar and Dolphin Energy Ltd under an Ethane Sale and Purchase Agreement dated 11 March 2009 certain quantities of ethane per day.

(vi) To purchase from the Barzan Gas Company Ltd. (Joint Venture between the Group and Exxon Mobil Barzan Ltd.) under a gas supply agreement dated December 8, 2011, certain quantities of gas per day over a period of 21 years from February 21, 2020

35. Financial instruments

Financial instruments represent any contractual agreement that creates a financial asset, financial liability or an equity instrument. Financial assets comprise bank balances, trade and other receivables, due from related parties, loans to related parties, financial assets at fair value though profit or loss (FVTPL) and financial assets at fair value though other comprehensive income (FVOCI). Financial liabilities comprise interest bearing loans and bonds, foreign currency swaps and trade and other payables.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments carried at fair value by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

Classes and categories of financial instruments and their fair values

The following table combines information about fair value hierarchy levels of financial assets and financial liabilities which are measured at fair value.

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35. Financial instruments (continued)

Classes and categories of financial instruments and their fair values (continued)

31 December 2020	Valuation technique(s) and key input(s)	Carrying value				Fair value			
		Financial assets		Financial liabilities		Level			
		FVTPL	FVOCI	Fair value - hedging instruments	Total	1	2	3	Total
Investments in equity instruments – quoted	Quoted price in an active market	581,635	4,392,257	-	**4,973,892**	4,973,892	-	-	**4,973,892**
Investments in equity instruments – unquoted	Based on unobservable inputs	-	1,503	-	**1,503**	-	-	1,503	**1,503**
Investments in debt instruments – quoted	Quoted price in an active market	124,756	291,252	-	**416,008**	416,008	-	-	**416,008**
Investment in management funds – quoted	Quoted price in an active market	-	55,601	-	**55,601**	55,601	-	-	**55,601**
Foreign currency swap	Based on observable market	-	-	(1,042,418)	**(1,042,418)**	-	(1,042,418)	-	**(1,042,418)**

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35. Financial instruments (continued)

Classes and categories of financial instruments and their fair values (continued)

31 December 2019	Valuation technique(s) and key input(s)	Carrying value				Fair value			
		Financial assets		Financial liabilities		Level			
		FVTPL	FVOCI	Fair value - hedging instruments	Total	1	2	3	Total
Investments in equity instruments – quoted	Quoted price in an active market	430,655	4,333,620	-	4,764,275	4,764,275	-	-	4,764,275
Investments in equity instruments – unquoted	Based on unobservable inputs	-	1,502	-	1,502	-	-	1,502	1,502
Investments in debt instruments – quoted	Quoted price in an active market	245,953	302,434	-	548,387	548,387	-		548,387
Investment in management funds – quoted	Quoted price in an active market	-	59,597	-	59,597	59,597	-	-	59,597
Foreign currency swap	Based on observable market	-	-	(1,117,607)	(1,117,607)	-	(1,117,607)	-	(1,117,607)

The fair value of the remaining financial assets and liabilities, including bank balances, investment in unquoted debt instruments, trade and other receivables, due to and from related parties, loans to related parties and bonds approximate to the carrying value as per the book of accounts as most of these items are either short-term in nature or repriced frequently.

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements in 2020 and 2019.

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35. Financial instruments (continued)

Reconciliation of liabilities arising from financing activities

The below table details changes in the Group’s liabilities arising from financing activities, including both cash and non-cash changes.

	At 1 January 2020	**Financing cash flows**	**Non-cash changes**	**At 31 December 2020**
Interest bearing loans	4,687,228	(221,240)	6,117	**4,472,105**
Bonds	2,901,900	-	174,250	**3,076,150**
Derivative liabilities	1,117,607	-	(75,189)	**1,042,418**
Lease liabilities	2,781,265	(654,041)	859,368	**2,986,592**

	At 1 January 2019	Financing cash flows	Non-cash changes	At 31 December 2019
Interest bearing loans	4,996,565	(315,867)	6,530	4,687,228
Bonds	2,856,850	-	45,050	2,901,900
Derivative liabilities	1,034,881	-	82,726	1,117,607
Lease liabilities	2,804,868	(816,017)	792,414	2,781,265

36. Financial risk and capital management

36.1 Financial risk management objectives

Treasury function of each entity in the Group provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk, liquidity risk and insurance risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by QP's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. QP does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. There have been no changes in the objectives, policies and processes for managing and measuring risk from the previous year.

36.2 Market risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates, will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group’s activities expose it primarily to the financial risks of changes in commodity prices, foreign currency exchange rates and interest rates.

Commodity price risk

Volatility in prices of oil and gas and refined products is a pervasive element of the Group’s business environment as the Group’s production and purchase of certain products and sales of refined products and crude oil are based on international commodity prices in accordance with a commercial supply agreement entered into with sales agents. The Group’s refining margin is affected by disproportionate fluctuations in the prices of crude oil and refined products.

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36. Financial risk and capital management (continued)

36.2 Market risk (continued)

Commodity price risk (continued)

The Group is also exposed significantly to commodity price risk, which arises from the purchase and consumption of large volumes of raw materials in its normal course of business. Raw material prices are linked to an index, which is volatile and influenced by worldwide factors such as political events, supply and demand fundamentals.

The Group does not use any derivative instruments to manage commodity price risks or for speculative purposes. The Group' sensitivity to commodity prices has not changed significantly from the prior year.

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Management is of the opinion that the Group's exposure to currency risk is not significant as most of its foreign currency transactions are in United States Dollar which is pegged to Qatari Riyal and its currency exposure on the bond issued in Japanese Yen is hedged through currency swap with United States Dollar. The details of the currency swap on the bonds issues are given in Note 20. Other material foreign currency financial instruments are given below:

	2020	2019
Financial assets: Cash bank balances in foreign currency		
Cash in banks:		
EURO	**81,712**	85,847
GBP	**77,100**	96,070
JPY	**5**	12
BRL	**3,254**	91
CAD	**295**	1,744
MXN	**1**	10
	162,367	183,774

Foreign currency sensitivity analysis
A 10% strengthening / weakening of the Qatari Riyal against the above currencies as at reporting date would have decreased / (increased) profit or loss by an amount of QR 16 million (2019: QR 18 million). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2019.

Cash flow hedge

Hedging instruments

	Notional amount		**Carrying amount of the hedging instrument**		**Change in fair value used for calculating hedge ineffectiveness**	
	2020	2019	**2020**	2019	**2020**	2019
1 to 5 years	**3,904,101**	3,904,101	**3,076,150**	2,901,900	**827,951**	1,002,201

Hedged items

	2020	2019
Nominal amount of the hedged item	**3,904,101**	3,904,101
Change in value used for calculating hedge ineffectiveness	**827,951**	1,002,201
Balance in cash flow hedge reserve for continuing hedges	**(214,467)**	(115,406)

36. Financial risk and capital management (continued)

36.2 Market risk (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the the Group's financial assets and liabilities with floating interest rates. These financial assets and liabilities with floating interest rates includes cash and bank balances, loans and advances to related parties and interest bearing loans which are mostly on floating rate basis.

Interest rate sensitivity analysis
For floating rate assets, the analysis is prepared assuming the amount of the assets held outstanding at the end of the reporting period was outstanding for the whole year. As at reporting date, if interest rates had been 100 basis point higher/lower with all other variables held constant, income for the year would have been QR 7.5 million (2019: QR 10.5 million) higher/lower, mainly as a result of higher/lower interest income on floating rate assets and liabilities.

Equity price risk

The Group's listed investments are susceptible to equity price risk arising from uncertainties about future values of the investments. The Group manages the equity price risk through diversification and placing limits on individual and total portfolio of equity instruments. Reports on the equity portfolio are submitted to QP's senior management on a regular basis and results are reviewed by the Board of Directors of each Group entity.

As at the reporting date, the exposure to listed equity securities at fair value was QR 4,974 million (2019: QR 4,764 million) which includes both financial assets at FVOCI and financial assets at FVTPL. An increase or decrease of 10% on the Qatar Exchange (QE) index would have an impact of approximately QR 497 million (2019: QR 476 million) on the equity.

36.3 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the creditworthiness of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The Group holds performance bonds and bank guarantees to mitigate its credit risk association with its financial assets. Further, the Group limits its exposure on export customers by taking out letters of credit.

In order to minimise credit risk, QP has tasked its Credit Management Committee to develop and maintain the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the Credit Management Committee uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

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36. Financial risk and capital management (continued)

36.3 Credit risk (continued)

31 December 2020	**12-month or lifetime ECL**	**Gross carrying amount**	**Loss allowance**	**Net carrying amount**
Trade and insurance receivables	Lifetime ECL	8,997,398	(369,550)	**8,627,848**
Lease receivable	Lifetime ECL	1,130,714	-	**1,130,714**
Due from related parties	Lifetime ECL	5,046,690	(88,881)	**4,957,809**
Loans and advances to related parties	Lifetime ECL	3,844,276	(2,563,204)	**1,281,072**
Loans to employees	12-month ECL	443,972	(42,643)	**401,329**
Investments in financial assets	Lifetime ECL	1,746,125	-	**1,746,125**
Amounts due from Government of Qatar	Lifetime ECL	37,803,570	-	**37,803,570**
Cash and bank balances	12-month ECL	32,490,091	(1,001)	**32,489,090**
Reinsurance contract assets	Lifetime ECL	806,130	-	**806,130**
Other receivables	Lifetime ECL	356,379	-	**356,379**
Contract assets	Lifetime ECL	753,754	-	**753,754**
Other non-current receivables	Lifetime ECL	18,037	-	**18,037**
		93,437,136	(3,065,279)	**90,371,857**

31 December 2019	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Trade and insurance receivables	Lifetime ECL	9,510,689	(211,761)	9,298,928
Lease receivable	Lifetime ECL	1,023,252	-	1,023,252
Due from related parties	Lifetime ECL	4,873,963	(87,884)	4,786,079
Loans and advances to related parties	Lifetime ECL	4,213,677	(2,037,419)	2,176,258
Loans to employees	12-month ECL	450,304	(43,000)	407,304
Investments in financial assets	Lifetime ECL	2,016,134	(1)	2,016,133
Amounts due from Government of Qatar	Lifetime ECL	56,732,125	-	56,732,125
Cash and bank balances	12-month ECL	59,171,370	(2,350)	59,169,020
Reinsurance contract assets	Lifetime ECL	929,964	-	929,964
Other receivables	Lifetime ECL	531,501	-	531,501
Contract assets	Lifetime ECL	57,173	-	57,173
Other non-current receivables	Lifetime ECL	72,985	-	72,985
		139,583,137	(2,382,415)	137,200,722

For trade receivables, lease receivables and contract assets, the Group has applied the simplified approach to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

36.4 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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36. Financial risk and capital management (continued)

36.4 Liquidity risk (continued)

Analysis of financial assets

The table below summarises the maturity profile of the Group's financial assets as at the reporting date:

31 December 2020

		Cash inflows			
Financial assets	**Carrying amount**	**Total**	**Less than 1 year**	**1 to 5 years**	**More than 5 years**
Loans and advances to related parties	**1,281,072**	1,281,072	542,633	738,439	**-**
Due from related parties	**4,957,809**	4,957,809	4,957,809	-	**-**
Amounts due from Government of Qatar	**37,803,570**	37,803,570	37,803,570	-	**-**
Trade and other receivables *	**9,029,177**	9,029,177	9,029,177	-	**-**
Reinsurance contract assets	**806,130**	806,130	806,130	-	**-**
Financial assets	**1,746,125**	1,746,125	-	1,746,125	**-**
Other receivables	**356,379**	356,379	356,379	-	**-**
Other non-current receivables	**18,037**	18,037	-	18,037	**-**
Bank balances	**32,489,090**	32,489,090	32,489,090	-	**-**
	88,487,389	**88,487,389**	**85,984,788**	**2,502,601**	**-**

*****_Includes trade receivables and loans to employees._

31 December 2019

		Cash inflows			
Financial assets	Carrying amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Loans and advances to related parties	2,176,258	2,176,258	589,120	1,532,660	54,478
Due from related parties	4,786,079	4,786,079	4,786,079	-	-
Amounts due from Government of Qatar	56,732,125	56,732,125	56,732,125	-	-
Trade and other receivables *	9,706,232	9,706,232	9,706,232	-	-
Reinsurance contract assets	929,964	929,964	929,964	-	-
Financial assets	2,016,133	2,016,133	-	2,016,133	-
Other non-current receivables	72,985	72,985	-	72,985	-
Bank balances	59,169,020	59,169,020	59,169,020	-	-
	135,588,796	135,588,796	131,912,540	3,621,778	54,478

*****_Includes trade receivables and loans to employees_

As at and for the year ended 31 December 2020 QR '000

36. Financial risk and capital management (continued)

36.4 Liquidity risk (continued)

Analysis of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities as at the reporting date based on undiscounted contractual repayment obligations:

31 December 2020

		Contractual cash outflows			
Financial liabilities	**Carrying amount**	**Total**	**Less than 1 year**	**1 to 5 years**	**More than 5 years**
Bond	**3,076,150**	3,339,739	131,795	3,207,944	**-**
Interest-bearing loans	**4,472,105**	4,484,294	776,747	3,707,547	-
Interest rate swap	**1,042,418**	1,042,418	-	1,042,418	-
Accounts payable	**5,027,100**	5,027,100	5,027,100	-	-
Due to related parties	**10,389,130**	10,389,130	10,389,130	-	-
Lease liabilities	**2,986,592**	3,520,606	748,675	1,824,582	947,349
	26,993,495	**27,803,287**	**17,073,447**	**9,782,491**	**947,349**

31 December 2019

		Contractual cash outflows			
Financial liabilities	Carrying amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Bond	2,901,900	3,296,551	131,062	3,165,489	-
Interest-bearing loans	4,687,228	4,728,040	835,800	3,892,240	-
Interest rate swap	1,117,607	1,117,607	-	1,117,607	-
Accounts payable	5,662,833	5,662,833	5,662,833	-	-
Due to related parties	18,776,995	18,776,995	18,776,995	-	-
Lease liabilities	2,781,265	3,473,301	997,538	1,825,630	650,133
	35,927,828	37,055,327	26,404,228	10,000,966	650,133

36.5 Insurance risk

The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

36. Financial risk and capital management (continued)

36.5 Insurance risk (continued)

Frequency and amounts of claims

The frequency and amounts of claims can be affected by several factors. The Group underwrites mainly energy, fire and general accident, marine and medical risks. These are regarded as short term insurance contracts as claims are normally advised and settled within one year of the insured event taking place. This helps to mitigate insurance risk.

Fire and general accident - Property

Property insurance is designed to compensate contract holders for damage suffered to properties or for the value of property lost. Contract holders could also receive compensation for the loss of earnings caused by the inability to use the insured properties.

For property insurance contracts, the main risks are fire and business interruption.

These contracts are underwritten by reference to the replacement value of the properties and contents insured. The cost of rebuilding properties and obtaining replacement contents and the time taken to restart operations which leads to business interruptions are the main factors that influence the level of claims.

Marine

Marine insurance is designed to compensate contract holders for damage and liability arising through loss or damage to marine craft and accidents at sea resulting in total or partial loss of cargoes. For marine insurance the main risks are loss or damage to marine craft and accidents resulting in the total or partial loss of cargoes.

The underwriting strategy for the marine class of business is to ensure that policies are well diversified in terms of vessels and shipping routes covered.

Health

Health insurances are insurances against the risk of incurring medical expenses among individuals or the employees of corporate bodies. The strategy for the health class of business is to ensure that policies are written within the Group and by proper cession.

Reinsurance risk

In common with other insurance companies, in order to minimise financial exposure arising from large claims, the Group, through one of its subsidiaries, in the normal course of business, enters into agreements with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is affected under treaty, facultative and excess-of-loss reinsurance contracts.

To minimise its exposure to significant losses from reinsurance insolvencies, the Group, through one of its subsidiaries, evaluate the financial condition of its reinsurance companies and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurance companies.

Reinsurance ceded contracts do not relieve the Group from its obligations to policyholders and as a result the Group remains liable for the portion of outstanding claims reinsured to the extent that the reinsurer fails to meet the obligations under the reinsurance agreements.

Concentration of risks

The Group's insurance risk relates to policies written in the State of Qatar only.

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36. Financial risk and capital management (continued)

36.5 Insurance risk (continued)

Sources of uncertainty in the estimation of future claim payments

Claims on general insurance contracts are payable on a claims-occurrence basis. The Group, through one of its subsidiaries, is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, a larger element of the claims provision relates to incurred but not reported claims (IBNR) which are settled over a short to medium term period.

There are several variables that affect the amount and timing of cash flows from these contracts, these mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures adopted. The compensation paid on these contracts is the monetary awards granted for the loss suffered by the policy holders or third parties (for third party liability covers).

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation values and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

The liability for these contracts comprises a provision for IBNR, a provision for reported claims not yet paid and a provision for unexpired risks as at the reporting date. In calculating the estimated cost of unpaid claims (both reported and not), the Group's estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between the ultimate cost of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and an estimate based upon actual claims experience using predetermined formula where greater weight is given to actual claims experience as time passes.

Claims development

The Group maintains strong reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved with one year.

The Group does not have any single insurance contract or a small number of related contracts that cover low frequency, high-severity risks such as earthquakes, or insurance contracts covering risks for single incidents that expose the Group to multiple insurance risks. The Group has adequately reinsured for insurance risks that may involve significant litigation. A 10% change in the net claims incurred will have an increase/decrease of QR 30 million in profit or loss (2019: QR 38 million).

36.6 Capital management

QP manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. QP's overall strategy remained unchanged from last year.

The capital structure of the Group consists of net debt comprising loans, bonds and lease liabilities which is offset by Cash and bank balances whilst the equity of QP comprises contributed capital, general reserve, other reserves, retained earnings and non-controlling interest. The Group's management reviews the capital structure of the Group on an annual basis.

The gearing ratio at the end of the reporting period was as follows:

	2020	2019 *(Restated)*
Cash and bank balances (Note 15)	**32,489,090**	59,169,020
Less: debt	**(10,534,847)**	(10,370,393)
Net cash and bank balances	**21,954,243**	48,798,627
Total equity	**382,576,062**	409,536,600

The Group does not have a net debt situation as at 31 December 2020 and 31 December 2019.

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37. Acquisition of subsidiaries

During the year, the Group has obtained control over QAFCO, which was previously accounted for as Investment in Joint Venture (Note 8(b)). Accordingly, the Group has consolidated the financial statements of QAFCO in accordance with requirements of IFRS 10 Consolidated Financial Statements effective from 1 January 2020. Additionally, the Group's investment in Qatar Melamine Company (QMC) which was previously accounted for as investment in associate has also become a subsidiary from 1 January 2020 as the Group obtained control over QMC through QAFCO.

Further, the Group through its subsidiary, GIS, acquired additional 28% of the shares and voting interests in United Helicharters Private Limited (UHPL) on 2 February 2020. As a result, the Group's equity interest in UHPL increased granting it the control of UHPL.

Details of the purchase consideration of the subsidiaries acquired, the net assets acquired and bargain purchase gain / goodwill are as follows:

Purchase consideration

	QAFCO	UHPL	Total
Fair value of previously recognised investment in joint venture	11,150,000	1,157	11,151,157
Fair value of previously recognised investment in associate	112,056	-	112,056
Non-controlling interests	28,452	187	28,639
Consideration transferred	3,640,000	7,851	3,647,851
Total purchase consideration	**14,930,508**	**9,195**	**14,939,703**
Less: Fair value of the identifiable net assets of QAFCO (i) / UHPL (ii)	(15,037,316)	(1,867)	(15,039,183)
Bargain purchase gain / (goodwill)	(106,808)	7,328	(99,480)
Impairment of goodwill (ii)	-	(7,328)	(7,328)
Bargain purchase gain (i)	**(106,808)**	**-**	**(106,808)**

(i) As at the acquisition date, the Group measured the fair value of the previously recognised investment in joint venture based on a discounted cash flow approach. Assumptions used by the management in assessing the fair value of the previously recognized investment in joint venture are disclosed in Note 4.2(xi) to these consolidated financial statements. As a result of assessing the fair value of the previously held interest in QAFCO, the Group recognized a fair value gain of QR 1,303 million (Note 27) and, as a result of the purchase price allocation exercise, a bargain purchase gain of QR 106.8 million was recognised (Note 27).

(ii) The remeasurement to fair value of the Group's existing interest in UHPL resulted in a gain of QR 1.16 million (Note 27). The Group has impaired the entire amount of goodwill during the year and included this in 'Operating, selling and administrative expenses' (Note 28).

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37. Acquisition of subsidiaries (continued)

The identifiable assets acquired and liabilities assumed as a result of acquisition are as follows:

	QAFCO	UHPL	Total
Property, plant and equipment (Note 5 (a))	13,080,424	1,146	13,081,570
Right-of-use assets (Note 5 (b))	137,732	-	137,732
Intangible assets (Note 6)	10,400	-	10,400
Other non-current assets	296	-	296
Inventories	774,269	1,304	775,573
Accounts receivables and prepayments	939,399	3,708	943,107
Cash and cash equivalents	1,223,752	1,395	1,225,147
Employee benefits (Note 21)	(292,274)	(56)	(292,330)
Lease liabilities (Note 22)	(231,628)	-	(231,628)
Other non-current liabilities	(20,969)	-	(20,969)
Accounts payables and accruals	(584,085)	(5,630)	(589,715)
Total identifiable assets acquired and liabilities assumed	**15,037,316**	**1,867**	**15,039,183**
Goodwill	-	7,328	7,328
Bargain purchase gain	(106,808)	-	(106,808)
Total purchase consideration	**14,930,508**	**9,195**	**14,939,703**

Notes to the consolidated statement of cash flows

The net identifiable assets acquired and liabilities assumed amounting QR 13,814 million (QR 15,039 million less cash and cash equivalent of QR 1,225 million) are non-cash activities and are not reflected in the consolidated statement of cash flows.

Net cash outflow on acquisition of subsidiaries

Cash and cash equivalent balances acquired	1,225,147
Less: consideration paid in cash	(3,647,851)
	(2,422,704)

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38. Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra group eliminations.

31 December 2020	Industries Qatar Q.P.S.C.	Gulf International Services Q.P.S.C.	Mesaieed Petrochemical Holding Company Q.P.S.C.	Qatar Aluminium Manufacturing Company Q.P.S.C.	Qatar Fuel Company Q.P.S.C.	Intra-group eliminations	Total
NCI percentage	**49.00%**	**90.00%**	**34.55%**	**49.00%**	**80.00%**		
Non-current assets	22,499,239	6,576,590	14,277,395	5,357,147	7,082,178		
Current assets	13,550,141	3,379,887	1,802,737	440,189	4,752,914		
Non-current liabilities	(744,760)	(3,861,236)	-	-	(232,148)		
Current liabilities	(1,527,192)	(2,842,924)	(324,184)	(42,236)	(3,016,075)		
Net assets	**33,777,428**	**3,252,317**	**15,755,948**	**5,755,100**	**8,586,869**		
Net assets attributable NCI	**16,550,940**	**2,927,085**	**5,443,680**	**2,819,999**	**6,869,495**	**(2,930,664)**	**31,680,535**
Revenue	7,399,718	2,998,325	-	-	13,245,434		
Profit / (loss)	2,008,203	(318,761)	532,213	94,716	727,511		
OCI	(19,463)	(392)	-	-	50,336		
Total comprehensive income	**1,988,740**	**(319,153)**	**532,213**	**94,716**	**777,847**		
Profit / (loss) allocated to NCI	984,019	(286,845)	183,880	46,411	582,009	(18,670)	1,490,804
OCI allocated to NCI	(9,537)	(353)	-	-	40,269	13,114	43,493
Cash flow from operating activities	1,933,794	417,600	(14,176)	(8,881)	(136,378)		
Cash flow from investing activities	428,370	53,176	315,941	292,638	(55,646)		
Cash flow from financing activities (dividends to NCI: QR 84 million)	(2,483,258)	(432,607)	(879,422)	(55,801)	(909,935)		
Effect of forex in cash	-	1,301	-	-	-		
Net increase /(decrease) in cash and cash equivalents	(121,094)	39,470	(577,657)	227,956	(1,101,959)		

As at and for the year ended 31 December 2020 QR '000

38. Non-controlling interests (continued)

31 December 2019 - restated	Industries Qatar Q.P.S.C.	Gulf International Services Q.P.S.C.	Mesaieed Petrochemical Holding Company Q.P.S.C. *(Restated)*	Qatar Aluminium Manufacturing Company Q.P.S.C.	Qatar Fuel Company Q.P.S.C.	Intra-group eliminations	Total *(Restated)*
NCI percentage	49.00%	90.00%	34.54%	49.00%	80.00%		
Non-current assets	21,678,982	7,094,274	14,477,835	5,646,962	7,246,420		
Current assets	14,191,335	3,672,592	1,915,677	105,133	5,406,792		
Non-current liabilities	(368,462)	(4,046,092)	-	-	(297,689)		
Current liabilities	(1,272,029)	(3,139,851)	(254,934)	(33,542)	(3,653,411)		
Net assets	34,229,826	3,580,923	16,138,578	5,718,553	8,702,112		
Net assets attributable NCI	16,772,615	3,222,831	5,574,265	2,802,091	6,961,690	(2,825,488)	32,508,004
Revenue	5,095,823	3,010,812	-	-	22,446,258		
Profit	2,574,613	43,588	2,076,120	80,023	1,258,354		
OCI	(14,530)	6,364	-	10,372	68,288		
Total comprehensive income	2,560,083	49,952	2,076,120	90,395	1,326,642		
Profit allocated to NCI	1,261,560	39,229	717,092	39,211	1,006,683	12,263	3,076,038
OCI allocated to NCI	(7,120)	5,728	-	5,082	54,630	(447)	57,873
Cash flow from operating activities	110,756	811,317	33,197	(2,477)	752,991		
Cash flow from investing activities	3,518,342	(358,845)	1,550,583	(2,639,070)	(406,814)		
Cash flow from financing activities (dividends to NCI: QR 132 million)	(3,674,496)	(556,092)	(1,005,054)	2,646,952	(897,402)		
Net increase /(decrease) in cash and cash equivalents	(45,398)	(103,620)	578,726	5,405	(551,225)		

As at and for the year ended 31 December 2020 QR '000

39. Restatement of comparative figures

The Memorandum of Understanding (MOU) was entered into between Qatar Petroleum (representing Mesaieed Petrochemical Holding Company Q.P.S.C. (MPHC), the Group's subsidiary), the Ministry of Finance and the General Tax Authority on 4 February 2020 setting out the MPHC and its joint ventures' tax status. The MOU made provision for MPHC to receive a refund for its portion of taxes incurred in the underlying joint ventures. In prior year, after considering the impact of the application of the MOU, it was determined that deferred tax relating to the underlying joint ventures should continue to be recognised for Qatar Chemical Company Limited (Q-Chem I) and Qatar Chemical Company (II) Limited (Q-Chem II) but not for Qatar Vinyl Company Limited (QVC). During the year, to ensure consistent application of similar arrangements the accounting treatment was reassessed by management.

Management has re-assessed that all joint venture entities are taxable at a tax rate of 35% payable to the GTA and as such the arrangements are all similar in substance and should be accounted for consistently. The MOU gives MPHC the right to a refund on its portion of tax and as such it is entitled to the pre-tax profits from all the underlying joint ventures. Therefore, applying the principles of equity accounting under IAS 28 "Investments and Associates and Joint Ventures", MPHC should account for its underlying interest on a pre-tax basis and as such any tax impact including deferred tax balances for MPHC's share should be reversed.

The change has resulted in the restatement of comparative amounts to recognise this interest in joint ventures appropriately within the Group's equity accounted interest. The restatement did not impact the Group's cash flows for the comparative period.

The impact of the changes on the comparative financial information is as follows:

- A reclassification adjustment to record the refund of the tax as part of the equity accounted earnings of the joint venture and not as other income as previously disclosed for Q-Chem and QVC. However, Q-Chem II's related amounts were appropriately presented as other income/other asset, as while they exist because of MPHC's ownership of the joint venture, these do not directly represent MPHC's interest in the venture's underlying net assets.

- A restatement adjustment to recognise all joint ventures on a consistent basis by recognising the pretax profits of the joint venture as equity accounted retained earnings and therefore reversing any tax impacts including any deferred tax balances relating to MPHC's portion. The line items impacted are as follows:

Consolidated statement of financial position

	As previously reported	Reclassification	Restatement	As restated
31 December 2019				
Investments in joint ventures	100,205,992	239,701	870,572	101,316,265
Accounts receivables and prepayments	17,863,380	(239,701)	14,040	17,637,719
Others	336,943,103	-	-	336,943,103
Total assets	**455,012,475**	**-**	**884,612**	**455,897,087**
Retained earnings	176,718,828	-	579,049	177,297,877
Others	199,730,719	-	-	199,730,719
Equity attributable to the owner of the Corporation	376,449,547	-	579,049	377,028,596
Non-controlling interests	32,202,441	-	305,563	32,508,004
Total equity	**408,651,988**	**-**	**884,612**	**409,536,600**
Total liabilities	**46,360,487**	**-**	**-**	**46,360,487**
Total equity and liabilities	**455,012,475**	**-**	**884,612**	**455,897,087**

As at and for the year ended 31 December 2020 QR '000

39. Restatement of comparative figures (continued)

Consolidated statement of profit or loss

	As previously reported	Reclassification	Restatement	As restated
For the year ended 31 December 2019				
Share of profit of joint ventures	39,158,605	132,332	870,572	40,161,509
Other income	6,181,384	(132,332)	14,040	6,063,092
Others	26,542,824	-	-	26,542,824
Profit for the year	**71,882,813**	**-**	**884,612**	**72,767,425**
Attributable to:				
Owner of the Corporation	69,112,338	-	579,049	69,691,387
Non-controlling interests	2,770,475	-	305,563	3,076,038

40. Dividend

The Board of Directors in their meeting held on 21 April 2020 (2019: 17 April 2019) approved a final dividend of QR 66,000 million (2019: QR 73,143 million).

41. Notes to consolidated statement of cash flows

During the year, other than the transactions disclosed in Note 37, the Group entered into the following non-cash activities which are not reflected in the consolidated statement of cash flows:

- Transfer from capital work in progress amounting QR 130 million (2019: QR 173 million) to intangible assets.
- Recognition of additional right of use assets and lease liability amounting to QR 1,013 million (2019: QR 643 million).
- Transfer from other non-current assets (project under development) amounting to QR 1,693 million (2019: nil) to property, plant and equipment.

42. Subsequent events

There were no subsequent events which have a bearing on the understanding of these consolidated financial statements.

43. Comparative figures

In addition to the reclassifications and restatement reported in Note 39, certain amounts in the prior year's consolidated financial statements have been reclassified to conform with the presentation and classification of the current year's consolidated financial statements. However, such reclassifications are not material and did not have an impact on the previously reported profit, other comprehensive income or the equity for the comparative year.

44. Impact of COVID-19

The COVID-19 pandemic caused slowdown in economic activities during the period from March 2020. This situation posed a range of business and financial challenges to the businesses globally and across various sectors of the economy in the State of Qatar. Although, the Group has taken adequate measures to ensure business continuity during the pandemic period, business operations were impacted due to the circumstances arising from COVID-19 including the compression of demand for petroleum products and deceleration of the economic activities, resulting in lower revenue and profit. The management has assessed the accounting implications of these developments on these consolidated financial statements wherever applicable, including but not limited to the impairment of property, plant and equipment and investments in associates and joint ventures under IAS 36 'Impairment of assets', expected credit losses under IFRS 9 'Financial instruments', the net realisable value of inventory under IAS 2 'Inventories' and contingent liabilities under IAS 37 'Provisions, contingent liabilities and contingent assets'.

The Group's management has ensured that all necessary steps have been taken to ensure smooth and adequate continuation of its business in order to maintain business performance despite the hindered economic activity.

Based on the assessment and after considering all the adjustments, where necessary, the Group management is of the view that there is no further material impact of COVID-19 on the carrying amounts of assets and liabilities as at 31 December 2020. The management will continue to monitor the potential impact and take necessary steps to mitigate any negative effects.

Qatar Petroleum

Consolidated Financial Statements

31 December 2019

Qatar Petroleum

Consolidated Financial Statements
For the year ended 31 December 2019

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INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF QATAR PETROLEUM

TO THE SUPREME COUNCIL FOR ECONOMIC AFFAIRS AND INVESTMENT, STATE OF QATAR

Opinion

We have audited the consolidated financial statements of Qatar Petroleum ("QP" or the "Corporation") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *"Auditor's Responsibilities for the Audit of the Consolidated Financial Statements"* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Corporation's consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to the following matters:

(1) Basis of Preparation

During the year, the Corporation has changed its financial reporting framework to IFRS and has presented these consolidated financial statements in accordance with the requirements of IFRS 1 "First time Adoption of International Financial Reporting Standards". Prior to adoption of IFRS, the Corporation prepared consolidated financial statements in accordance with QP accounting policies, the Council of Ministers' decision No. 6 of 1976 (as amended) and QP Chairman Resolution No. 17 of 2013 (as amended by Resolution No. 1 of 2019) related to accounting policies ("previous QP accounting policies"). The effects of adoption of IFRS and other explanatory information have been disclosed in Note 2 to the consolidated financial statements.

Emphasis of Matters (continued)

(2) *Subsequent Events*
Note 42 of the consolidated financial statements, which describes the current situation on COVID-19 (coronavirus) outbreak and significant decline in oil price.

Our opinion is not modified in respect of above matters.

Other Matter – Comparative Information
The consolidated financial statements of the Group as at and for the years ended 31 December 2018 and 31 December 2017 (from which the consolidated statement of financial position as at 1 January 2018 has been derived) excluding the transition adjustments on adoption of IFRS as described in note 2 to these consolidated financial statements were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements dated 20 May 2019. Those consolidated financial statements were prepared in accordance with the previous QP accounting policies.

As part of our audit of the consolidated financial statements as at and for the year ended 31 December 2019, we audited the transition adjustments on adoption of IFRS as described in note 2 to these consolidated financial statements that were applied to restate the comparative information presented as at and for the year ended 31 December 2018 and the consolidated statement of financial position as at 1 January 2018 in line with the requirement of IFRS 1.

We were not engaged to audit, review, or apply any procedures to the consolidated financial statements for the years ended 31 December 2018 or 31 December 2017 (not presented herein) or to the consolidated statement of financial position as at 1 January 2018, other than with respect to the transition adjustments described in note 2 to the consolidated financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the transition adjustments described in note 2 to these consolidated financial statements are appropriate and have been properly applied.

Management's Responsibilities for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board Audit Committee is responsible for overseeing Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

KPMG

INDEPENDENT AUDITOR'S REPORT (CONTINUED) – QATAR PETROLEUM

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

21 April 2020
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Qatar Auditors' Registry Number 251

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019 QR '000

	Note	**31 December 2019**	31 December 2018 *(Restated) **	1 January 2018 *(Restated) **
ASSETS				
Non-current assets				
Property, plant and equipment	6(a)	**186,755,942**	179,617,511	173,482,364
Right-of-use assets	6(b)	**2,769,063**	2,812,408	3,218,231
Investment property	6(c)	**886,272**	906,226	909,121
Intangible assets	7	**5,405,707**	3,745,809	1,181,817
Investments in associates	8	**6,935,277**	7,582,086	6,992,394
Investments in joint ventures	9 (b)	**100,205,992**	91,844,410	85,552,754
Other investments	10	**6,164,899**	6,316,876	5,545,620
Other non-current assets	11	**6,392,261**	5,536,596	7,052,787
		315,515,413	298,361,922	283,935,088
Current assets				
Inventories	15	**4,980,618**	4,168,656	3,881,417
Amounts due from Ministry of Finance	13	**56,732,125**	101,801,443	92,163,986
Accounts receivables and prepayments	16	**17,841,242**	17,933,399	20,778,647
Other investments	10	**676,608**	679,852	218,174
Other current assets	14	**22,138**	59,752	241,241
Cash and cash equivalents	17	**59,169,020**	39,085,591	27,436,371
		139,421,751	163,728,693	144,719,836
Assets held for sale	12	**75,311**	63,662	296,845
		139,497,062	163,792,355	145,016,681
TOTAL ASSETS		**455,012,475**	462,154,277	428,951,769

** Refer to Note 2.*

Continued on next page

The accompanying notes 1 to 42 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019 QR '000

Continued from previous page

	Note	**31 December 2019**	31 December 2018 *(Restated)* *	1 January 2018 *(Restated)* *
EQUITY AND LIABILITIES				
Equity				
Capital	30	**100,000,000**	100,000,000	100,000,000
General reserve	31	**100,000,000**	100,000,000	100,000,000
Other reserves	33	**(269,281)**	376,593	233,509
Retained earnings		**176,718,828**	180,891,491	158,005,947
Equity attributable to owner of the Corporation		**376,449,547**	381,268,084	358,239,456
Non-controlling interests		**32,202,441**	32,323,551	27,953,391
Total equity		**408,651,988**	413,591,635	386,192,847
Non-current liabilities				
Loans and bonds	19	**6,763,916**	6,918,718	7,047,560
Employee benefits	22	**5,004,606**	4,735,664	4,606,241
Lease liabilities	21	**2,162,735**	1,851,888	2,679,981
Deferred income	23	**729,346**	774,887	820,427
Other non-current liabilities	20	**1,882,486**	1,725,115	1,746,474
		16,543,089	16,006,272	16,900,683
Current liabilities				
Loans and bonds	19	**825,212**	934,697	1,123,561
Accounts payables and accruals	24	**28,328,115**	30,623,152	23,337,399
Lease liabilities	21	**618,530**	952,980	483,178
Deferred income	23	**45,541**	45,541	914,101
		29,817,398	32,556,370	25,858,239
Total liabilities		**46,360,487**	48,562,642	42,758,922
TOTAL EQUITY AND LIABILITIES		**455,012,475**	462,154,277	428,951,769

* Refer to Note 2.

These consolidated financial statements were approved by the Corporation's Board of Directors and signed on its behalf by the following on: **21 APR 2020**

H.H. Sheikh Abdullah bin Hamad Al Thani
The Deputy Emir
Chairman of the Board

Saad Al-Kaabi

Saad Sherida Al-Kaabi
Minister of State for Energy Affairs
Vice Chairman and President & CEO

The accompanying notes 1 to 42 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2019

QR '000

	Note	2019	2018 (Restated) *
Continuing operations			
Operating income			
Revenue	25	**108,331,608**	118,507,388
Other operating income	26	**6,181,384**	6,587,722
		114,512,992	125,095,110
Expenses			
Operating, selling and administrative expenses	27	**(58,611,560)**	(64,474,579)
Depreciation and amortization	28	**(9,390,454)**	(9,114,782)
Provision for expected credit losses on financial assets	35	**(1,413,648)**	(48,362)
		(69,415,662)	(73,637,723)
Net operating income		**45,097,330**	51,457,387
Share of profit of joint ventures	9	**39,158,605**	48,934,617
Share of profit of associates	8	**473,324**	1,050,796
Dividend and interest income		**1,914,858**	1,514,044
Finance charges	32	**(533,825)**	(553,736)
Profit before tax		**86,110,292**	102,403,108
Taxes	29	**(14,239,656)**	(15,890,141)
Profit for the year from continuing operations		**71,870,636**	86,512,967
Discontinued operations			
Profit from discontinued operations	12	**12,177**	17,129
Profit for the year		**71,882,813**	86,530,096
Attributable to:			
Owner of the Corporation		**69,112,338**	81,739,208
Non-controlling interests		**2,770,475**	4,790,888
		71,882,813	86,530,096

* Refer to Note 2.

H.H. Sheikh Abdullah bin Hamad Al Thani
The Deputy Emir
Chairman of the Board

Saad Sherida Al-Kaabi
Minister of State for Energy Affairs
Vice Chairman and President & CEO

The accompanying notes 1 to 42 are an integral part of these consolidated financial statements

Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2019 QR '000

	Note	2019	2018 (Restated)*
Profit for the year		**71,882,813**	86,530,096
Other comprehensive income from continuing operations			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefits obligations	33(ii)	**(201,183)**	(105,527)
Equity investments at FVOCI – net change in fair value	33(iv)	**(242,319)**	358,649
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedges – effective portion of changes in fair value	33(i)	**(310,306)**	245,237
Foreign operations – foreign currency translation differences	33(iii)	**59,707**	(392,655)
		(694,101)	105,704
Other comprehensive income from discontinued operations		**-**	-
Total other comprehensive income		**(694,101)**	105,704
Total comprehensive income for the year		**71,188,712**	86,635,800
Attributable to:			
Owner of the Corporation		**68,360,364**	81,734,118
Non-controlling interests		**2,828,348**	4,901,682
		71,188,712	86,635,800

*Refer to Note 2.

The accompanying notes 1 to 42 are an integral part of these consolidated financial statements

Consolidated statement of changes in equity
For the year ended 31 December 2019

QR '000

	Equity attributable to owner of the Corporation						
	Capital	General reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total
Balance at 1 January 2018, as previously reported	100,000,000	100,000,000	447,790	86,255,880	286,703,670	24,078,045	310,781,715
Effect of first-time adoption of IFRS (Note 2)	-	-	(214,281)	71,750,067	71,535,786	3,875,346	75,411,132
Balance at 1 January 2018 – restated	100,000,000	100,000,000	233,509	158,005,947	358,239,456	27,953,391	386,192,847
Profit for the year – restated	-	-	-	81,739,208	81,739,208	4,790,888	86,530,096
Other comprehensive income for the year – restated	-	-	(5,090)	-	(5,090)	110,794	105,704
Total comprehensive income for the year – restated	-	-	(5,090)	81,739,208	81,734,118	4,901,682	86,635,800
Reclassification of fair value reserve on sale of investments at FVOCI	-	-	29,883	(30,033)	(150)	(1,351)	(1,501)
Dividend (Note 40)	-	-	-	(59,075,567)	(59,075,567)	-	(59,075,567)
Transfers to other reserves – restated	-	-	91,843	(91,712)	131	3,225	3,356
Transfer to Social Fund – restated (Note 34)	-	-	-	(92,339)	(92,339)	(96,436)	(188,775)
Net movement - acquisition of minority interest	-	-	26,218	(1,218)	25,000	(239,352)	(214,352)
Dilution of equity holding in a subsidiary without a change in control (Note 39)	-	-	-	408,680	408,680	2,325,579	2,734,259
Dividend paid to non-controlling interests – restated	-	-	-	-	-	(2,573,915)	(2,573,915)
Other movement during the year - restated	-	-	230	28,525	28,755	50,728	79,483
Balance at 31 December 2018 – restated	100,000,000	100,000,000	376,593	180,891,491	381,268,084	32,323,551	413,591,635

Continued on next page

The accompanying notes 1 to 42 are an integral part of these consolidated financial statements

Consolidated statement of changes in equity
For the year ended 31 December 2019

QR '000

Continued from previous page

	Equity attributable to owner of the Corporation						
	Capital	**General reserve**	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total**
Balance at 31 December 2018 – restated	100,000,000	100,000,000	376,593	180,891,491	381,268,084	32,323,551	413,591,635
Profit for the year	-	-	-	69,112,338	69,112,338	2,770,475	71,882,813
Other comprehensive income for the year	-	-	(751,974)	-	(751,974)	57,873	(694,101)
Total comprehensive income for the year	-	-	(751,974)	69,112,338	68,360,364	2,828,348	71,188,712
Reclassification of fair value reserve on sale of investments at FVOCI	-	-	1,695	(1,695)	-	-	-
Dividend (Note 40)	-	-	-	(73,143,236)	(73,143,236)	-	(73,143,236)
Transfer to other reserves	-	-	41,780	(41,780)	-	-	-
Transfer to Social Fund (Note 34)	-	-	-	(57,092)	(57,092)	(65,768)	(122,860)
Dividend paid to non-controlling interests	-	-	-	-	-	(2,900,726)	(2,900,726)
Other movement during the year	-	-	62,625	(41,198)	21,427	17,036	38,463
Balance at 31 December 2019	**100,000,000**	**100,000,000**	**(269,281)**	**176,718,828**	**376,449,547**	**32,202,441**	**408,651,988**

The accompanying notes 1 to 42 are an integral part of these consolidated financial statements

Consolidated statement of cash flows
For the year ended 31 December 2019 QR '000

	Note	2019	2018 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**71,882,813**	86,530,096
Adjustments:			
- Depreciation of property, plant and equipment	28	**8,333,573**	8,074,824
- Depreciation of right-of-use assets	28	**666,755**	595,743
- Depreciation of investment property	28	**34,079**	32,345
- Amortization of intangible assets and catalysts	28	**356,047**	411,870
- Loss on disposal of property, plant and equipment		**166,225**	218,312
- Write off of property, plant and equipment	27	**8,544**	36,540
- Write off of project preliminary cost	27	**35,734**	188,779
- Write off of projects under development	11(b)	**144,605**	-
- Finance charges	32	**533,825**	553,736
- Provision for expected credit losses on financial assets	35	**1,413,648**	48,362
- Provision for financial guarantee		**-**	389,000
- Provision for impairment losses – net	27	**2,112,499**	43,453
- Provision for employee benefits	22	**535,952**	486,468
- Provision for obsolete and slow-moving inventories	27	**66,703**	26,987
- Provision for decommissioning costs, net	20	**22,490**	32,454
- Profit from discontinued operations	12	**(12,177)**	(17,129)
- Fair value loss / (gain) on investment at fair value through profit or loss	10(b)	**12,849**	(26,378)
- Share of profit of associates	8	**(473,324)**	(1,050,796)
- Share of profit of joint ventures	9(b)	**(39,158,605)**	(48,934,617)
- Dividend and interest income		**(1,914,858)**	(1,514,044)
- Taxes	29	**14,239,656**	15,890,141
		59,007,033	62,016,146
Working capital changes:			
- Inventories		**(878,665)**	(327,563)
- Amounts due from Ministry of Finance		**45,069,318**	(9,637,457)
- Accounts receivables and prepayments		**143,455**	2,769,944
- Other current assets		**(88,124)**	(124,237)
- Deferred income		**(45,541)**	(914,100)
- Accounts payable and accruals		**(2,295,037)**	6,896,753
Cash generated from operations		**100,911,944**	60,679,486
Employee benefits paid	22	**(458,289)**	(466,127)
Finance charges paid		**(533,825)**	(553,736)
Taxes paid		**(14,683,585)**	(15,865,005)
Net cash from operating activities		**85,236,245**	43,794,618

Continued on next page

The accompanying notes 1 to 42 are an integral part of these consolidated financial statements

Consolidated statement of cash flows
For the year ended 31 December 2019 QR '000

Continued from previous page

	Note	2019	2018 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(15,806,955)**	(15,173,137)
Proceeds from disposal of property, plant and equipment		**19,221**	11,260
Acquisition of investment property	6(c)	**(12,134)**	(29,450)
Acquisition of intangible assets	7	**(1,841,639)**	(2,310,990)
Repayments from associates – net	8	**793,470**	-
Additions to investments in joint ventures – net		**(9,694,316)**	(6,315,463)
Dividend received from associates and joint ventures		**38,688,002**	49,693,933
Net cash movement of financial assets at FVOCI		**(41,846)**	538,779
Net cash movement of financial assets at amortised cost		**(11,825)**	(851,118)
Dividend and interest received from other investments		**1,914,858**	1,514,044
Additions to projects under development	11(b)	**(2,744,133)**	(407,249)
Net cash movement in other non-current assets		**628,191**	1,531,028
Proceeds from disposal of assets held for sale		**-**	174,720
Net cash movement of financial assets at fair value through profit or loss		**(22,814)**	(435,300)
Movement in term deposits and restricted cash		**611,671**	(2,619,539)
Net cash from investing activities		**12,479,751**	25,321,518
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans		**618,800**	795,038
Repayment of loans		**(934,668)**	(1,176,901)
Payment of lease liabilities		**(666,719)**	(508,875)
Movement in other non-current liabilities		**(13,176)**	58,563
Dividend paid	40	**(73,143,236)**	(59,075,567)
Dividends paid to non-controlling interests		**(2,900,726)**	(2,573,915)
Acquisition of non-controlling intesests		**-**	(239,352)
Proceed from non-controlling interests		**-**	2,734,259
Net cash used in financing activities		**(77,039,725)**	(59,986,750)
Net increase in cash and cash equivalents		**20,676,271**	9,129,386
Effect of movements in exchange rates on cash held		**19,009**	(101,535)
Cash and cash equivalent at beginning of year		**27,782,869**	18,755,018
Cash and cash equivalent at end of year	17	**48,478,149**	27,782,869

The accompanying notes 1 to 42 are an integral part of these consolidated financial statements

1. Legal status and principal activities

Qatar Petroleum ("QP", the "Corporation" or the "Parent"), is a state-owned public corporation established in the State of Qatar by Emiri Decree Number 10 of 1974.

The principal activities of QP, its subsidiaries, joint operations, joint ventures and associates are the exploration, production and sale of crude oil, natural gas and gas liquids and refined products, production and sale of petrochemicals, fuel additives, fertilisers, liquefied natural gas ("LNG"), steel, aluminium, chartering of helicopters, investing in industrial and international projects, underwriting insurance, vehicle inspection services, marine bunkering, bitumen, transportation of oil and gas and refined petroleum products and other services. The principal place of business of QP is in the State of Qatar.

Pursuant to Law No. 5 of 2012, which was issued on 7 August 2012, the State of Qatar amended certain provisions of Decree No. 10 of 1974 and transferred the ownership in QP from the Ministry of Economy of Finance to the Supreme Council for Economic Affairs and Investment effective 1 January 2012.

These consolidated financial statements are prepared to meet the requirements of Article 21 of Emiri Decree No. 10 of 1974 (as amended by Law No. 5 of 2012). These consolidated financial statements reflect the financial information of Qatar Petroleum ("QP") and its subsidiaries, joint operations, joint ventures and associates (together referred to as the "Group").

These consolidated financial statements were approved by the Board of Directors and authorised for issue on 21st April 2020.

2. First-time adoption of International Financial Reporting Standards

During the year, the Board of Directors has decided to prepare these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). IFRS 1 "First-time adoption of International Financial Reporting Standards" is applicable to entities preparing their first set of annual or interim financial statements in accordance with IFRS. Accordingly, the Group has prepared an opening consolidated statement of financial position as of 1 January 2018 (date of transition to IFRS) and related reconciliations, explanatory notes and disclosures as required by IFRS 1.

Previously the consolidated financial statements were prepared in accordance with the requirements of QP accounting policies, the Council of Ministers' decision No. 6 of 1976 (as amended) and QP Chairman Resolution No. 17 of 2013 (as amended by Resolution No. 1 of 2019) related to accounting policies (together referred as "previous QP accounting policies").

The Group has made necessary adjustments to prepare its opening IFRS consolidated statement of financial position as at 1 January 2018, consolidated statement of financial position as at 31 December 2018 and its consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018 to bring them in line with IFRS. In preparing its opening IFRS consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income, the Group has adjusted amounts reported previously in consolidated financial statements prepared in accordance with previous QP accounting policies. An explanation of how the transition from previous QP accounting policies to IFRS has affected the Group's consolidated financial position, consolidated financial performance and consolidated cash flows is set out in the following tables and notes that accompany the tables.

QR '000

2. First-time adoption of International Financial Reporting Standards (continued)

2.1 Effect of IFRS adoption on the consolidated statement of financial position as at 1 January 2018

	As at 1 January 2018							
		Effect of transition to IFRS on						
	As per previous QP accounting policies (Note 2.5)	Investment classification (Note 2.5 (i))	Leases arrangements (Note 2.5 (ii))	Production Sharing Agreements ("PSAs") (Note 2.5 (iii))	Uncertainity over tax matters (Note 2.5 (iv))	Employee benefits (Note 2.5 (v))	Other adjustments (Note 2.5 (vi))	IFRS consolidated statement of financial position *(Restated)*
ASSETS								
Non-current assets								
Property, plant and equipment	103,150,753	1,707,335	-	68,425,170	-	-	199,106	173,482,364
Right-of-use assets	-	-	3,218,231	-	-	-	-	3,218,231
Investment property	-	909,121	-	-	-	-	-	909,121
Intangible assets	1,106,481	75,336	-	-	-	-	-	1,181,817
Investments in associates	8,433,463	(1,441,069)	-	-	-	-	-	6,992,394
Investments in joint ventures	88,405,852	-	-	-	(2,853,098)	-	-	85,552,754
Other investments	3,914,701	1,630,919	-	-	-	-	-	5,545,620
Other non-current assets	7,052,787	-	-	-	-	-	-	7,052,787
	212,064,037	2,881,642	3,218,231	68,425,170	(2,853,098)	-	199,106	283,935,088
Current assets								
Inventories	3,467,101	414,316	-	-	-	-	-	3,881,417
Amounts due from Ministry of Finance	87,949,591	-	-	-	4,214,395	-	-	92,163,986
Accounts receivables and prepayments	22,105,479	(1,271,760)	(55,072)	-	-	-	-	20,778,647
Other investments	218,174	-	-	-	-	-	-	218,174
Other current assets	241,241	-	-	-	-	-	-	241,241
Cash and cash equivalents	23,072,901	4,363,470	-	-	-	-	-	27,436,371
	137,054,487	3,506,026	(55,072)	-	4,214,395	-	-	144,719,836
Assets held for sale	296,845	-	-	-	-	-	-	296,845
TOTAL ASSETS	349,415,369	6,387,668	3,163,159	68,425,170	1,361,297	-	199,106	428,951,769

As at and for the year ended 31 December 2019 QR '000

2. First-time adoption of International Financial Reporting Standards (continued)

2.1 Effect of IFRS adoption on the consolidated statement of financial position as at 1 Janaury 2018 (continued)

	As at 1 January 2018							
		Effect of transition to IFRS on						
	As per previous QP accounting policies (Note 2.5)	**Investment classification (Note 2.5 (i))**	**Leases arrangements (Note 2.5 (ii))**	**Production Sharing Agreements ("PSAs") (Note 2.5 (iii))**	**Uncertainity over tax matters (Note 2.5 (iv))**	**Employee benefits (Note 2.5 (v))**	**Other adjustments (Note 2.5 (vi))**	**IFRS consolidated statement of financial position *(Restated)***
EQUITY AND LIABILITIES								
Equity								
Capital	100,000,000	-	-	-	-	-	-	100,000,000
General reserve	100,000,000	-	-	-	-	-	-	100,000,000
Other reserves	447,790	66,601	-	-	-	-	(280,882)	233,509
Retained earnings	86,255,880	(160,318)	-	67,905,261	1,361,297	(1,183,439)	3,827,266	158,005,947
Equity attributable to owner of the Corporation	286,703,670	(93,717)	-	67,905,261	1,361,297	(1,183,439)	3,546,384	358,239,456
Non-controlling interests	24,078,045	5,913,147	-	-	-	-	(2,037,801)	27,953,391
	310,781,715	5,819,430	-	67,905,261	1,361,297	(1,183,439)	1,508,583	386,192,847
Non-current liabilities								
Loans and bonds	7,047,560	-	-	-	-	-	-	7,047,560
Employee benefits	3,292,270	130,532	-	-	-	1,183,439	-	4,606,241
Lease liabilities	-	-	2,679,981	-	-	-	-	2,679,981
Deferred income	820,427	-	-	-	-	-	-	820,427
Other non-current liabilities	1,459,879	-	-	-	-	-	286,595	1,746,474
	12,620,136	130,532	2,679,981	-	-	1,183,439	286,595	16,900,683

As at and for the year ended 31 December 2019 QR '000

2. First-time adoption of International Financial Reporting Standards (continued)

2.1 Effect of IFRS adoption on the consolidated statement of financial position as at 1 January 2018 (continued)

	As at 1 January 2018							
		Effect of transition to IFRS on						
	As per previous QP accounting policies (Note 2.5)	Investment classification (Note 2.5 (i))	Leases arrangements (Note 2.5 (ii))	Production Sharing Agreements ("PSAs") (Note 2.5 (iii))	Uncertainity over tax matters (Note 2.5 (iv))	Employee benefits (Note 2.5 (v))	Other adjustments (Note 2.5 (vi))	IFRS consolidated statement of financial position *(Restated)*
Current liabilities								
Loans and bonds	1,123,561	-	-	-	-	-	-	1,123,561
Accounts payable and accruals	23,975,856	437,706	-	519,909	-	-	(1,596,072)	23,337,399
Lease liabilities	-	-	483,178	-	-	-	-	483,178
Deferred income	914,101	-	-	-	-	-	-	914,101
	26,013,518	437,706	483,178	519,909	-	-	(1,596,072)	25,858,239
Total liabilities	38,633,654	568,238	3,163,159	519,909	-	1,183,439	(1,309,477)	42,758,922
TOTAL EQUITY AND LIABILITIES	349,415,369	6,387,668	3,163,159	68,425,170	1,361,297	-	199,106	428,951,769

As at and for the year ended 31 December 2019 QR '000

2. First-time adoption of International Financial Reporting Standards (continued)

2.2 Effect of IFRS adoption on the consolidated statement of financial position as at 31 December 2018

	As at 1 January 2018							
		Effect of transition to IFRS on						
	As per previous QP accounting policies (Note 2.5)	Investment classification (Note 2.5 (i))	Leases arrangements (Note 2.5 (ii))	Production Sharing Agreements ("PSAs") (Note 2.5 (iii))	Uncertainity over tax matters (Note 2.5 (iv))	Employee benefits (Note 2.5 (v))	Other adjustments (Note 2.5 (vi))	IFRS consolidated statement of financial position *(Restated)*
ASSETS								
Non-current assets								
Property, plant and equipment	104,208,629	2,129,368	(32,015)	73,137,400	-	-	174,129	179,617,511
Right-of-use assets	-	-	2,812,408	-	-	-	-	2,812,408
Investment property	-	906,226	-	-	-	-	-	906,226
Intangible assets	3,670,574	75,235	-	-	-	-	-	3,745,809
Investments in associates	9,215,043	(1,632,957)	-	-	-	-	-	7,582,086
Investments in joint ventures	94,800,832	-	-	-	(2,956,422)	-	-	91,844,410
Other investments	3,375,945	2,940,931	-	-	-	-	-	6,316,876
Other non-current assets	5,784,941	(248,345)	-	-	-	-	-	5,536,596
	221,055,964	4,170,458	2,780,393	73,137,400	(2,956,422)	-	174,129	298,361,922
Current assets								
Inventories	3,746,203	422,453	-	-	-	-	-	4,168,656
Amounts due from Ministry of Finance	97,353,867	-	-	-	4,447,576	-	-	101,801,443
Accounts receivables and prepayments	19,372,417	(1,374,657)	(64,361)	-	-	-	-	17,933,399
Other investments	679,852	-	-	-	-	-	-	679,852
Other current assets	59,752	-	-	-	-	-	-	59,752
Cash and cash equivalents	35,519,171	3,566,420	-	-	-	-	-	39,085,591
	156,731,262	2,614,216	(64,361)	-	4,447,576	-	-	163,728,693
Assets held for sale	63,662	-	-	-	-	-	-	63,662
TOTAL ASSETS	377,850,888	6,784,674	2,716,032	73,137,400	1,491,154	-	174,129	462,154,277

As at and for the year ended 31 December 2019 QR '000

2. First-time adoption of International Financial Reporting Standards (continued)

2.2 Effect of IFRS adoption on the consolidated statement of financial position as at 31 December 2018 (continued)

	As at 1 January 2018							
		Effect of transition to IFRS on						
	As per previous QP accounting policies (Note 2.5)	Investment classification (Note 2.5 (i))	Leases arrangements (Note 2.5 (ii))	Production Sharing Agreements ("PSAs") (Note 2.5 (iii))	Uncertainity over tax matters (Note 2.5 (iv))	Employee benefits (Note 2.5 (v))	Other adjustments (Note 2.5 (vi))	IFRS consolidated statement of financial position *(Restated)*
EQUITY AND LIABILITIES								
Equity								
Capital	100,000,000	-	-	-	-	-	-	100,000,000
General reserve	100,000,000	-	-	-	-	-	-	100,000,000
Other reserves	1,381,974	(6,983)	-	-	-	115,457	(1,113,855)	376,593
Retained earnings	103,223,095	(113,564)	(24,358)	72,962,946	1,491,154	(1,282,024)	4,634,242	180,891,491
Equity attributable to owner of the Corporation	304,605,069	(120,547)	(24,358)	72,962,946	1,491,154	(1,166,567)	3,520,387	381,268,084
Non-controlling interests	28,147,123	6,246,941	(32,712)	-	-	-	(2,037,801)	32,323,551
	332,752,192	6,126,394	(57,070)	72,962,946	1,491,154	(1,166,567)	1,482,586	413,591,635
Non-current liabilities								
Loans and bonds	6,918,718	-	-	-	-	-	-	6,918,718
Employee benefits	3,477,554	91,543	-	-	-	1,166,567	-	4,735,664
Lease liabilities	-	25,441	1,826,447	-	-	-	-	1,851,888
Deferred income	774,887	-	-	-	-	-	-	774,887
Other non-current liabilities	1,437,500	-	-	-	-	-	287,615	1,725,115
	12,608,659	116,984	1,826,447	-	-	1,166,567	287,615	16,006,272

As at and for the year ended 31 December 2019 QR '000

2. First-time adoption of International Financial Reporting Standards (continued)

2.2 Effect of IFRS adoption on the consolidated statement of financial position as at 31 December 2018 (continued)

	As at 1 January 2018							
		Effect of transition to IFRS on						
	As per previous QP accounting policies (Note 2.5)	**Investment classification (Note 2.5 (i))**	**Leases arrangements (Note 2.5 (ii))**	**Production Sharing Agreements ("PSAs") (Note 2.5 (iii))**	**Uncertainity over tax matters (Note 2.5 (iv))**	**Employee benefits (Note 2.5 (v))**	**Other adjustments (Note 2.5 (vi))**	**IFRS consolidated statement of financial position *(Restated)***
Current liabilities								
Loans and bonds	934,697	-	-	-	-	-	-	934,697
Accounts payable and accruals	31,509,799	534,971	-	174,454	-	-	(1,596,072)	30,623,152
Lease liabilities	-	6,325	946,655	-	-	-	-	952,980
Deferred income	45,541	-	-	-	-	-	-	45,541
	32,490,037	541,296	946,655	174,454	-	-	(1,596,072)	32,556,370
Total liabilities	45,098,696	658,280	2,773,102	174,454	-	1,166,567	(1,308,457)	48,562,642
TOTAL EQUITY AND LIABILITIES	377,850,888	6,784,674	2,716,032	73,137,400	1,491,154	-	174,129	462,154,277

As at and for the year ended 31 December 2019 QR '000

2. First-time adoption of International Financial Reporting Standards (continued)

2.3 Effect of IFRS adoption on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018

	For the year ended 31 December 2018							
		Effect of transition to IFRS on						
	As per previous QP accounting policies (Note 2.5)	Investment classification (Note 2.5 (i))	Leases arrangements (Note 2.5 (ii))	Production Sharing Agreements ("PSAs") (Note 2.5 (iii))	Uncertainity over tax matters (Note 2.5 (iv))	Employee benefits (Note 2.5 (v))	Other adjustments (Note 2.5 (vi))	IFRS consolidated statement of financial position *(Restated)*
Operating income								
Revenue	102,473,627	2,285,295	-	13,748,466	-	-	-	118,507,388
Other operating income	6,356,227	231,495	-	-	-	-	-	6,587,722
	108,829,854	2,516,790	-	13,748,466	-	-	-	125,095,110
Expenses								
Operating, selling and administrative expenses	(58,096,590)	(1,203,084)	671,340	(5,980,842)	233,181	(98,584)	-	(64,474,579)
Depreciation and amortization	(5,561,364)	(222,758)	(595,743)	(2,709,939)	-	-	(24,978)	(9,114,782)
Provision for expected credit losses on financial assets	(48,362)	-	-	-	-	-	-	(48,362)
	(63,706,316)	(1,425,842)	75,597	(8,690,781)	233,181	(98,584)	(24,978)	(73,637,723)
Net operating income	**45,123,538**	1,090,948	75,597	5,057,685	233,181	(98,584)	(24,978)	51,457,387
Share of profit of joint ventures	49,037,941	-	-	-	(103,324)	-	-	48,934,617
Share of profit of associates	1,282,819	(232,023)	-	-	-	-	-	1,050,796
Dividend and interest income	1,284,484	229,560	-	-	-	-	-	1,514,044
Finance charges	(405,363)	(689)	(132,667)	-	-	-	(15,017)	(553,736)
Profit before tax	**96,323,419**	1,087,796	(57,070)	5,057,685	129,857	(98,584)	(39,995)	102,403,108
Taxes	(15,904,139)	-	-	-	-	-	13,998	(15,890,141)
Profit for the year from continuing operations	**80,419,280**	1,087,796	(57,070)	5,057,685	129,857	(98,584)	(25,997)	86,512,967
Profit from discountinued operations	17,129	-	-	-	-	-	-	17,129
Profit for the year	**80,436,409**	1,087,796	(57,070)	5,057,685	129,857	(98,584)	(25,997)	86,530,096
Attributable to:								
Owner of the Corporation	76,624,748	75,857	(24,358)	5,057,685	129,857	(98,584)	(25,997)	81,739,208
Non-controlling interests	3,811,661	1,011,939	(32,712)	-	-	-	-	4,790,888
	80,436,409	1,087,796	(57,070)	5,057,685	129,857	(98,584)	(25,997)	86,530,096

As at and for the year ended 31 December 2019 QR '000

2. First-time adoption of International Financial Reporting Standards (continued)

2.3 Effect of IFRS adoption on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018 (continued)

	For the year ended 31 December 2018							
		Effect of transition to IFRS						
	As per previous QP accounting policies (Note 2.5)	Investment classification (Note 2.5 (i))	Leases arrangements (Note 2.5 (ii))	Production Sharing Agreements ("PSAs") (Note 2.5 (iii))	Uncertainity over tax matters (Note 2.5 (iv))	Employee benefits (Note 2.5 (v))	Other adjustments (Note 2.5 (vi))	IFRS consolidated statement of profit or loss and other comprehensive income *(Restated)*
Profit for the year	80,436,409	1,087,796	(57,070)	5,057,685	129,857	(98,584)	(25,997)	86,530,096
Other comprehensive income from continuing operations								
Items that will not be reclassified to profit or loss								
Remeasurement of defined benefits obligations	(220,984)	-	-	-	-	115,457	-	(105,527)
Equity investments at FVOCI – net change in fair value	245,896	112,753	-	-	-	-	-	358,649
Revaluation surplus	106,359	(106,359)	-	-	-	-	-	-
Items that are or may be reclassified subsequently to profit or loss								
Cash flow hedges – effective portion of changes in fair value	245,237	-	-	-	-	-	-	245,237
Foreign operations – foreign currency translation differences	(392,655)	-	-	-	-	-	-	(392,655)
Other comprehensive income from continuing operations	(16,147)	6,394	-	-	-	115,457	-	105,704
Other comprehensive income from discontinued operations	-	-	-	-	-	-	-	-
Total other comprehensive income	(16,147)	6,394	-	-	-	115,457	-	105,704
Total comprehensive income for the year	80,420,262	1,094,190	(57,070)	5,057,685	129,857	16,873	(25,997)	86,635,800
Attributable to:								
Owner of the Corporation	76,610,562	(59,783)	4,921	5,057,685	129,857	16,873	(25,997)	81,734,118
Non-controlling interests	3,809,700	1,153,973	(61,991)	-	-	-	-	4,901,682
	80,420,262	1,094,190	(57,070)	5,057,685	129,857	16,873	(25,997)	86,635,800

As at and for the year ended 31 December 2019 QR '000

2. First-time adoption of International Financial Reporting Standards (continued)

2.4 Effect of IFRS adoption on the consolidated statement of cash flows

	Year ended 31 December 2018		
	As per previous QP accounting policies	**Effect of transition to IFRS**	**IFRS consolidated statement of cash flows (Restated)**
Net cash from operating activities	56,218,836	(12,424,218)	43,794,618
Net cash from investing activities	32,211,105	(6,889,587)	25,321,518
Net cash used in financing activities	(79,293,635)	19,306,885	(59,986,750)
Net increase in cash and cash equivalents	9,136,306	(6,920)	9,129,386
Effect of movements in exchange rates on cash held	(101,535)	-	(101,535)
Cash and cash equivalents at beginning of the year	15,583,706	3,171,312	18,755,018
Cash and cash equivalents at end of the year	24,618,477	3,164,392	27,782,869

2.5 Explanation of impacts of adoption of IFRS

The amounts reported as of 1 January 2018 under previous QP accounting policies have been adjusted by the changes resulting from adoption of new QP accounting policies for financial instruments and revenue recognition which were effective from 1 January 2018.

(i) Investment classification

Upon adoption of IFRS, the management has reassessed its investment in Qatar Fuel Company Q.P.S.C. ("Woqod") which was classified as investment in associate under previous QP accounting policies. Management determined that QP exercises control over Woqod as QP is exposed to variable returns from its involvement and has the ability to affect those returns through its power over Woqod. Accordingly, investment in Woqod has been reclassified from investment in an associate to investment in a subsidiary as of 1 January 2018 and has been consolidated in the Group financial statements.

Impact of this change on the previously reported numbers as of 1 January 2018 and 31 December 2018 and for the year ended 31 December 2018 is given in Note 2.1 to 2.4.

(ii) Leases arrangements

IFRS 16 "Leases" became effective for periods beginning on or after 1 January 2019. However, as per the requirements of IFRS 1, the Group has applied IFRS 16 and other applicable transitional requirements of individual standards and interpretations from its date of transition to IFRS i.e. 1 January 2018.

IFRS 16 "Leases" (hereafter "IFRS 16") provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessees and lessors.

IFRS 16 introduced a single, on-balance sheet lease accounting model for lessees, which resulted in almost all leases being recognised on the balance sheet of a lessee as the distinction between operating and finance leases is removed. Under IFRS 16, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

In contrast to lessee accounting, IFRS 16 is substantially similar to previous QP accounting policies in terms of the lessor accounting requirements; i.e. lessors continue to classify leases as finance or operating leases.

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under previous QP accounting policies. The Group now assesses whether a contract is or contains a lease based on definition of a lease under IFRS 16. The Group has applied lease definition under IFRS 16 to majority of lease agreements as of 1 January 2018. The Group leases land and buildings, vehicles, vessels and other assets for its various operations.

2. First-time adoption of International Financial Reporting Standards (continued)

2.5 Explanation of impacts of adoption of IFRS (continued)

(ii) Leases arrangements (continued)

The Group allocated the consideration in the contract to each lease component on the basis of its relative stand-alone selling price.

When measuring lease liabilities at the present value of remaining lease payments, the Group used its incremental borrowing rate at 1 January 2018. The incremental borrowing rate applied ranges from 4.5% to 7%.

The Group measured the Right-of-use assets at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments pertaining to such leases recognised in the consolidated statement of financial position immediately before the date of transition to IFRS.

Further as allowed in IFRS 1, the Group has used the following optional exemptions when applying IFRS 16 at the date of transition:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of date of transition;
- did not recognise right-of-use assets and liabilities for leases of low value assets;
- excluded initial direct costs from the measurement of right-of-use asset; and
- used hindsight when determining the lease term.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there were no indications that the right-of-use assets had been impaired.

The Group separated the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated statement of cash flows.

Impact of this change on the previously reported numbers as of 1 January 2018 and 31 December 2018 and for the year ended 31 December 2018 is given in Note 2.1 to 2.4.

(iii) Production Sharing Agreements ("PSAs")

QP, on behalf of the Government of the State of Qatar, has entered into various Production Sharing Agreements "PSAs" with foreign Partners, to facilitate the exploration and production of the petroleum resources. Under previous QP accounting policies, the Group has only recognised its share of profit oil (net entitlement) as revenue in its profit or loss. However, upon adoption of IFRS, management has concluded that Group has full control over the operations of some PSAs ("Full Controlled Operations") while some PSAs are jointly controlled by the Group with foreign partners ("Joint Operations").

Under Full Controlled Operations, full revenue, expenses, assets and liabilities of the operations are recorded in the consolidated financial statements. Accordingly, on transition date, the Group has recognised the property, plant and equipment in opening IFRS consolidated statement of financial position in accordance with *IAS 16 Property, plant and equipment* with the corresponding respective effects to retained earnings and accounts payable and accruals.

Joint Operations are accounted for under *IFRS 11 Joint Arrangements*. Accordingly, the Group, as a joint operator, recognises its assets, liabilities and transactions, including its share of those incurred jointly, in its consolidated financial statements. These assets, liabilities and transactions are accounted for in accordance with relevant IFRS. Accordingly, on transition date, the management has recognised its share of property, plant and equipment with the corresponding effects to retained earnings.

Impact of this change on the previously reported numbers as of 1 January 2018 and 31 December 2018 and for the year ended 31 December 2018 is given in Note 2.1 to 2.4.

2. First-time adoption of International Financial Reporting Standards (continued)

2.5 Explanation of impacts of adoption of IFRS (continued)

(iv) Uncertainity over tax matters

Impact on taxes paid on behalf ("TPOB")

QP, being representative of the Government, has entered into Development and Fiscal Agreements ("DFA") with its joint ventures namely Qatar Liquified Gas Company Limited (2) (Q.P.J.S.C.) ("QG2") and Qatar Liquified Gas Company Limited (3) (Q.P.J.S.C.) ("QG3") under which QP is to assume, pay and discharge certain income tax liabilities of QG2 up to 30 September 2017 and all income tax liabilities of QG3 up to November 2020. During the year, the Group has re-assessed its TPOB position in relation to DFA signed with QG2 and QG3 as per the discussions held with QG2, QG3 and General Tax Authority ("GTA"). Management has determined that QP had paid additional taxes on behalf of QG2 and QG3 in previous years. Accordingly, on transition date, management has recorded required adjustments in opening statement of financial position as of 1 January 2018 and for the year ended 31 December 2018.

Impact on taxes on joint ventures

Certain joint ventures of the Group namely Qatar Liquified Gas Company Limited (Q.P.J.S.C.) ("QG1"), Qatar Liquified Gas Company Limited (2) (Q.P.J.S.C.) ("QG2") and Qatar Liquified Gas Company Limited (3) (Q.P.J.S.C.) ("QG3") and Qatar Liquified Gas Company Limited (4) (Q.P.J.S.C.) ("QG4") (collectively referred as "QG ventures") have entered into long term time charter arrangements for their LNG vessels and treated these as finance lease in their financial statements. However, for tax computation purposes, QG ventures were treating these as operating leases. This led to uncertain tax treatment under IAS 12 "Income tax" for last several years. Upon adoption of IFRS, the Group reassessed its position over this uncertain tax treatment based on the guidelines of IFRIC 23 and its recent discussions with General Taxation Authority ("GTA") and clarified that provisions of DFA should be applied from the inception of the time charter agreement for tax computation purposes.

Impact of this change on the previously reported numbers as of 1 January 2018 and 31 December 2018 and for the year ended 31 December 2018 is given in Note 2.1 to 2.4.

(v) Employee benefits

Upon adoption of IFRS, management has measured employees' end of service benefits liability as per the requirements of IAS 19 "Employee Benefits". Accordingly, employees' end of service benefits liability was remeasured on date of transition using actuarial valuations based on projected unit credit method (Note 22) which resulted in increase in Employee benefits liability with a corresponding decrease in Retained earnings.

Impact of this change on the previously reported numbers as of 1 January 2018 and 31 December 2018 and for the year ended 31 December 2018 is given in Note 2.1 to 2.4.

(vi) Other adjustments

Decommissioning liability

Upon adoption of IFRS, management determined that the Group's joint operation Al Khalij Block 6 field ("Al Khalij") has decommissioning obligation in accordance with agreement between QP (acting on behalf of the Government of State of Qatar) and Al Khalij. Accordingly, Al Khalij has recorded a decommissioning liability, related site restoration asset and impact on retained earnings as of 1 January 2018.

Others

Management identified certain adjustments in its consolidation process under previous accounting policies, the correction of which has resulted in decrease in other reserves, non-controlling interests and accounts payables and accruals with the corresponding impact on retained earnings.

Impact of these changes on the previously reported numbers as of 1 January 2018 and 31 December 2018 and for the year ended 31 December 2018 is given in Note 2.1 to 2.4.

2. First-time adoption of International Financial Reporting Standards (continued)

2.6 New and amended standards not yet effective

The table lists the recent changes to the standards that are required to be applied for annual periods beginning after 1 January 2019 and that are available for early adoption in annual periods beginning on 1 January 2019.

Effective for year beginning 1 January 2020	• Amendment to references to Conceptual framework in IFRS • Definition of a Business (Amendments to IFRS 3) • Definition of Material (Amendments to IAS 1 and IAS 8)
Effective for year beginning 1 January 2021	• IFRS 17 "Insurance Contracts"
Effective date deferred indefinitely / available for optional adoption	• Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" on sale or contribution of assets between an investor and its associate or joint venture

The Group does not expect that the adoption of the above new and amended standards will have a significant impact on the consolidated financial statements.

3. Basis of preparation

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB).

Accounting policies (Note 4) have been consistently applied in preparing the consolidated financial statements for the year ended 31 December 2019, 31 December 2018 and in the preparation of an opening IFRS consolidated statement of financial position as at 1 January 2018 (date of transition), subject to mandatory exceptions and optional exemptions used which are available to first time adopters.

An explanation of how the transition to IFRS from previous QP accounting policies has affected the reported financial position, financial performance and cash flows of the Group is provided in Note 2 to these consolidated financial statements.

These consolidated financial statements are presented in Qatari Riyal (QR) which is the Parent's functional currency. All values are rounded off to the nearest thousand, unless otherwise indicated.

Basis of measurement

These consolidated financial statements are prepared using the historical cost basis except for:

i. Certain financial instruments that are measured at fair value.
ii. Parcels of land granted to QP from the State of Qatar, which are measured at nominal value as Government Grant.
iii. Assets held for sale which are measured at fair value less cost to sell.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in their entirety, which are described as follows:

i. Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities;
ii. Level 2 inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
iii. Level 3 inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

3. Basis of preparation (continued)

Basis of measurement (continued)

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Components of the Group

The Group includes the following subsidiaries, joint ventures, associates and joint operations at 31 December 2019:

Direct subsidiaries of QP

Entity/Group	Shareholder	Country of incorporation	Principal activities	Equity holding 2019	2018
Industries Qatar Q.P.S.C. ("IQ")	QP	Qatar	Holding company	51.00%	51.00%
QP Qatar Gas (3) Limited (Qatari Private Shareholding Company) ("QPQG3")	QP	Qatar	Own, operate and maintain LNG regasification terminals	100.00%	100.00%
Qatar Petroleum International Limited. P.Q.S.C. ("QPI")	QP	Qatar	Investment in international projects across the energy value chain	100.00%	100.00%
Al Shaheen Holding Q.S.C. ("Al Shaheen")	QP	Qatar	Holding company	100.00%	100.00%
QP Qatar Gas (4) Limited (Qatari Private Shareholding Company) ("QPQG4")	QP	Qatar	Own, operate and maintain LNG regasification terminals	100.00%	100.00%
Gulf International Services Q.P.S.C. ("GIS")	QP	Qatar	Holding company	10.00%	10.00%
QP Ras Gas (3) Limited (Qatari Private Shareholding Company) ("QPRG3")	QP	Qatar	Own, operate and maintain LNG regasification terminals	100.00%	100.00%
Mesaieed Petrochemical Holding Company Q.P.S.C. ("MPHC")	QP	Qatar	Own and investment in Petrochemical projects	65.46%	65.50%
QP Oil & Gas Limited ("QPOG")	QP	Qatar	Investment in industrial projects	100.00%	100.00%
Seef Limited Q.P.S.C. ("Seef")	QP	Qatar	Production and sale of linear alkyl benzene, heavy alkyl benzene, normal paraffin, benzene and other related products.	100.00%	100.00%
Zekreet Gasoline Q.P.J.S.C. ("Zekreet")	QP	Qatar	Refinery facilities and production, loading and marketing of refined products such as but not limited to gasoline, butane and propane.	100.00%	100.00%
Qatar Petroleum Oil & Gas (1) (Qatari Private Shareholding Company) ("QPOG1")	QP	Qatar	Investment in industrial projects	100.00%	100.00%
Qatar Aluminium Manufacturing Company Q.P.S.C. ("QAMCO")	QP	Qatar	Holding company	51.00%	51.00%
Qatar Fuel Company Q.P.S.C. ("Woqod")	QP	Qatar	Sale, marketing and distribution of oil, gas and refined petroleum products, vehicle inspection services, marine bunkering, and transportation of oil and gas	20.00%	20.00%

3. Basis of preparation (continued)

Components of the Group (continued)

Subsidiaries of QP's subsidiaries (Indirect subsidiaries)

Entity/Group	Shareholder	Country of incorporation	Principal activities	Equity holding percentage	QP's effective percentage holding
Qatar Steel Company Q.P.S.C.	IQ	Qatar	Manufacturing and marketing of reinforcing bars	100.00%	51.00%
Qatar Steel Company FZE (Dubai)	IQ	UAE	Production and sale of high quality steel wire rod products	100.00%	51.00%
Qatar Steel Industrial Investment Company S.P.C.	IQ	Qatar	Investment in steel indsutry	100.00%	51.00%
Qatar Petroleum Gas Trading (QG II) Ltd.	QPI	Qatar	Holding company	100.00%	100.00%
Qatar Petroleum LNG Services (QG II) Ltd.	QPI	Qatar	Holding company	100.00%	100.00%
Qatar Terminal Company Ltd.	QPI	Qatar	Holding company	100.00%	100.00%
QPI Mauritania Ltd.	QPI	Cayman Islands	Special purpose entity for potential investments	100.00%	100.00%
QPI Egypt Ltd.	QPI	Cayman Islands	Special purpose entity for potential investments	100.00%	100.00%
QPI Holdings B.V.	QPI	Netherland	Special purpose entity for potential investments	100.00%	100.00%
Qatar Petroleum International Upstream W.L.L.	QPI	Qatar	Special purpose entity for potential investments	100.00%	100.00%
Qatar Petroleum International Gas & Power W.L.L.	QPI	Qatar	Special purpose entity for potential investments	100.00%	100.00%
Qatar Petroleum Marketing LLC	QPI	Qatar	Special purpose entity for potential investments	100.00%	100.00%
QTL U.S. Holding Company, Inc.	QPI	USA	Holding company	100.00%	100.00%
QTL U.S. Terminal L.L.C.	QPI	USA	Terminal	100.00%	100.00%
QPI Upstream B.V.	QPI	Netherland	Special purpose entity for potential investments	100.00%	100.00%
QPI Downstream B.V.	QPI	Netherland	Special purpose entity for potential investments	100.00%	100.00%

3. Basis of preparation (continued)

Components of the Group (continued)

Subsidiaries of QP's subsidiaries (Indirect subsidiaries) (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	Equity holding percentage	QP's effective percentage holding
QPI Gas & Power B.V.	QPI	Netherland	Special purpose entity for potential investments	100.00%	100.00%
QPI Tamba B.V.	QPI	Netherland	Special purpose entity for potential investments	100.00%	100.00%
QPI Brazil B.V.	QPI	Netherland	Special purpose entity for potential investments	100.00%	100.00%
QPI BC-10 B.V.	QPI	Netherland	Special purpose entity for potential investments	100.00%	100.00%
QPI Energy Canada Ltd.	QPI	Canada	Special purpose entity for potential investments	100.00%	100.00%
QPI Brasil Petroleo Ltda	QPI	Brazil	Special purpose entity for potential investments	100.00%	100.00%
Green Ocean LNG Limited	QPI	Bahamas	Special purpose entity for potential investments	100.00%	100.00%
Wave LNG Solutions L.L.C.	QPI	Qatar	Special purpose entity for potential investments	100.00%	100.00%
QPI Africa Holdings	QPI	Qatar	Holding company	100.00%	100.00%
QPI Mozambique Holdings	QPI	Qatar	Holding company	100.00%	100.00%
QPI Upstream Holdings	QPI	Qatar	Holding company	100.00%	100.00%
QPI Mozambique Limitada	QPI	Mozambique	Petroleum operations	100.00%	100.00%
QPI Mexico S.A. de C.V.	QPI	Mexico	Exploration and extraction of oil and gas	100.00%	100.00%
ARQ Holding L.L.C.	QPI	Qatar	Holding Company	100.00%	100.00%
QP Alaska L.L.C.	QPI	USA	Holding Company	100.00%	100.00%
QP Oil & Gas SAU	QPI	Argentina	Exploration & extraction of oil and gas	100.00%	100.00%
Al Shaheen Distribution Ltd. Q.S.C.	Al Shaheen	Qatar	Sale and marketing of products	100.00%	100.00%
Al Koot Insurance and Reinsurance Company P.J.S.C. ("Al Koot")	GIS	Qatar	Insurance services	100.00%	10.00%

3. Basis of preparation (continued)

Components of the Group (continued)

Subsidiaries of QP's subsidiaries (Indirect subsidiaries) (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	Equity holding percentage	QP's effective percentage holding
Gulf Helicopters Company Q.C.S.C. ("GHC")	GIS	Qatar	Helicopter services	100.00%	10.00%
Amwaj Catering Services Ltd. Q.P.S.C. ("Amwaj")	GIS	Qatar	All types of Catering services and related services	100.00%	10.00%
Gulf Drilling International Ltd. Q.P.S.C. ("GDI")	GIS	Qatar	Drilling	100.00%	10.00%
WOQOD Vehicle Inspection Co. ("FAHES") W.L.L.	Woqod	Qatar	Vehicle inspection services	100.00%	20.00%
Qatar Jet Fuel Company W.L.L.	Woqod	Qatar	Supply of jet fuel	60.00%	12.00%
WOQOD Marine Services Co. W.L.L.	Woqod	Qatar	Chartering of marine vessels	100.00%	20.00%
WOQOD International Co. W.L.L.	Woqod	Qatar	Holding company for international business of Woqod	100.00%	20.00%
WOQOD Kingdom Co. W.L.L.	Woqod	KSA	Dormant entity	100.00%	20.00%
Ard Al Khaleej Real Estate W.L.L.	Woqod	Qatar	Owning and renting of real estates	100.00%	20.00%
Polaris Marine Services L.L.C.	Woqod	Oman	Chartering of marine vessels	100.00%	20.00%
Star Marine Services Limited	Woqod	Republic of Liberia	Ship owners	100.00%	20.00%
Sidra Al Wajbah Shipping Co.	Woqod	Republic of Liberia	Ship owners	100.00%	20.00%
Ocean Marine Services Limited	Woqod	Republic of Liberia	Ship owners	100.00%	20.00%
Galaxy Marine Services Limited	Woqod	Republic of Liberia	Ship owners	100.00%	20.00%
Sidra Al Wakra Shipping Co.	Woqod	Republic of Liberia	Ship owners	100.00%	20.00%
Sidra Al Rumeila Shipping Co.	Woqod	Republic of Liberia	Ship owners	100.00%	20.00%
Sidra Messaicd Shipping Co.	Woqod	Republic of Liberia	Ship owners	100.00%	20.00%
Horizon Marine Services Limited	Woqod	Republic of Liberia	Ship owners	100.00%	20.00%

3. Basis of preparation (continued)

Components of the Group (continued)

Joint ventures of the Group

Entity/Group	Shareholder(s)	Country of incorporation	Principal activities	Equity holding percentage	QP's effective percentage holding
Qatar Liquefied Gas Company Limited (QG1)	QP	Qatar	Production, marketing and transportation of LNG	65.00%	65.00%
Ras Laffan Liquefied Natural Gas Company Limited. (RG1)	QP	Qatar	Production, liquefaction, shipping and marketing of LNG	63.00%	63.00%
Ras Laffan Liquefied Natural Gas Company Limited. (II) (RG2)	QP	Qatar	Production, liquefaction, shipping and marketing of LNG	67.05%	67.05%
RasGas Company Limited	QP	Qatar	Operating company	70.00%	70.00%
Qatex Limited	QP	Qatar	Aviation fuel storage and transportation services	51.00%	51.00%
Oryx GTL Limited. (Oryx)	QP	Qatar	Management operation and maintenance of Gas to Liquids complex	51.00%	51.00%
Qatar Liquefied Gas Company Limited (2) Q.P.J.S.C. (QG2)	QP	Qatar	Production, marketing and transportation of LNG	67.50%	67.50%
Qatar Gas Operating Company Limited.	QP	Qatar	Operating company	70.00%	70.00%
Laffan Refinery Company Limited. (LR)	QP	Qatar	Operation of refinery facilities and production and marketing of refined products	51.00%	51.00%
Barzan Gas Company Limited. (Barzan)	QP	Qatar	Production, marketing and transportation of Petroleum products.	93.00%	93.00%
Qatar Vinyl Company Limited. (QVC)	QP/MPHC	Qatar	Production and sale of Petrochemical products	12.90%	62.07%
Qatofin Company Limited Q.P.J.S.C.	QP/IQ	Qatar	Production and Sales of Petrchemical products	1%	25.97%

3. Basis of preparation (continued)

Components of the Group (continued)

Joint ventures of the Group (continued)

Entity/Group	Shareholder(s)	Country of incorporation	Principal activities	Equity holding percentage	QP's effective percentage holding
Qatar Chemical Company Limited. (Q-chem)	QP / MPHC	Qatar	Production and sale of Petrochemical products	2.00%	34.08%
Qatar Chemical Company Limited. (II) (Q-chem II)	QP/ MPHC	Qatar	Production and sale of Petrochemical products	2.00%	34.08%
Ras Laffan Olefins Company Limited. Q.S.C.	QP	Qatar	Operate and maintain Ethylene cracker plant	1.00%	31.04%
Laffan Refinery Company Limited. (2) (LR2)	QP	Qatar	Operation of refinery facilities and production and marketing of refined products	84.00%	84.00%
Gasal Q.S.C.	QP	Qatar	Manufacture and supply of industries gases	30.50%	30.50%
Siraj Energy Company	QP	Qatar	Investment in renewable energy projects specializing solar energy as aprovider and installer of solar panels with focus on solar energy research	40%	40%
Qatar Petrochemical Company Q.P.J.S.C. (QAPCO)	IQ	Qatar	Petrochemical	80.00%	40.80%
Qatar Fertiliser Company P.S.C. (QAFCO)	IQ	Qatar	Fertiliser	75.00%	38.25%
Qatar Fuel Additives Company Limited Q.P.S.C. (QAFAC)	IQ	Qatar	Petrochemical	50.00%	25.50%

3. Basis of preparation (continued)

Components of the Group (continued)

Joint ventures of the Group (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	Equity holding percentage	QP's effective percentage holding
Qatar Liquefied Gas Company Limited. (3) (QG3)	QPQG3	Qatar	Production, marketing and transportation of LNG	68.50%	68.50%
Qassim Terminal Holdings L.L.C.	QPI	Qatar	Holding company	14.70%	14.70%
QPI & Shell Petrochemicals (Singapore) Pte. Ltd. (QPI &SP)	QPI	Singapore	Investment in petrochemical plants	49.00%	49.00%
Petrochemical Corporation of Singapore (PTE) Ltd.	QPI	Singapore	Petrochemical	50.00%	50.00%
Tetra Chemicals (Singapore) PTE Ltd.	QPI	Singapore	Petrochemical	60.00%	60.00%
South Hook Gas Company Ltd.	QPI	UK	Investment in gas marketing company	70.00%	70.00%
South Hook LNG Terminal Company Ltd. (SH LNG)	QPI	UK	LNG receiving and regasification	67.50%	67.50%
Adriatic LNG Terminal Ltd. (ALNG)	QPI	Italy	LNG receiving and regasification	22.05%	22.05%
Arab Refining Company (ARC)	QPI	Egypt	Investment in refinery projects	38.11%	38.11%
Egyptian Refining Company (ERC)	QPI	Egypt	Refining and manufacturing raw oil and its derivatives	66.60%	66.60%
Golden Pass LNG Terminal L.L.C. (GP LNG)	QPI	USA	LNG receiving and regasification	70.00%	70.00%
Golden Pass Pipeline L.L.C. (GP Pipeline)	QPI	USA	Gas dispatching	70.00%	70.00%
Golden Pass LNG Marine Services	QPI	USA	Marine Services	100.00%	100.00%
Heron II Viotia Thermoelectric Station S.A.	QPI	Greece	Operation of 432 MW gas-fired power plant	25.00%	25.00%
ExxonMobil Exploration Argentina S.R.L. (EMEA)	QPI	Argentina	Holding company	30.00%	30.00%
Mobil Argentina S.A. (MASA)	QPI	Argentina	Holding company	30.00%	30.00%
Ocean LNG Limited	QPI	Bahamas	Marketing arm of Golden Pass outside U.S.	70%	70%

3. Basis of preparation (continued)

Components of the Group (continued)

Joint ventures of the Group (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	Equity holding percentage	QP's effective percentage holding
Al Shaheen GE Services Company	Al Shaheen	Qatar	Repair of GE gas turbines, compressors and other related auxiliary services	50.00%	50.00%
Qatar Liquefied Gas Company Limited. (4) (QG4)	QPQG4	Qatar	Production, marketing and transportation of LNG	70.00%	70.00%
Gulf Med Aviation Services Limited	GIS	Malta	Helicopter Services	49.00%	4.90%
United Helicharters Private Limited.	GIS	India	Helicopter Services	62.00%	6.20%
Air Ocean Maroc	GIS	Morocco		49.00%	4.90%
Ras Laffan Liquefied Natural Gas Company Limited. (3) (RG3)	QPRG3	Qatar	Production, liquefaction, shipping and marketing of LNG	70.00%	70.00%
North Oil Company Q.P.S.S.	QPOG	Qatar	Petroleum operations-exclusive rights	70.00%	70.00%
Qatar Aluminium Company Limited Q.S.C. (Qatalum)	QAMCO	Qatar	Production and sale of Aluminium products	50.00%	25.50%
TOQAP Guyana B.V.	QPI	Netherlands	Petroleum operations	40.00%	40.00%

3. Basis of preparation (continued)

Components of the Group (continued)

Associates of the Group

Entity/Group	Shareholder(s)	Country of incorporation	Principal activities	Equity holding percentage	QP's effective percentage holding
Arab Maritime Petroleum Transport Company	QP	Kuwait	Operates and charters a fleet of crude and petro product tankers	14.80%	14.80%
Arab Petroleum Investment Corporation	QP	KSA	Participation in financing petroleum projects and industries	10.00%	10.00%
Arab Petroleum Services Company	QP	Libya	Provision of petroleum services	10.00%	10.00%
Arab Petroleum Pipelines Company	QP	Egypt	Operate pipelines to transfer petroleum	5.00%	5.00%
Ras Laffan Power Company Limited	QP	Qatar	Production and supply of electricity and production of desalinated water	10.00%	10.00%
Mesaieed Power Company Limited Q.S.C.	QP	Qatar	Production and supply of electricity	20.00%	20.00%
Ras Girtas Power Company	QP	Qatar	Production and supply of electricity and production of desalinated water	15.00%	15.00%
Umm Al Houl Power Q.S.C.	QP	Qatar	Production and supply of electricity and production of desalinated water	5.00%	5.00%
Qatar Melamine Company	QP/QAFCO	Qatar	Production and sale of Melamine	40.00%	62.95%
Qatar Metals Coating Company W.L.L.	IQ	Qatar	Production and sale of epoxy resin coated bars	50.00%	25.50%
Foulath Holding B.S.C.	IQ	Bahrain	Manufacture and sale of iron pellets ans stainless steel flat products	25.00%	12.75%

3. Basis of preparation (continued)

Components of the Group (continued)

Associates of the Group (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	Equity holding percentage	QP's effective percentage holding
SOLB Steel Company	IQ	KSA	Manufacture and sale of steel products	31.03%	15.83%
Total Exploration and Production Congo	QPI	Republic of Congo	Investment in upstream exploration and production	15.00%	15.00%
Tamba B.V.	QPI	Netherlands	Operates and manages FPSO leases and Subsea leases	23.00%	23.00%
The Polyolefin Company (Singapore) PTE Ltd.	QPI	Singapore	Petrochemical	30.00%	30.00%
AKG Holding Limited.	QPRG3	Bahamas	Production and sale of gas	12.50%	12.50%
Qatar Plastic Products Company	IQ	Qatar	Production and sale of plastic products	33.33%	13.59%

Joint operations of the Group

Entity/Group	Investor	Country of incorporation	Principal activities	Equity holding percentage	QP's effective percentage holding
Qatargas Upstream Joint Venture (Unincorporated)	QP	Qatar	Production and marketing of Condensate	65.00%	65.00%
Pearl GTL Project North Field (Unincoporated)	QP	Qatar	Developing of gas to liquid project in Ras Laffan	*	*
Dolphin Gas Project (Unincoporated)	QP	Qatar	Recover and export natural gas for export purpose.	*	*
Al Khaleej Gas Project (Unincoporated)	QP	Qatar	Enhanced gas utilization	*	*
BC-10 Concession	QPI	Brazil	Upstream exploration and production assets of Block BC-10	23.00%	23.00%
Block 10 Offshore	QPI	Cyprus	Upstream exploration and production	40.00%	40.00%
Alto de Cabo Frio-Oste block	QPI	Brazil	Upstream exploration and production	25.00%	25.00%

3. Basis of preparation (continued)

Components of the Group (continued)

Joint operations of the Group (continued)

Entity/Group	Investor	Country of incorporation	Principal activities	Equity holding percentage	QP's effective percentage holding
11B/12B block	QPI	South Africa	Upstream exploration and production	25.00%	25.00%
Perdido Basin	QPI	Mexico	Upstream exploration and production	40.00%	40.00%
Campeche Basin	QPI	Mexico	Upstream exploration and production	35.00%	35.00%
Santos Basin Block 536 & 647	QPI	Brazil	Upstream exploration and production	36.00%	36.00%
Campos Basin Block 753 & 789	QPI	Brazil	Upstream exploration and production	30.00%	30.00%
Exploration Block 52	QPI	Oman	Upstream exploration and production	30.00%	30.00%
Exploration Block 52	QPI	Oman	Upstream exploration and production	30.00%	30.00%
Campos Basin (Block 541)	QPI	Brazil	Upstream exploration and production	40.00%	40.00%
Campos Basin (Blocks 659 and 713)	QPI	Brazil	Upstream exploration and production	25.00%	25.00%
Angoche and Zambezi Basins	QPI	Mozambique	Upstream exploration and production	10.00%	10.00%
Angoche Basin	QPI	Mozambique	Upstream exploration and production	25,50%	25.50%
Al Khalij Block 6 field	QPOG	Qatar	Petroleum operations-exclusive rights	60.00%	60.00%

* The Groups's interest in these joint operations is based on contractual terms of production sharing arrangement which varies from time to time.

4. Significant accounting policies

Basis of consolidation

The consolidated financial statements include the separate financial statements of QP and the (consolidated) financial statements of the entities controlled by QP (its "subsidiaries").

Specifically, the Group controls an investee if and only if the Group has:

a.) power over the investee;
b.) exposure, or rights, to variable returns from its involvement with the investee; and
c.) the ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than a majority of voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

a.) the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
b.) potential voting rights held by the Group, other vote holders or other parties;
c.) rights arising from other contractual arrangement; and
d.) any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that the decision needs to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are fully consolidated from the date on which QP obtains control, and continue to be consolidated until the date when such control ceases.

Profit or loss and other comprehensive income of each component are attributed to the owner of QP and the non-controlling interests (NCI). Total comprehensive income of the subsidiaries is attributed to the owner of QP and to the NCI even if this results in the NCI having deficit balance.

The consolidated financial statements incorporate the Group's interest and its share of profits or losses from associates and joint ventures using the equity method of accounting. Joint operations are accounted for in these consolidated financial statements on the Group's share of each of the assets, liabilities, income and expenses of the joint operations and are combined with the similar items, line by line.

Where necessary, adjustments are made to the financial statements of subsidiaries, joint ventures, joint operations and associates to bring their accounting policies in line with those used by the Group.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated or reversed in full.

Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

4. Significant accounting policies (continued)

Business combination

Acquisitions of a business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognised in profit of loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair values, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured under the Group's accounting policies; and
- Assets (or disposal group) that are classified as held for sale in accordance with the Group's accounting policies.

Non-controlling interests that are present ownership interests and entitle holders to a proportionate share of the entity's net assets in the event of liquidation is initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of the measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are those adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not measured at subsequent reporting dates and subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with the Group's accounting policies, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the financial reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the 'measurement period', or additional assets or liabilities are recognised, to reflect the information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognised at that date.

4. Significant accounting policies (continued)

Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the fair values of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date fair values of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating unit (CGU) (or groups of CGUs) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

Property, plant and equipment

Initial recognition

The cost of an item of property, plant and equipment is recognised as an asset if, and only if:

(a) It is probable that future economic benefits associated with the item will flow to the Group; and
(b) The cost of the item can be measured reliably.

However, items of property, plant and equipment may be acquired for safety or environmental reasons for example to comply with environmental regulations. The acquisition of such items, although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment may be necessary to obtain future economic benefits from other assets or group of assets. Such items are also recognised as assets.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses, if any. The initial cost of an asset comprises:

(a) its purchase price or construction cost, including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.

(b) any costs directly attributable to bringing the asset into present location and condition, for example:
- cost of site preparation;
- initial delivery and handling cost;
- installation and assembly cost;
- cost of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced during the testing period; and
- professional fees associated with the acquisition of the property.

(c) the initial estimate of the cost of decommissioning, dismantling and removing the item and restoring the site on which it is located - wherever applicable and where a decommissioning obligation exists.

(d) for qualifying assets, where applicable, borrowing cost.

4. Significant accounting policies (continued)

Property, plant and equipment (continued)

Initial recognition (continued)

Spare parts and servicing equipment are carried as inventory and expensed when consumed. However, major spare parts and stand-by equipment qualifying as property, plant and equipment are recognised as property, plant and equipment.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset (as appropriate) only when it is probable that future economic benefits associated with the item of assets will flow to the Group and the cost of assets can be measured reliably, in consideration of the following provisions:

Additions and extension

Cost incurred for additions and extension of an existing asset, is capitalised when such cost results in increased efficiency, enhancement of benefits, or life of the asset. In other cases the cost incurred is expensed when incurred.

Replacements

Cost of replacement of an asset or part of an asset, where this asset/part is separately depreciated and is now replaced, and it is probable that future economic benefits associated with this asset/part will flow to the Group; the replacement costs are capitalized and depreciated as per depreciation policy used for that asset. The carrying amount of the old assets / parts that are replaced is written-off / derecognized.

Where this asset/part is not separately considered as a component and therefore not depreciated separately, the replacement cost is used to estimate the carrying amount of the replaced asset /part.

Improvements / Upgrades

Costs incurred for improvement / upgrade of an existing asset are capitalized if such costs result in an increased efficiency, enhancement of benefits, or extending the useful life of the asset.

Repairs, Refurbishment and Maintenance Cost

Costs incurred for routine and cyclical maintenance and repairs as well as day-to-day repairs and maintenance are expensed when incurred.

Some assets require major maintenance and refurbishment at regular intervals, which is often described as an overhaul or turnaround. Cost of an item of property, plant and equipment is recognised when future economic benefits are probable and the cost of the item can be measured reliably. Subsequently, when the costs are incurred in relation to such an item of property, plant and equipment, the nature of such costs needs to be determined:

(a) if the costs relate to the replacement of a part of the entire asset then the carrying amount of the part that is replaced is derecognized and recognizes the cost of the replacement part;
(b) costs of day-to-day servicing costs (e.g. costs of labour and consumables and possibly the cost of small parts) should be expensed when incurred;
(c) when each major inspection, overhaul or turnaround is performed, its costs is recognised in the carrying amount of the item of property and equipment as a replacement if the recognition are satisfied. Such costs are to be depreciated over the period until next inspection, overhaul or turnaround. Any remaining carrying amount of the cost of the previous inspection, overhaul or turnaround is derecognized. This occurs regardless of whether the cost of the previous inspection was identified in the transaction in which the item was acquired or constructed.

4. Significant accounting policies (continued)

Property, plant and equipment (continued)

Subsequent costs (continued)

Furnishing

In case of initial furnishing of new offices, clubs, medical centres or residential accommodation, the entire cost of furnishing are capitalized. Subsequent refurbishment / repair of furniture and fittings shall be in line with the policy above. Replacement is in line with the policy above.

Exchange

In case an asset is acquired in exchange for another asset (whether similar or dissimilar in nature), the cost will be measured at the fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognized:

(a) by its sale or disposal by other means, or
(b) when no future economic benefits are expected from its use, sale or disposal by other means.

The gain or loss arising from derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized (unless otherwise in the event of a sale and lease back). The gain or loss resulting from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. Gain / loss is classified as other income / expenses.

Depreciation

Oil and gas properties are depreciated on a unit-of-production basis over the total proved developed reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, or common facility, in which case the straight-line method is used.

Other property, plant and equipment are generally depreciated on a straight-line basis over their estimated useful lives.

Shared infrastructure is depreciated using straight-line basis over the estimated useful lives of those assets.

Cost of major inspection, overhaul or turnaround which is capitalized is to be depreciated over the period until next inspection, overhaul or turnaround.

Land is not depreciated.

Residual value, useful live and methods of depreciation are reviewed at each reporting period, and, if expectations differ from previous estimate, any change is accounted/adjusted prospectively where appropriate.

The useful lives of the assets are as follows:

Oil and gas properties (UOP assets)	unit-of-production basis
Oil and gas properties (other than UOP assets)	10 to 40 years
Other property, plant and equipment (including port)	4 to 50 years

Depreciation begins when the asset is available for use.

4. Significant accounting policies (continued)

Property, plant and equipment (continued)

Exploration and evaluation assets

Exploration and evaluation activities involve the search for oil and gas resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Initial recognition

Exploration and evaluation assets are measured at cost; expenditures associated to exploration and evaluation assets are those expenditures related to exploration and evaluation activities after obtaining the legal right to explore and before extracting the oil and gas resource, for example:

(a) acquisition of rights to explore;
(b) topographical, geological, geochemical and geophysical studies:
(c) exploratory drilling;
(d) trenching;
(e) sampling;
(f) activities in relation to evaluating the technical feasibility and commercial viability of extracting oil and gas resource; and
(g) the initial estimate of the cost of decommissioning, dismantling and removing the item and restoring the site on which it is located, wherever applicable and where a decommissioning obligation exists.

Pre-license costs are expensed in the period in which these are incurred. Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalized as exploration and evaluation assets until the drilling of the well is complete and the results have been evaluated.

Classification

Exploration and evaluation assets are classified as tangible (e.g. drilling rigs) or intangible (e.g. drilling rights) according to the nature of the assets acquired and the classification is applied consistently. Exploration and evaluation assets remain in a separate un-depreciable asset class until the status of success or failure is known.

Upon recognition of proved oil and / or gas resources and internal approval for development, the relevant exploration and evaluation assets are to be reclassified as oil and gas properties.

Measurement after initial recognition

Exploration and evaluation assets are stated at cost less impairment – if any. Exploration costs are accounted for using the successful efforts method of accounting. Under the successful efforts method, the exploration and evaluation costs are grouped on a field basis; those costs for successful projects remain as an asset only if the cost directly results in the development of proved reserves. Those costs for unsuccessful projects are immediately expensed and are recognized in profit or loss.

Accordingly, within the context of a successful efforts approach, only those costs that lead directly to the discovery, acquisition, or development of specific discrete oil and/or gas reserves are capitalized. If no potential commercial hydrocarbons are discovered, the exploration asset is written off as a dry well. If extractable hydrocarbons are found and subject to further appraisal activity (e.g., the drilling of additional wells), are likely to be capable of being commercially developed, the costs continue to be carried as exploration and evaluation assets while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons.

4. Significant accounting policies (continued)

Property, plant and equipment (continued)

Exploration and evaluation assets (continued)

Measurement after initial recognition (continued)

Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons are initially capitalized as exploration and evaluation assets. All such capitalized costs are subject to technical, commercial and management review as well as review for indicators of impairment at least once a year; this is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off to profit or loss.

When proved reserves of oil and/or natural gas are identified and development is sanctioned by management, the relevant capitalized expenditures are first assessed for impairment and (if required) any impairment loss is recognized. The remaining balanace is transferred to oil and gas properties or intangible assets where appropriate. No depreciation is charged during the exploration and evaluation phase.

Development costs

Post evaluation phase and upon recognition of proved reserve, development costs including expenditures on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of production wells are capitalised within oil and gas properties.

Capital work in progress

Capital work in progress is initially recognised at cost, which includes cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use. Following the initial recognition; capital work in progress is carried at cost less impairment losses – if any. Capital work in progress is not depreciated or amortized.

Capital work in progress will be transferred to respective classes of property, plant and equipment when the asset is ready for use as intended by the management.

Investment property

Investment property represents land and buildings that are occupied substantially for use by third parties and are held by the Group to earn rentals or capital appreciation. Changes in fair values are not recognised as the Group recognizes the investment property at cost model and carries at cost less accumulated depreciation and impairment loss, (if any).

Recognition and measurement

An investment property is recognised initially at cost of acquisition, including any transaction costs and is subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Depreciation

Depreciation is calculated on buildings only to write off the cost of items of investment property using the straight-line method over the estimated useful life of 20 years and is recognised in profit or loss.

4. Significant accounting policies (continued)

Derecognition

An item of investment property is derecognized upon disposal or when no future economic benefits are expected from its use. Profits and losses on disposals of items of investment property are determined by comparing the proceeds from their disposal with their respective carrying amounts and are recognised in profit or loss.

Intangible assets

Assets like computer software, IT applications, license costs, field appraisal program and intellectual property are classified as Intangible Assets if these are identifiable, non-monetary, controlled by the Group and it is probable that expected future economic benefits that are attributable to the asset will flow to the Group.

Measurement

Intangible assets are measured on initial recognition at cost. Following the initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. Amortisation of intangible assets is calculated on a straight-line basis over the estimated useful life of those assets. The periodic amortisation is recognized as amortisation expense in profit or loss. The amortisation period is reviewed at each reporting period and adjusted prospectively where appropriate.

Derecognition

An intangible asset is derecognised:

(a) on disposal; or
(b) when no future economic benefits are expected from its use or disposal.

Intangible assets majorly comprise of costs incurred on appraisal wells and computer software. These intangible assets are amortised over the useful life of 4 to 5 years.

Catalysts

Catalysts (which comprise of chemicals and precious metals) acquired are measured on initial recognition at cost. Following initial recognition, catalysts are carried at cost less any accumulated amortisation and any accumulated impairment losses. The amortisation period is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on catalysts is recognised in profit or loss.

Catalysts with an estimated life of less than one year are recorded as inventory and expensed when used. Catalysts with an estimated life of more than one year are capitalised and are amortised on a straight line basis over their useful life between 2 to 6 years.

Borrowing costs

Borrowing costs are interests and other costs that are incurred in connection with the borrowing of funds. Borrowing costs attributable to acquisition, construction or production of a qualifying assets are capitalized as part of the cost of the asset up to the date the asset is ready and able to be placed into service. The borrowing costs eligible for capitalisation are those costs that would have been avoided if the expenditure on the qualifying asset had not been made. Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended purpose.

Other borrowing costs are expensed in the period in which they are incurred. For the purpose of determining interest available for capitalisation, the costs related to these borrowings are reduced by any investment income realized on the temporary investment of funds from the borrowing. Costs associated with raising the financing are capitalized and amortised to expense as per the effective interest method.

4. Significant accounting policies (continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants, including non-monetary grants, are recognised when there is a reasonable assurance that:

(a) The Group will comply with the conditions attaching to them - if any; and
(b) The grants will be received.

Non-monetary government grants such as land and other resources are recorded at nominal amount.

Investments in joint ventures and associates

Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Shareholders advances to joint ventures having the characteristics of equity financing are also included in investment in the consolidated statement of financial position.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investees but does not have control or joint control over those entities.

Equity method of accounting

The Group accounts for its investments in joint ventures and associates in its consolidated financial statements using the equity method of accounting.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received from equity accounted investees are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables for which settlement is neither planned nor expected to happen in foreseeable future, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

4. Significant accounting policies (continued)

Interests in joint operations

Joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligation for the liabilities, relating to the arrangement. The Group combines its share of each of the assets, liabilities, income and expenses of the joint operation with the similar items, line by line, in its consolidated financial statements. The joint operations are combined from the date of acquisition of joint control until the date on which the Group ceases to have joint control over these joint operations.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with its accounting policies applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator, the following transactions are accounted for as follows:

a) Sale or contribution of assets

The Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

b) Purchase of assets

The Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Non-current assets held for sale

The Group classifies non-current assets (or disposal group) as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets (or disposal group) and its sale is highly probable. Management must be committed to the sale which should be expected to qualify for recognition as a complete sale within one year from the date of classification.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of, is classified as held for sale when the criteria described above are met, and the Group discontinues the use of equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associated or a joint venture that has not been classified as held for sale, continues to be accounted for using the equity method.

Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the Group's control and there is sufficient evidence that the Group remains committed to its plan to sell the asset (or disposal group).

The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture. After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with the requirements of IFRS 9 "Financial Instruments" unless the retained the interest continues to be an associate or a joint venture, in which case the Group uses the equity method.

Non-current assets held for sale are presented separately from other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position. Those assets and liabilities are not offset.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

4. Significant accounting policies (continued)

Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of crude oil and refined products is the purchase cost (in case of crude oil purchased for refining purpose), the cost of refining, including the appropriate proportion of overheads based on normal operating capacity, determined on a weighted average basis.

Cost of purchase

The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the Group from the taxing authorities), and transport, handling and other cost directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Cost of conversion

The costs of conversion of inventories include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. Fixed production overheads are those indirect costs of production that remain relatively constant regardless of the volume of production, such as maintenance of refinery buildings and equipment, and the cost of refinery management and administration. Variable production overheads are those indirect costs of production that vary directly, or nearly directly, with the volume of production, such as indirect materials and indirect labour.

Other costs

Other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition.

Net realisable value

Net realisable value refers to the net amount that the Group expects to realise from the sale of inventory in the ordinary course of business. It is based on the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Foreign currency transaction and translation

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss or other comprehensive income depending on where the fair value is adjusted.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated to Qatari Riyals at exchange rates at the reporting date. The income and expenses for each statement of consolidated proft or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions). Moreover, all resulting exchange differences are recognised in other consolidated comprehensive income. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

4. Significant accounting policies (continued)

Financial instruments

Financial instruments – recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets not held in qualifying hedge relationship. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

4. Significant accounting policies (continued)

Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest ("SPPI")

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Group considers:
- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

4. Significant accounting policies (continued)

Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Classification and subsequent measurement of financial liabilities

Financial liabilities (accounts payables, bonds, and derivative financial instruments) are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

4. Significant accounting policies (continued)

Financial instruments (continued)

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, due from related parties, loan to related parties, short-term deposits and financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Derivative financial instruments and hedging

The Group uses derivative financial instruments to hedge its foreign currency and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at the end of reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

a.) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
b.) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; and
c.) Hedges of a net investment in a foreign operation.

4. Significant accounting policies (continued)

Derivative financial instruments and hedging (continued)

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges that qualify for hedge accounting

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss as in finance costs. The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. the deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains/(losses).

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss.

Dividend income

Dividend income is recognised when the Group's right to receive payment is established; accordingly, dividends from investee companies are recognised only once it has been approved by the shareholders of the investee companies in the Annual General Assembly.

4. Significant accounting policies (continued)

Financial instruments (continued)

Interest income and expenses

Interest income and expense for all financial instruments except for those classified as held for trading or those measured or designated as at FVTPL are recognised as 'Interest income' and 'Finance charges', respectively, in profit or loss account using the effective interest method. Interest on financial instruments measured as at FVTPL is included within the fair value movement during the period.

Impairment

Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset or cash-generating unit (CGU) may be impaired. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of the impairment testing, assets are grouped together into the smallest group of assets that independently generate cash inflow (i.e. the cash generating unit or "CGU").

Recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the asset is tested as part of a larger CGU to which it belongs. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount.

In calculating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU. In determining fair value less costs to sell, recent market transactions are taken into account.

Impairment losses of continuing operations, including impairment of inventories, are recognized in profit or loss in expense categories consistent with the function of the impaired asset.

Reversal of impairment losses

The Group assesses at each reporting date whether there is any indication that an impairment loss recognized in prior periods for an asset, may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated.

If the recoverable amount of that asset is higher than the carrying amount, the impairment loss recognized in prior periods are reversed to the extent that the reversal of impairment loss does not exceed the carrying amount of the asset that would have been determined had no impairment loss been recognized for that asset in prior year.

A reversal of an impairment loss for an asset is recognized in profit or loss.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and in hand and short-term bank deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and bank deposits with short-term maturities, net of any outstanding bank overdrafts.

4. Significant accounting policies (continued)

Leases

The Group has applied IFRS 16 on the date of transition to IFRS i.e. 1 January 2018 in line with the requirements of IFRS 1.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

4. Significant accounting policies (continued)

Leases (continued)

As a lessee (continued)

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other operating income'.

Social fund contribution

Some entities in the Group make contributions equivalents to 2.5% of the adjusted consolidated net profit for the year into a state social fund for the support of sports, cultural, social and charitable activities in accordance with Law No. 13 of 2008. This is presented in the consolidated statement of changes in equity as an appropriation from Group profit.

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

4. Significant accounting policies (continued)

Provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is recognised in profit or loss net of any reimbursement. If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

Onerous contracts
Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Revenue recognition

IFRS 15 "Revenue from Contracts with Customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers. It establishes a new five-step model that applies to revenue arising from contracts with customers.

Step 1: Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that create enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2: Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer that is distinct.

Step 3: Determine the transaction price: Transaction price is the amount of consideration to which the entity expects to be entitled to in exchange for transferring the promised goods and services to a customer, excluding amounts collected from third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the entity will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the entity expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control over a product or service to a customer.

The Group recognises revenue from the following major sources:

Sale of petroleum and related products

Sale of petroleum and related products includes revenue earned by the Group through the export of regulated products, sale of refined products for local consumption and sale of refined products for local consumption. Revenue from sale of petroleum and related products is recognized at a point-in-time (when the control transferred) or over time (as and when the control transfers).

4. Significant accounting policies (continued)

Revenue recognition (continued)

Sale of products produced as a result of underlying PSAs

Group, on behalf of the Government, has entered into PSAs with Foreign Partners, to facilitate the exploration and production of the petroleum resources of the State of Qatar under the terms of the relevant PSAs, Group is entitled to its participating share in the petroleum products. Revenue from products lifted as a result of PSAs is recognized at a point-in-time when the control of the products transfers from Group to the customers.

Provision of services and sale of non-petroleum products

The Group is engaged in provision of services, such as port services, seawater cooling facility, secondment services, lease, miscellaneous services. Revenue from sale of non-petroleum products and services is recognized at a point-in-time (when the control transferred) or over time (as and when the control transfers)

Overlift / underlift of crude oil

Overlift or underlift of crude oil occurs when the volume of oil lifted by a partner in a joint arrangement from its participating interest in the production is in excess or short of the allocated amount. Transaction of overlift or underlift creates an obligation for the underlifter to the overlifter. The obligation would be satisfied and revenue recognized by the underlifter when the output is lifted by the overlifter only if:

- overlifter meets the definition of the customer; and
- transaction is a not a non-monetory exchange between entities

The overlifter recognizes revenue when it delivered the output that it actually lifted to its customers.

The initial measurement of the overlift liability or underlift asset is at the market price of crude oil at the date of lifting. Subsequent measurement of overlift / underlift liabilities and assets depends on the settlement terms of the related operating agreements. If such terms allow for a cash settlement of the overlift / underlift balances between the parties, the balances are re-measured at fair value at reporting dates subsequent to initial recognition.

Sales of steel products

The Group manufactures and sells a range of steel products and by-products. Sales of goods are recognised when the Group has delivered products to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from sales is measured based on the price specified in the sales contracts, net of the estimated volume discounts and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases. No element of financing is deemed present as the sales are made with a credit term of 30 to 90 days.

Terms of delivery to customers are specified in the Offtake Requirements for the sale of steel. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or possible return of goods. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

4. Significant accounting policies (continued)

Revenue recognition (continued)

Revenue from drilling services

The Group has generally had comprehensive agreements with customers to provide integrated services to operate a rig and drill a well. The Group is seen by the operators as the overseer of all services and are compensating the Group to provide that entire suite of services. In identifying performance obligations, IFRS 15 series guidance states that a contract may contain a single performance obligation composed of a series of distinct goods or services if:

a) each distinct good or service is substantially the same and would meet the criteria to be a performance obligation satisfied over time; and

b) each distinct good or service is measured using the same method as it relates to the satisfaction of the overall performance obligation.

The Group determined that the delivery of day rate drilling services is within the scope of the series guidance as both criteria are met:

- each distinct increment of service (i.e. hour available to drill) that the Group promises to transfer represents a performance obligation that would meet the criteria for recognizing revenue over time; and
- the Group would use the same method for measuring progress toward satisfaction of the performance obligation for each distinct increment of service in the series.

Consideration for activities that are not distinct within the scope of contracts, such as mobilization, demobilization and upgrade/modification, and do not align with a distinct time increment within the contract term are allocated across the single performance obligation and are recognized over the expected recognition period in proportion to the passage of each hour available to drill.

Consideration for activities which align with a distinct time increment within the contract term is recognized in the period when the services are performed.

Drilling services are consumed as the services are performed and generally enhance a well site which the customer controls. Work performed on a well site does not create an asset with an alternative use to the contractor since the well/asset being worked on is owned by the customer. Therefore, the Group's measure of progress for a drilling contract is hours available to drill over the contracted duration. This unit of measure is representative of an output method as described in IFRS 15.

Aviation revenue

The Group provides helicopter transportation services to its customers. As these services are provided "over time", revenue is recognized accordingly

Revenue is recognised over time as the services are provided. Transfer of control of the service is assessed based on the service performed.

Revenue from premiums earned

Premiums and reinsurance premiums are taken into income over the terms of the policies to which they relate. Gross insurance and reinsurance written premiums comprise the total premium receivable for the whole period of cover provided by contracts entered into during the accounting period. They are recognised on the date on which the policy commences.

Unearned premiums represent the portion of net premiums written relating to the unexpired period of coverage calculated at actual number of days method (daily pro rata basis). The change in the provision for unearned premium is taken to the consolidated statement of profit or loss in order that revenue is recognised over the period of risk.

4. Significant accounting policies (continued)

Revenue recognition (continued)

Revenue from vehicle inspection services

Revenue from such services is recongnised upon completion of services as the duration of services is generally short in nature.

Insurance claims and expense recognition

Insurance claims

Insurance claims incurred consist of amounts payable to contract holders and third parties and related loss adjustment expenses, net of salvage and other recoveries and are charged to profit or loss as incurred. Gross outstanding claims comprise the gross estimated cost of claims incurred but not settled at the end of the reporting period, whether reported or not. Provisions for reported claims, but not settled as at the end of the reporting period, are made on the individual case estimates. In addition, a provision based on a range of historical trends, empirical data and current assumptions is maintained for the cost of settling claims incurred but not reported at the end of the reporting period.

Reinsurers' share of claims

Reinsurers' share of claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

Reinsurance

The Group enters into agreements with other parties for reinsurance purposes, in order to minimize financial exposure from large claims, in the normal course of business for all of its business classes. Reinsurance contract assets represent balances due from reinsurance companies. Recoverable amounts are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contract.

Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

Premiums and claims on assumed reinsurance are recognised as income and expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsurance business.

Reinsurance assets are reviewed for impairment at the end of each reporting period or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measureable impact on the amounts that the Group will receive from the reinsurance companies. The impairment loss is recorded in the consolidated statement of profit or loss.

Reinsurance contract liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the associated reinsurance contract.

Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance.

Deferred acquisition costs (DAC)

DAC are amortised over the period in which the related revenues are earned. The amortization is reinsurers' share of deferred acquisition costs is amortised in the same manner as the underlying asset's derecognized is recorded in profit or loss, the deferred portion of the acquisition costs is included in the consolidated statement of financial position.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognised in profit or loss. DAC are included as part of the liability adequacy test for each reporting period.

DAC are derecognized when the related contracts are either settled or disposed of.

4. Significant accounting policies (continued)

Taxes and royalties

Taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable on the taxable income for the year and any adjustment to the tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantially enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount taxable temporary differences is insufficient to recognize a deferred tax asset in full, then the future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Royalties

The Group complies with all valid and applicable laws related to royalties issued by the Government of the State of Qatar. Royalties are payable to the Government of State of Qatar. Royalties are applied on export sale of crude oil, refined products and gas including condensate and recorded under operating, selling and administrative expenses.

4. Significant accounting policies (continued)

Dividend distribution

Dividends payable are recognised in the consolidated financial statements in the period in which these are approved by the Board of Directors. However, if these are approved after the reporting period but before the consolidated financial statements are authorised for issue, they are disclosed in the notes to these consolidated financial statements.

Post-employment benefit plans

Defined contribution plan

QP and certain entities in the Group have a defined contribution plan for the Qatari national employees who joined on or after 5 March 2003 under which QP and those entities contributes as pension, 10% of salary on behalf of the employee and the employee contributes 5%, and therefore a total 15% is remitted to the Government Pension Fund on a monthly basis in accordance with the requirements of Law No 24 of 2002 (as amended) pertaining to Retirement and Pensions. Under this Law QP and those entities do not have any legal or constructive obligation to pay future pension to those employees and hence QP and those entities' obligations are limited to their contributions paid to Government Pension Fund which are expensed when due.

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognized in the statement of financial position in respect of defined benefit plans should be the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. When no deep market in such bonds exists, the market rates on government bonds are used.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised, when material, in the period in which they occur, directly in other comprehensive income. They are included in 'defined benefits obligations remeasurement reserve' within equity.

The Group maintains two defined benefit plans as follows:

Qatari pension scheme

QP and certain entities in the Group provide a defined benefit plan for the Qatari national employees who retired before 5 March 2003. Under this plan the QP and those entites pay a monthly pension to those employees until death. The defined benefit plan is valued at each reporting date by professionally qualified independent actuaries. The pension liability recognised in the statement of financial position represents the present value of the defined benefit obligation based on the actuarial valuations.

Employees' end of services benefits

Employees' end of services benefits represents terminal gratuities and are provided for services rendered in accordance with entitlements stipulated in the employees' contract, QP policy and/or Qatar Labour Law number 14 of 2004. This plan is for Qatari and non-Qatari employees. The employees' end of services benefits liability is valued at each reporting date by professionally qualified independent actuaries. The employees' end of services benefits liability recognised in the consolidated statement of financial position represents the present value of the employees' end of services benefits obligation based on the actuarial valuations.

4. Significant accounting policies (continued)

Events after the reporting date

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in these consolidated financial statements. Post year-end events that are not adjusting events are disclosed in these consolidated financial statements, when they are material.

5. Critical judgments and key source of estimation uncertainty

In preparing these consolidated financial statements, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations, that management has made in the process of preparation of these consolidated financial statmenents and that have the most significant effect on the amounts recognised in these consolidated financial statements:

Classification of investments in subsidiaries

The Group has classified its investments in Qatar Fuel Company ("Woqod") and Gulf International Services Q.S.C. ("GIS") as subsidiaries. Under the terms of the incorporation documents of these entities, the Group is in a position to exercise control over the relevant activities of these entities. Accordingly, the Group has classified these investments as investments in subsidiaries.

PSAs entered on behalf of the Government

QP is a party to the Production sharing agreements ("PSAs") agreements with the contractors as the representative of the Government. The Group has determined that it is acting as the principal in relation to these agreements and accordingly, all the assets, rights and obligations arising from these agreements are assessed by Group and recorded in the consolidated financial statements.

Assumptions to determine the carrying amount of the defined benefit obligation

The Group's defined benefit obligation (under Qatari pension scheme and employees end of service benefits) is based on the following:

- Discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant judgment is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the bonds, quality of the bonds and the identification of outliners which are excluded.

- Pension / salary increase rate reflects the management's view on long term pension / salary increases.

- Post retirement mortality is based on best estimate of the future life expectancy of pensioners and their dependent. Management intends to keep the mortality assumption under review to take account of new research or scheme experience where credible.

- Retirement life of both males and females has been assumed to be 60 years.

5. Critical judgments and key source of estimation uncertainty (continued)

Critical judgments in applying accounting policies (continued)

Exploration and evaluation expenditure

The Group's accounting policy for exploration and evaluation expenditure results in certain items of expenditure being capitalized for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalized the expenditure under the policy, a judgment is made that recovery of the expenditure is unlikely, the relevant capitalized amount will be written off to profit or loss.

Development costs

Development activities commence after project sanctioning by the appropriate level of management. Judgment is applied by the management in determining when a project is economically viable. In exercising this judgment, management is required to make certain estimates and assumptions similar to those described above for capitalized exploration and evaluation expenditure. Any such estimates and assumptions may change as new information becomes available. If, after having commenced development activity, a judgment is made that a development asset is impaired, the appropriate amount will be written off to profit and loss.

Revenue recognition

Satisfaction of Performance Obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue. For sale of goods and rendering of services, revenue is recognized by the entity at a point in time when the control is transferred to the customer and over time when the customer is consuming the benefits as and when the control is being transferred.

Determination of transaction price

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement, the entity assesses the impact of any variable consideration in the contract, due to true up adjustments, discounts and bonus payments.

In determining the impact of variable consideration, the Group uses the "expected-value" method whereby the transaction price is determined by reference to a sum of probability weighted amounts.

Allocate the transaction price to the performance obligations in the contract

The Group is required to allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the entity expects to be entitled in exchange for satisfying each performance obligation. For contracts that have more than one performance obligation, the Group is required to allocate the transaction price between the identified performance obligations under the contracts on a relative separate selling price basis. In determining the stand-alone selling price of each performance obligation, if it is not directly observable, the Group estimates it considering all information (including market conditions, entity-specific factors and information about the customer or class of customer) that is reasonably available to the Group.

Taxes paid on behalf

The Group has various fiscal regimes and arrangements whereby income tax is being assumed, paid and discharge by QP on behalf of the contractors and joint venture partners to the tax authorities. These taxes are calculated based on the PSA and other agreements with the contractors and joint venture partners. These taxes represent the cost of revenue for the PSA transaction. Accordingly, the Group is accounting for these taxes as an operating expense.

5. Critical judgments and key source of estimation uncertainty (continued)

Critical judgments in applying accounting policies (continued)

Transactions with Ministry of Finance ('MOF")

QP enters into various transactions with MOF. Depending on the nature of the transaction, management considers MOF as either the Government or the representative of shareholder.

Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

Tax

Tax matters of the Group's certain subsidiaries, associates and joint ventures are governed by the Joint Venture Agreements ("JVA"). Any tax clauses agreed under a joint venture agreement ("JVA") and approved by MOF / GTA will take precedence over the Qatar tax law.

It has been agreed by the parties to certain joint venture agreements, that each party is responsible for its own tax and therefore, the foreign shareholder's share of profits is adjusted for 100% of the tax payable to GTA.

In addition, a Memorandum of Understanding (MoU) was concluded on 4 February 2020 between QP, Qatar Electricity and Water Company Q.P.S.C. ("QEWC"), GTA and MOF, where MOF agreed to bear tax on behalf of the listed entities mentioned in the MoU. According to MoU, certain joint ventures make payments to GTA for the taxes due on the share of foreign shareholders and make payments to the listed company in amounts equal to assumed tax on the listed company's share. The amounts received by listed company from certain joint venture are recognised as dividend income. For certain joint ventures, the foreign shareholders compensate the joint venture for the tax payable to GTA.

When it is virtually certain that the foreign shareholders of the Group's joint ventures compensate the venture for their share of the results in the respective joint ventures, a tax indemnity is recognised as a tax reimbursement asset in the financial statements of the joint ventures.

The management of the Group assessed that no further tax liability exists on the Group beyond what is recorded and remitted to GTA and that the dividends received from the joint ventures in lieu of tax reflects the understanding between the parties of the joint ventures."

Taxes on export income from crude oil, refined products, gas and condensates

Management believes that QP is liable to pay taxes to the State of Qatar on export income of certain products based on the communications received from the Government and the established past practises of QP notwithstanding any provisions in the general income tax law. In calculating the tax expense, management is required to make certain estimates and assumptions related to the products that would be subject to taxes as well as the allowable expenses to be deducted from the revenue of such products.

Classification assets classified as held for sale

The Group has classified its investment in Heron II Viotia Thermoelectric Station S.A. (Heron II), an investment in joint venture, and related assets, as held for sale assets. Management has assessed that the carrying amount of these investments will be recovered principally through a sale transaction rather than through continuing use. The Group was in negotiation with a potential buyer and the assets were expected to be sold within the first half of 2018. However, the sale did not materialise, and management continued its commitment to hold this investment for sale together with the interest-bearing shareholders bond and accrued interest receivable as assets held for sale. The delay to sell these assets during 2018 and 2019 was caused by circumstances beyond the Group's control. The Group is currently in negotiation with another potential buyer in 2019.

5. Critical judgments and key source of estimation uncertainty (continued)

Critical judgments in applying accounting policies (continued)

Classification of cash flow hedge

Classification of cash flow hedge is identified based on exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Decommissioning liabilities

The Group has recognized certain provisions for the future costs of decommissioning as outlined in Note 20. Management have assessed that no other decommissioning liabilities exist as at the reporting date since there is no legal or constructive obligation on Group with respect to decommissioning, except for those recognized in Note 20.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Estimation of oil and gas reserves

Proved Reserves are those quantities of Petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from known reservoirs and under defined technical and commercial conditions. If deterministic methods are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. The Group estimates its reserves and resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, volume of the reservoir, quality of the hydrocarbon fluid and suitable production techniques and recovery rates. Reserves are determined using estimates of oil and gas in place, recovery factors and future commodity prices. The Group forecasts reserves based on technical assessment and economic limit test, in addition to and with respect to end of remaining useful life of each asset facility. Future development costs are estimated using assumptions as to the number of wells required to produce the reserves, the cost of such wells and associated production facilities, and other capital costs. Within the inclusion of future development, the Group considers commerciality of the projected reserve profiles in their assessment. Reserves are most sensitive in these assets to end of field life facilities limitations that the Group has forecast on each asset. With capital investment, the Group fully expects that these dates will be extended and provide added value, but this has not been considered in the forecast of the Proved Reserves. Reserves are also very sensitive to continued development / investment, operational limitations, and price volatility. The long-term Brent oil price assumption used in the estimation of commercial reserves is per management's forecast. The carrying amount of oil and gas properties at 31 December 2019 amounted to QR 31,579 million (2018: QR 32,384 million) (Note 6(a)).

As the economic assumptions used may change and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change. Such changes may impact the Group's reported consolidated financial position and results, which include:

5. Critical judgments and key source of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Estimation of oil and gas reserves (continued)

- The carrying value of exploration and evaluation assets, oil and gas properties (Note 6) and licenses included in intangible assets (Note 7);
- Depreciation and amortisation charges in profit or loss may change where such charges are determined using the UOP method, or where the useful life of the related assets change (Note 28).

Impairment of non-financial assets

Impairment assessment is an area involving management judgment, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. For the purpose of the impairment testing, assets are grouped together into CGU. In calculating value in use, certain assumptions are required to be made in respect of highly uncertain matters including the estimated future cash flows that are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU.

The Group's management tests annually whether there are any indicators that non-financial assets (other than inventory) may be impaired in accordance with accounting policies stated in Note 4 to the consolidated financial statements. If indication exists, the recoverable amount of the asset or a CGU is determined based on the higher of fair value less costs to sell or value-in-use method which uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates.

In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of:

- growth in earnings before interest, tax, depreciation and amortisation ("EBITDA"), calculated as adjusted operating profit before depreciation and amortisation;
- long term growth rates; and
- the selection of discount rates to reflect the risks involved.

The Group prepares detailed long term plans for its investments which are reflected in the financial models of these investments. These plans are reviewed and approved by the Group's management and are subsequently used as the basis for its impairment reviews. In estimating the value in use, the Group uses financial models which are regularly reviewed and updated over the operating period of the investment. As part of the review process, management challenges and reassess the validity of the underlying assumptions of these financial models. During the year, Group has identified indicators for impairment in its investments in Barzan Gas Company Limited ("Barzan"), Laffan Refinery Company Limited and ExxonMobil Exploration Argentina S.R.L. ("EMEA") and Mobil Arentina S.A. ("MASA"). Accordingly, management assessed impairment on these investments. As a result of impairment testing, the Group has recognized provision amounting to QR. 2,202 million related to its investment in EMEA and MASA (2018: Nil) the details of which are disclosed in Note 9(b). The Group has not identified impairment indicators against other non-financial assets as of the reporting date.

Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined upon a consideration of the expected usage of the asset, physical wear and tear and technical or commercial obsolescence. In case of assets depreciated at unit of production basis, an estimate is made on the future expected hydrocarbon production throughout the remaining life of the asset. The depreciation charge could change significantly if the future expected hydrocarbon production changes.

5. Critical judgments and key source of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Impairment of project preliminary and pre-incorporation expenses

Project preliminary and pre-incorporation expenses are incurred by the Group in respect of a prospective subsidiary/joint venture companies in which the Group has or intends to acquire interest in. On a regular basis, the Group management performs assessment and reviews the recoverability and feasibility of these projects. During the year, QR. 36 million (2018: QR. 189 million) has been written off on account of project preliminary and pre-incorporation expenses (Notes 14 (ii) and 27).

Fair value measurements

The Group's investment in equity investments at FVOCI, financial assets at FVTPL and foreign currency swaps are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent available. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 38.

Provision for inventories

Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value ("NRV"). NRV for crude oil, gas and refined products is calculated based on their estimated selling prices in the ordinary course of business less the estimated costs to sell. Provision for obsolescence for maintenance and other materials is based on inventory type and ageing.

Financial instruments

Definition of default
Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Significant increase in credit risk
The Group monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Group monitors all financial assets and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized.

In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.

5. Critical judgments and key source of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Financial instruments (continued)

Significant increase in credit risk (continued)
Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

Calculation of loss allowance
When measuring ECL, the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Provision for outstanding insurance claims

Considerable judgment by management is required in the estimation of amounts due to policy holders and third parties arising from claims made under insurance contracts. Such estimates are necessarily based on significant assumptions about several factors involving varying, and possible significant, degrees of judgment and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities. In particular, estimates have to be made both for the expected ultimate cost of claims reported at the end of the reporting period and for the expected ultimate cost of claims incurred but not yet reported (IBNR) at the end of the reporting period. The primary technique adopted by management in estimating the cost of notified and IBNR claims, is that of using past claim settlement trends and loss ratios to predict future claims settlement trends with support of external activities for certain line of business.

Claims requiring court or arbitration decisions are estimated individually. Independent loss adjusters normally estimate property claims. Management reviews its provisions for claims incurred, and claims incurred but not reported (IBNR), on a quarterly basis.

Reinsurance contracts

The Group is exposed to disputes with, and possibility of defaults by, its reinsurance companies. The Group monitors on a quarterly basis the evolution of disputes with and the strength of its reinsurance companies.

Insurance liability adequacy test

At the end of each reporting period, the Group assesses whether its recognized insurance liabilities are adequate using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of estimated future cash flows, the entire deficiency is immediately recognized in the profit or loss.

5. Critical judgments and key source of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Unearned premiums

The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognized when contracts are entered into and premiums are charged and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract. Unearned premiums are calculated on a daily pro rata basis.

Abandonment of wells and decommissioning of area

The future obligation for abandonment of wells and decommissioning of production area, where applicable, is booked at its present value, discounted at a risk free rate and is fully recorded at the time of declaration of commerciality of each field, as part of the cost of the related assets and a corresponding provision recorded in the liabilities that will support these expenses. The discount rate used in the determination of the decommissioning liability ranges from 4.5% - 8% (2018: 2%).

As at and for the year ended 31 December 2019 QR '000

6(a). Property, plant and equipment

	Oil and gas assets	Other property, plant and equipment	Exploration and evaluation assets	Capital work-in-progress	Total
Cost:					
As previously stated on 1 January 2018	45,313,575	106,634,868	1,521,639	22,392,875	175,862,957
Adjustment due to first time adoption of IFRS (Note 2)	29,179,662	60,021,531	-	674,057	89,875,250
Balance on 1 January 2018 – restated	74,493,237	166,656,399	1,521,639	23,066,932	265,738,207
Additions – restated	826,034	7,237,143	1,641,873	5,697,659	15,402,709
Reclassification / transfers (Note ii)	2,149,934	6,211,162	(753,304)	(8,528,965)	(921,173)
Effect of foreign currency translation	-	(349,773)	(172,061)	(251)	(522,085)
Derecognition (Note iv)	(4,961)	(192,195)	-	(176,484)	(373,640)
As of 31 December 2018 – restated	77,464,244	179,562,736	2,238,147	20,058,891	279,324,018
Additions	758,662	7,554,431	1,614,039	6,103,777	16,030,909
Reclassification / transfers (Note ii)	396,501	1,363,958	202,380	(2,181,433)	(218,594)
Effect of foreign currency translation	-	(87,381)	(115,973)	-	(203,354)
Derecognition (Note iv)	(12,766)	(1,247,815)	-	(38,166)	(1,298,747)
As of 31 December 2019	**78,606,641**	**187,145,929**	**3,938,593**	**23,943,069**	**293,634,232**
Accumulated depreciation:					
As previously stated on 1 January 2018	33,019,057	39,693,147	-	-	72,712,204
Adjustment due to first time adoption of IFRS (Note 2)	9,690,202	9,853,437	-	-	19,543,639
Balance on 1 January 2018 – restated	42,709,259	49,546,584	-	-	92,255,843
Charge for the year (Note 28) – restated	2,367,422	5,707,402	-	-	8,074,824
Impairment charges for the year (Note v)	-	113,214	-	-	113,214
Effect of foreign currency translation	-	(255,884)	-	-	(255,884)
Reversal of impairment (Note vi)	-	(373,962)	-	-	(373,962)
Derecognition (Note iv)	3,519	(111,047)	-	-	(107,528)
As of 31 December 2018 - restated	45,080,200	54,626,307	-	-	99,706,507
Charge for the year (Note 28)	1,987,816	6,345,757	-	-	8,333,573
Impairment charges for the year	-	3,463	-	-	3,463
Reversal of impairment	-	(3,760)	-	-	(3,760)
Effect of foreign currency translation	-	(56,736)	-	-	(56,736)
Derecognition (Note iv)	(40,412)	(1,064,345)	-	-	(1,104,757)
As of 31 December 2019	**47,027,604**	**59,850,686**	**-**	**-**	**106,878,290**
Carrying amount:					
As of 31 December 2019	**31,579,037**	**127,295,243**	**3,938,593**	**23,943,069**	**186,755,942**
As of 31 December 2018 – restated	32,384,044	124,936,429	2,238,147	20,058,891	179,617,511

6(a). Property, plant and equipment (continued)

Notes:

(i) Included in property, plant and equipment is the Group's share of property, plant and equipment from its joint operations amounting to QR 76,952 million (2018: QR 73,879 million).

(ii) In 2019, out of the net balance of QR 219 million (2018: QR 921 million), an amount of QR 173 million (2018: QR 801 million) pertains to the transfer to intangible assets (Note 7).

(iii) As of 31 December 2019, the cost of fully depreciated property, plant and equipment which are still in use amounted to QR 29 billion (2018: QR 29 billion).

(iv) Out of the total amount derecognized during the year, the Group has written off assets aggregating to QR 9 million (2018: QR 37 million) (Note 27).

(v) During 2018, management of a subsidiary carried out an assessment for impairment of its rigs in light of the economic conditions surrounding the oil prices and market rates of rigs in Qatar. The subsidiary considered each of its drilling rig, lift boat and accommodation barges as individual CGUs. Considering the external indicators, management recorded impairment of QR 113 million against drilling rig Al Doha which had been off contract since January 2018 and was deemed to be unmarketable in its present condition by the subsidiary. The rig was disposed off in 2019.

(vi) During 2018, as a result of new requirements of the tax structure in Brazil and Netherlands, management assessed that the Group's joint operation, BC-10 concession will be able to capitaltise all subsea equipment by 2020. In addition to the changes in the tax regime, other factors such as better expectation of future commodity price, and a lower country risk of Brazil, the Group carried out an assessment of impairment on its investment in oil and gas assets. The assessment has resulted in a reversal of previously recoginsed impairment loss amounting to QR. 374 million.

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6(b) Right-of-use assets

	Land & buildings	Vehicles and mobile equipments	Vessels	Others	Total
Costs:					
Recognized on 1 January 2018 (Note 2.1)	609,456	161,850	2,424,739	22,186	3,218,231
Additions (Note 21)	144,325	5,546	-	713	150,584
Reclassification / transfers / adjustments	(12,334)	53,960	-	-	41,626
At 31 December 2018	741,447	221,356	2,424,739	22,899	3,410,441
Additions (Note 21)	19,241	43,341	124,699	455,835	643,116
Reclassification / transfers / adjustments	(1,352)	(44,185)	-	(15,442)	(60,979)
Foreign currency translation	-	-	-	(8,583)	(8,583)
At 31 December 2019	**759,336**	**220,512**	**2,549,438**	**454,709**	**3,983,995**
Accumulated depreciation:					
Charge for the year (Note 28)	192,893	61,096	333,920	7,834	595,743
Reclassification / transfers / adjustments	(4)	2,294	-	-	2,290
At 31 December 2018	192,889	63,390	333,920	7,834	598,033
Charge for the year (Note 28)	207,294	66,111	343,584	49,766	666,755
Foreign currency translation	-	-	-	(613)	(613)
Reclassification / transfers / adjustments	(9,088)	(35,448)	-	(4,707)	(49,243)
At 31 December 2019	**391,095**	**94,053**	**677,504**	**52,280**	**1,214,932**
Carrying amount:					
At 31 December 2019	**368,241**	**126,459**	**1,871,934**	**402,429**	**2,769,063**
At 31 December 2018	548,558	157,966	2,090,819	15,065	2,812,408

6(c) Investment property

	2019	2018 *(Restated)*
Costs:		
As previously stated on 1 January 2018	-	-
Adjustment due to first time adoption of IFRS (Note 2)	-	996,160
At 1 January – restated	**1,025,610**	996,160
Additions	**12,134**	29,450
Transfers	**2,869**	-
At 31 December	**1,040,613**	1,025,610
Accumulated depreciation:		
As previously stated on 1 January 2018	-	-
Adustment due to first time adoption of IFRS (Note 2)	-	(87,039)
At 1 January – restated	**(119,384)**	(87,039)
Charge for the year (Note 28)	**(34,079)**	(32,345)
Transfers	**(878)**	-
At 31 December	**(154,341)**	(119,384)
Net carrying amount:		
At 31 December	**886,272**	906,226

Investment property is carried at cost less accumulated depreciation and impairment losses, if any.

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6(c) Investment property (continued)

The fair value of the investment properly as at 31 December 2019 was QR 1,512 million (2018: QR 1,302 million) based on a valuation carried out using the income earning approach. Under this approach, a property's fair value is estimated based on the capitalization of the net operating income of the relevant property using the market yield.

The fair value was determined by independent external property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The fair value measurement for the investment property has been categorized as a Level 3 fair value based on the above inputs on the valuation technique used.

7. Intangible assets

	Software (Note i)	Data acquisition – cost for appraisal wells	Other intangible assets (Note ii)	Total
Costs:				
As previously stated on 1 January 2018	664,987	1,652,876	363,501	2,681,364
Adjustment due to first time adoption of IFRS (Note 2.1)	27,585	-	75,336	102,921
At 1 January 2018 – restated	692,572	1,652,876	438,837	2,784,285
Additions	-	-	2,310,990	2,310,990
Transfer from property, plant and equipment	46,047	754,837	-	800,884
Write-off (Note 27)	-	-	(156,062)	(156,062)
Adjustments	-	1,112	-	1,112
At 31 December 2018	738,619	2,408,825	2,593,765	5,741,209
Additions	-	-	1,841,639	1,841,639
Transfer from property, plant and equipment	149,971	22,998	-	172,969
Derecognition	(3,725)	-	-	(3,725)
At 31 December 2019	**884,865**	**2,431,823**	**4,435,404**	**7,752,092**
Accumulated amortization:				
As previously stated on 1 January 2018	604,154	947,728	23,001	1,574,883
Adjustment due to first time adoption of IFRS (Note 2.1)	27,585	-	-	27,585
At 1 January 2018 – restated	631,739	947,728	23,001	1,602,468
Charge for the year (Note 28)	41,093	351,086	753	392,932
At 31 December 2018	672,832	1,298,814	23,754	1,995,400
Charge for the year (Note 28)	39,756	314,273	681	354,710
Derecognition	(3,725)	-	-	(3,725)
At 31 December 2019	**708,863**	**1,613,087**	**24,435**	**2,346,385**
Net carrying amount:				
At 31 December 2019	**176,002**	**818,736**	**4,410,969**	**5,405,707**
At 31 December 2018 – restated	65,787	1,110,011	2,570,011	3,745,809

i. This represents computer software which is not an integral part of hardware and is amortised over the useful life of 4 to 5 years.

ii. These include licenses in offshore blocks in various countries amounting to QR 4,334 million (2018: QR 2,492 million)

As at and for the year ended 31 December 2019 QR '000

8. Investments in associates

2019	**Group percentage of holding 2019**	**2018**	**At 1 January 2019**	**Additions/ (disposal)**	**Share in profit/(loss)**	**Dividends**	**Other adjustments (i)**	**At 31 December 2019**
Total Exploration and Production Congo (iii)	15.0	15.0	2,227,623	-	445,536	-	-	2,673,159
Foulath Holding B.S.C. – Bahrain (ii)	25.0	25.0	1,391,968	(98,320)	73,742	-	95,318	1,462,708
Tamba B.V.	23.0	23.0	1,287,376	(582,698)	31,766	(100,464)	-	635,980
Arab Petroleum Investment Corporation (iii)	10.0	10.0	612,285	-	42,267	-	(28,764)	625,788
Arab Maritime Petroleum Transport Company (iii)	14.8	14.8	267,247	-	428	-	-	267,675
Others			1,795,587	(112,452)	(120,415)	(114,966)	(177,787)	1,269,967
Total			**7,582,086**	**(793,470)**	**473,324**	**(215,430)**	**(111,233)**	**6,935,277**

2018	Group percentage of holding 2018	2017	At 1 January 2018 *(Restated)*	Additions / (repayments)	Share in profit/(loss)	Dividends	Other Adjustments (i)	At 31 December 2018 *(Restated)*
Total Exploration and Production Congo (iii)	15.0	15.0	1,766,799	-	460,824	-	-	2,227,623
Foulath Holding B.S.C. – Bahrain (ii)	25.0	25.0	1,292,612	-	98,007	-	1,349	1,391,968
Tamba B.V.	23.0	23.0	1,406,134	-	149,146	(267,904)	-	1,287,376
Arab Petroleum Investment Corporation (iii)	10.0	10.0	527,427	-	76,276	(10,920)	19,502	612,285
Arab Maritime Petroleum Transport Company (iii)	14.8	14.8	275,424	-	(8,177)	-	-	267,247
Others			1,723,998	-	274,720	(271,284)	68,153	1,795,587
Total			6,992,394	-	1,050,796	(550,108)	89,004	7,582,086

8. Investments in associates (continued)

i.) Other adjustments in the above table mainly include the Group's share in the associates' other comprehensive income and reversal of previously recognised impairment losses during the year.

ii.) Foulath Holding B.S.C. is a Bahraini Closed Joint Stock Company incorporated on June 26, 2008 in the Kingdom of Bahrain. Foulath Holding B.S.C. is a holding company for a group of commercial / industrial companies that are engaged in the manufacture and sale of various steel products.

During the year, the Group reversed a previously recognised impairment loss on investment in Foulath Holding amounting to QR 100 million (Note 27(c)). The Group computed value in use of its investment in Foulath Holding based on cash flow models. Significant assumptions included discount rate of 13%, EBITDA of 12% to 16%, utilization capacity of 95% to 110% and a terminal growth rate of 1.5% beyond the cash flows projected for a period of 5 years.

iii.) The Group considered the contractual terms and conditions of these investments and decided that the Group exercises significant influence over these entities.

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8. Investments in associates (continued)

The following table gives the summarised financial information of QP's investments in associates as reported in their own financial statements.

2019	**Total assets**	**Total liabilities**	**Net assets**	**Proportion of Group's interest in associates' net assets**	**Total revenue**	**Total profit or loss**	**Total other comprehensive income**	**Proportion of Group's interest in associates' total comprehensive income (i)**
Total Exploration and Production Congo	25,334,400	9,675,120	15,659,280	2,348,892	11,182,080	2,970,240	-	445,536
Foulath Holding B.S.C.	8,474,365	4,653,357	3,821,008	955,252	6,117,835	295,103	(17,049)	69,060
Tamba B.V.	1,246,966	447,312	799,654	183,922	-	138,113	-	31,766
Arab Petroleum Investment Corporation	26,751,893	18,203,833	8,548,060	854,806	1,018,159	407,319	-	40,732
Arab Maritime Petroleum Transport Company	3,234,960	1,124,343	2,110,617	312,371	3,939,645	194,885	-	28,843
Others	45,561,725	31,292,560	14,269,165	1,272,945	7,950,118	2,003,645	542,100	(287,594)

2018	Total assets *(Restated)*	Total liabilities *(Restated)*	Net assets *(Restated)*	Proportion of Group's interest in associates' net assets *(Restated)*	Total revenue *(Restated)*	Total profit or loss *(Restated)*	Total other comprehensive income *(Restated)*	Proportion of Group's interest in associates' total comprehensive income *(Restated)*
Total Exploration and Production Congo	28,013,440	15,328,040	12,685,400	1,902,810	12,015,640	3,072,160	-	460,824
Foulath Holding B.S.C.	8,964,316	5,027,216	3,937,100	984,275	5,330,723	392,028	5,396	98,007
Tamba B.V.	4,168,521	536,711	3,631,810	835,316	-	648,462	-	149,146
Arab Petroleum Investment Corporation	25,520,724	17,098,743	8,421,981	842,198	788,639	762,747	-	76,276
Arab Maritime Petroleum Transport Company	4,224,580	2,116,853	2,107,727	311,944	2,311,422	(55,252)	-	(8,177)
Others	49,697,522	33,279,342	16,418,178	1,895,273	9,086,690	2,611,080	855,452	274,732

(i) Proportion of the Group in net assets and total comprehensive income does not include goodwill, impairment losses and other adjustments.

As at and for the year ended 31 December 2019 QR '000

9. Investments in joint arrangements

a. Interest in joint operations

These consolidated financial statements include the Group's share of assets, liabilities, income and expenses of the following Joint arrangements which are unincorporated joint operations.

1.) Qatar Gas Upstream:

Qatar Gas Upstream was granted the right to develop and produce non associated gas and condensate from Qatar's North Gas Field. This joint operation provides feedstock gas to Qatar Liquefied Gas Company Limited. The period of the joint operation is for 25 years effective 31 December 1996. The Group has 65% interest in Qatar Gas Upsteam.

2.) Pearl GTL Project North Field:

QP, on behalf of Government of State of Qatar, and Qatar Shell GTL Limited entered into a Development and Production Sharing Agreement ("DPSA") on 8 July 2004 to develop gas-to-liquids (GTL) project in Ras Laffan, State of Qatar. The period of the DPSA is for 27 years effective 13 June 2011. The Group's interest in Pearl GTL project is based on contractual terms of arrangement which varies from time to time.

3.) Dolphin Gas Project:

QP, on behalf of Government of State of Qatar, Offset Investments Company Limited ("OIC") and TotalFinaelf E & P Dolphin ("TFE") entered into a Development and Production Sharing Agreement ("DPSA") on 23 December 2001 to design, develop, construct and operate the facilities and conduct petroleum operations to recover and export certain quantities of natural gas for export purpose. The period of the DPSA is for 25 years effective 21 July 2007. The Group's interest in Dolphin Gas project is based on contractual terms of arrangement which varies from time to time.

4.) Al Khaleej Gas Project:

QP, on behalf of Government of State of Qatar, and ExxonMobil Middle East Gas Marketing Limited entered into a Development and Production Sharing Agreement ("DPSA") on 2 May 2000 to carry out the Enhanced Gas Utilisation Project. The period of the DPSA is for 25 years effective 2 May 2000. The Group's interest in Al Khaleej project is based on contractual terms of arrangement which varies from time to time.

5.) BC-10 Concession:

BC-10 Concession comprises of upstream exploration and production assets of Block BC-10 located at Campos Basin, offshore Brazil and is operated by Shell Petroleo Ltda under a Joint Operating Agreement (JOA) signed with joint partners in which the Group has a 23% interest.

6.) Al Khalij Oil Field Joint Operation:

Al Khalij Block 6 Field (Al Khalij) is an unincorporated joint operation between Qatar Petroleum Oil and Gas and Total E&P Golfe Limited, located in State of Qatar in which the Group has 60% interest. Al Khalij is engaged for production of crude oil from the offshore Alkhalij Block 6 field.

The Group's share of assets, liabilities, income and expenses from joint operations included in these consolidated financial statements is as follows:

	2019	2018 *(Restated)*
Non-current assets	**72,223,676**	67,187,757
Current assets	**1,071,416**	944,408
Non-current liabilities	**992,582**	626,617
Current liabilities	**771,548**	839,687
Income	**33,760,084**	38,574,503
Expenses	**7,305,278**	6,948,880

As at and for the year ended 31 December 2019 QR '000

9. Investments in joint arrangements (continued)

b. Investments in joint ventures

2019	Group percentage of holding 2019	2018	1 January 2019	Net additions/ (repayments) / (disposals)	Share in profits/ (losses)	Dividends	Other adjustments	31 December 2019
Qatar Liquefied Gas Company Limited (Note vi)	65.0	65.0	1,355,065	-	3,433,135	(3,785,600)	-	**1,002,600**
Qatar Liquefied Gas Company Limited (2) (Note vi)	67.5	67.5	11,741,480	-	6,671,794	(6,348,156)	(8,103)	**12,057,015**
Laffan Refinery Company Limited (Note vi)	51.0	51.0	1,018,134	-	(128,472)	-	-	**889,662**
Ras Laffan Liquefied Natural Gas Co. Limited (Note vi)	63.0	63.0	1,648,657	-	4,234,284	(4,301,653)	43,013	**1,624,301**
Ras Laffan Liquefied Natural Gas Co. Limited (II) (Note vi)	67.1	67.1	2,699,626	-	5,216,327	(5,418,764)	101,939	**2,599,128**
Barzan Gas Company Limited (Note iii and vi)	93.0	93.0	9,818,173	6,725,718	(298,172)	-	9,478	**16,255,197**
Qatar Vinyl Company Limited (Note vi)	68.1	68.1	1,176,951	-	335,885	(183,434)	34,165	**1,363,567**
Qatar Chemical Company Limited (Note vi)	51.0	51.0	1,114,877	-	255,243	(324,870)	-	**1,045,250**
Qatar Chemical Company Limited (II) (Note vi)	51.0	51.0	2,606,337	-	444,732	(324,870)	-	**2,726,199**
Oryx GTL Limited (Note vi)	51.0	51.0	2,170,138	-	237,552	-	-	**2,407,690**
Qatar Liquefied Gas Company Limited (3) (Note vi)	68.5	68.5	6,728,527	-	4,660,713	(4,727,486)	-	**6,661,754**
Qatar Liquefied Gas Company Limited (4) (Note vi)	70.0	70.0	5,686,524	-	2,641,481	(2,387,476)	-	**5,940,529**
Ras Laffan Liquefied Gas Company Limited (3) (Note vi)	70.0	70.0	6,103,489	-	6,662,378	(6,766,308)	-	**5,999,559**
Golden Pass LNG Terminal LLC (Note v & vi)	70.0	70.0	2,768,320	1,860,913	178,057	-	1,884,306	**6,691,596**
Adriatic LNG Terminal	22.0	22.0	1,664,660	(62,944)	23,315	(23,541)	(32,469)	**1,569,021**
South Hook LNG Terminal Ltd. (Note vi)	67.5	67.5	1,974,992	-	325,739	(292,788)	136,759	**2,144,702**
Golden Pass Pipeline LLC (Note vi)	70.0	70.0	1,217,225	(137,592)	103,102	-	-	**1,182,735**
QPI & Shell Petrochemicals (Singapore) PTE Ltd.	49.0	49.0	1,320,491	-	179,642	(89,180)	-	**1,410,953**
Arab Refining Company ("ARC") (Note iv)	38.1	38.3	1,036,516	32,760	(15,602)	-	(20,962)	**1,032,712**
Golden Pass Products LLC (Note v and vi)	70.0	70.0	416,353	1,512,564	(44,611)	-	(1,884,306)	**-**
Qatar Petrochemical Company Q.P.S.C. (Note vi)	80.0	80.0	6,056,070	-	1,077,586	(1,217,600)	15,795	**5,931,851**
Qatar Fertiliser Company Q.S.C.C. (Note vi)	75.0	75.0	10,766,538	-	813,784	(1,722,600)	(9,848)	**9,847,874**
North Oil Company (Note vi)	70.0	70.0	1,912,169	-	1,857,757	(127,400)	-	**3,642,526**
ExxonMobil Exploration Argentina S.R.L. (Note vii)	30.0	30.0	1,564,070	88,452	(131,804)	-	(1,520,718)	**-**
Mobil Argentina S.A. (Note vii)	30.0	30.0	672,495	-	8,736	-	(681,231)	**-**
Qatar Aluminium Company (Qatalum)	50.0	50.0	4,749,847	-	145,729	(81,900)	9,675	**4,823,351**
Others			1,856,686	(244,987)	270,295	(348,946)	(176,828)	**1,356,220**
Total			**91,844,410**	**9,774,884**	**39,158,605**	**(38,472,572)**	**(2,099,335)**	**100,205,992**

As at and for the year ended 31 December 2019 QR '000

9. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

2018	Group percentage of holding 2018	2017	1 January 2018 (Restated)	Net additions/ (repayments)	Share in profits/ (losses) (Restated)	Dividends	Other adjustments (Restated)	31 December 2018 (Restated)
Qatar Liquefied Gas Company Limited (Note vi)	65.0	65.0	2,177,545	-	3,289,627	(4,112,107)	-	1,355,065
Qatar Liquefied Gas Company Limited (2) (Note vi)	67.5	67.5	10,525,812	-	8,780,771	(7,549,739)	(15,364)	11,741,480
Laffan Refinery Company Limited (Note vi)	51.0	51.0	1,133,835	-	(50,728)	(75,318)	10,345	1,018,134
Laffan Refinery Company Limited (2) (Note ii, vi)	84.0	84.0	838,173	-	(838,173)	-	-	-
Ras Laffan Liquefied Natural Gas Co. Limited (Note vi)	63.0	63.0	1,783,095	-	4,731,399	(5,010,202)	144,365	1,648,657
Ras Laffan Liquefied Natural Gas Co. Limited (II) (Note vi)	67.1	67.1	2,049,035	-	7,079,133	(6,575,904)	147,362	2,699,626
Barzan Gas Company Limited (Note iii and vi)	93.0	93.0	6,813,797	4,499,947	(1,495,571)	-	-	9,818,173
Qatar Vinyl Company Limited (Note vi)	68.1	68.1	1,369,303	-	179,036	(366,868)	(4,520)	1,176,951
Qatar Chemical Company Limited (Note vi)	51.0	51.0	1,176,737	-	420,800	(482,660)	-	1,114,877
Qatar Chemical Company Limited (II) (Note vi)	51.0	51.0	2,383,056	-	668,820	(445,539)	-	2,606,337
Oryx GTL Limited (Note vi)	51.0	51.0	2,237,224	-	602,574	(771,534)	101,874	2,170,138
Qatar Liquefied Gas Company Limited (3) (Note vi)	68.5	68.5	6,406,264	-	5,992,255	(5,669,992)	-	6,728,527
Qatar Liquefied Gas Company Limited (4) (Note vi)	70.0	70.0	5,389,218	-	4,073,443	(3,776,137)	-	5,686,524
Ras Laffan Liquefied Gas Company Limited (3) (Note vi)	70.0	70.0	5,403,198	-	9,332,916	(8,632,625)	-	6,103,489
Golden Pass LNG Terminal LLC (Note v and vi)	70.0	70.0	2,932,966	(349,076)	184,430	-	-	2,768,320
Adriatic LNG Terminal	22.0	22.0	1,857,312	(73,233)	29,861	(22,958)	(126,322)	1,664,660
South Hook LNG Terminal Ltd. (Note vi)	67.5	67.5	2,103,906	-	321,457	(245,162)	(205,209)	1,974,992
Golden Pass Pipeline LLC. (Note vi)	70.0	70.0	1,274,071	(191,100)	134,254	-	-	1,217,225
QPI & Shell Petrochemicals (Singapore) PTE Ltd.	49.0	49.0	1,436,838	-	295,665	(412,012)	-	1,320,491
Arab Refining Company ("ARC") (Note iv)	38.3	36.5	971,882	61,425	(7,250)	-	10,459	1,036,516
Golden Pass Products LLC (Note vi)	70.0	70.0	298,393	210,015	(92,055)	-	-	416,353
Qatar Petrochemical Company Q.P.S.C. (Note vi)	80.0	80.0	6,842,868	-	1,700,402	(2,487,200)	-	6,056,070
Qatar Fertiliser Company Q.S.C.C. (Note vi)	75.0	75.0	10,992,203	-	1,393,430	(1,635,000)	15,905	10,766,538
North Oil Company (Note vi)	70.0	70.0	541,698	-	1,370,471	-	-	1,912,169
ExxonMobil Exploration Argentina S.R.L.	30.0	-	-	1,568,804	(4,734)	-	-	1,564,070
Mobil Argentina S.A.	30.0	-	-	672,344	151	-	-	672,495
Qatar Aluminium Company (Qatalum)	50.0	50.0	4,918,160	-	223,187	(528,084)	136,584	4,749,847
Others			1,696,165	33,284	619,046	(344,784)	146,985	1,856,686
Total			85,552,754	6,432,410	48,934,617	(49,143,825)	68,454	91,844,410

9. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

i. Other adjustments in the above table mainly include the Group's share in the joint ventures' other comprehensive income for the year.

ii. During the year 2018, the Group only recognized its share in net loss up to the extent of the remaining balance of the carrying value of the investment in Laffan Refinary Company Limited (2) ("LR2") joint venture.

iii. During the year, Barzan Gas Company Limited ("Barzan") issued 322,425,000 ordinary shares and 1,400,375,476 preference shares (2018: 1,230,300,000 ordinary shares) at par value of QAR 3.64 each, aggregating QR 6,271 million (2018: QR 4,478 million) through conversion of the shareholder advances and projects preliminary and pre incorporation expenses to share capital. The Group's share in the additional shares issued amounted to 299,855,250 ordinary shares and 1,302,349,193 preference shares valuing QR 5,832 million in aggregate (2018: 1,144,179,000 ordinary shares valuing QR 4,165 million). Additionally, the Group paid shareholder advances amounting to QR 894 million (2018: QR 335 million) which were also capitalized as part of investments during the year.

iv. At the meeting held on 28 August 2017, the Board of Directors of ARC decided to increase the issued capital by issuing new 562,500 shares with par value USD 10 each. The increase in share capital was paid in full only by QPI Egypt Ltd., wholly-owned subsidiary of the Group, the rest of the shareholders announced that they are not interested to participate in the mentioned capital increase. During 2018, additional paid in capital has been requested by ARC and the Group has paid an amount of QR 61.4 million, an amount less than its current shareholdings. After the additional capital was made by all shareholders, the effective shareholding of the Group has decreased to 38.31%. During 2019, additional paid in capital has been requested by ARC and the Group has paid an amount of QR 32.8 million, an amount less than the equivalent of its shareholding. After the additional capital was made, the effective shareholding of the Group decreased to 38.11%.

v. In 2018, the Group and ExxonMobil (joint venture partner) have taken the final investment decision for developing the Golden Pass LNG export project, which is owned by Golden Pass Products L.L.C., a joint venture between the Group (70%) and ExxonMobil (30%). The construction of the Golden Pass LNG export facility started during the year and is expected to be completed by 2024. Further, Golden Pass Products LLC has been merged with Golden Pass LNG Terminal LLC during the year. Golden Pass LNG Terminal LLC is the surviving entity and the Group retained its equity interest at 70%.

vi. The Group has classified these investments as joint ventures. The Group considers the terms and condition of the agreements and the purpose and design of the joint arrangements. As per the agreement, the venturers of the above companies jointly control these companies. As such, the Group concluded that the arrangements are joint ventures rather than subsidiaries.

9. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

vii. In 2018, the Group acquired 30% equity stake in two ExxonMobil affiliates in Argentina namely, ExxonMobil Exploration Argentina S.R.L. ("EMEA") and Mobil Argentina S.A. ("MASA") that hold different interests in hydrocarbon licenses for seven blocks in Vaca Muerta in the onshore Neuquén basin in Argentina.

These entities hold rights with other partners for seven blocks under unconventional exploration licenses in Argentina with active drilling plans as well as exploitation licenses with pilot drilling and production.

During the year, the Group performed an impairment assessment on the investments in EMEA and MASA due to unfavourable changes to future cash flows driven by the following:

- regulatory changes leading to lower gas price resulting in gas development becoming uneconomical;
- lower oil prices leading to delay in development of oil; and
- higher than planned lifecycle operating expenses

The Group applied the following assumptions in performing impairment assessment in EMEA and MASA:

- discount rate of 15.2%
- inflation rate of 2%
- Other assumptions are as follows:
  - production is based on the Group's type curve estimate.
  - domestic oil and gas prices are expected to be regulated at a level below international price.
  - export prices for oil are expected to be unregulated and set by quality and transport differentials to international benchmarks.
  - transportation differential is calculated assuming that oil would be loaded on Suezmax vessels.

As a result of this assessment, the Group recognised impairment loss relating to investments in EMEA and MASA amounting to QR 2,202 million.

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9. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

2019	Cash and cash equivalents	Current assets (including. cash and cash equivalents)	Non-current assets	Current financial liabilities (excluding trade payables and provision)	Other current liabilities	Non-current financial liabilities (excluding trade payables and provision)	Other non-current liabilities	Net assets	Adjustments*	Proportion of Group's interest in joint venture's net assets
QG1	326,035	2,050,379	3,514,289	450,406	3,061,979	509,818	-	1,542,462	-	1,002,600
QG2	9,044,916	11,988,551	28,528,675	2,050,503	6,255,100	14,349,390	-	17,862,244	-	12,057,015
LR	360,367	1,686,958	2,217,037	39,469	1,236,745	882,605	735	1,744,435	-	889,662
RG1	4,513,469	5,583,320	3,048,908	53,697	5,112,387	887,887	-	2,578,256	-	1,624,301
RG2	5,505,991	8,049,587	11,796,013	1,862,708	6,088,653	8,017,832	-	3,876,403	-	2,599,128
Barzan	163,665	1,320,985	38,329,943	2,879,346	917,593	18,375,273	-	17,478,707	-	16,255,197
QVC	458,818	912,049	954,608	699	118,216	4,535	-	1,743,207	176,446	1,363,567
Q-chem	486,170	1,391,565	2,071,011	13,955	744,681	647,767	5,684	2,049,509	-	1,045,250
Q-chem II	1,121,482	2,526,712	5,062,397	312,114	525,913	1,406,806	-	5,344,273	619	2,726,199
Oryx	1,005,273	2,302,511	3,226,918	17,348	563,552	227,566	-	4,720,962	-	2,407,690
QG3	2,804,070	5,245,739	20,597,814	1,669,435	1,168,884	13,280,052	-	9,725,188	-	6,661,754
QG4	3,350,529	5,682,611	19,874,964	1,626,985	2,601,610	12,842,510	-	8,486,471	-	5,940,529
RG3	5,110,760	8,116,224	28,817,662	848,280	5,688,159	21,821,323	-	8,570,799	-	5,999,559
GP LNG	469,444	1,013,383	9,691,278	-	1,128,058	-	14,931	9,561,671	(1,841)	6,691,596
ALNG	97,112	259,942	7,593,553	5,984	97,752	59,189	3,752	7,687,817	(123,962)	1,569,021
SH LNG	227,509	345,847	5406,556	142,774	170,388	2,386,036	109,137	2,944,067	157,456	2,144,702
GP Pipeline	77,925	100,129	1,831,826	222	11,022	3,862	-	1,916,849	283	1,182,735
QPI & SP	380,100	472,126	1,073,520	597	-	-	-	1,545,049	653,879	1,410,953
ARC	116,893	1,013,195	14,454,089	990,141	603,715	8,841,961	-	5,031,468	138,100	1,032,712
QAPCO	530,742	1,672,790	7,045,815	510,669	285,488	507,642	-	7,414,814	-	5,931,851
QAFCO	1,223,752	2,916,559	11,483,403	155,640	475,719	497,597	-	13,321,007	-	9,847,874
NOC	310,956	4,235,425	8,897,968	722,130	4,265,165	974,772	1,967,715	5,203,610	-	3,642,526
EMEA	20,384	263,172	4,121,936	-	228,592	4,732	157,976	3,993,808	(3,993,808)	-
MASA	5,460	162,344	1,033,760	-	90,636	-	9,100	1,096,368	(1,096,368)	-
Qatalum	993,203	2,859,919	12,957,687	836,370	509,524	4,825,013	-	9,646,702	-	4,823,351
Others	1,532,303	13,643,094	23,600,055	891,210	11,353,480	15,521,083	3,190,853	6,286,513	161,718	1,356,220

**Pertains to foreign exchange rates differences, embedded goodwill, capital reserve and impairment losses.*

As at and for the year ended 31 December 2019 QR '000

9. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

2019

	Revenue	Depreciation and amortization	Interest income	Interest expense	Income tax expense	Profit / (loss) from continuing operations	Other comprehensive income	Total comprehensive income / (loss)	Proportion of Group's interest in joint venture's total comprehensive income / (loss)
QG1	16,640,078	(1,699,949)	21,265	(183,132)	(2,835,203)	5,281,749	-	5,281,749	3,433,135
QG2	28,929,213	(1,911,717)	79,847	(1,039,125)	(5,348,758)	9,884,140	-	9,884,140	6,671,794
LR	11,687,050	(149,699)	12,962	(2,038)	(32,065)	(251,906)	-	(251,906)	(128,472)
RG1	15,193,600	(538,982)	15,943	(32,225)	(3,619,045)	6,721,085	-	6,721,085	4,234,284
RG2	26,250,774	(1,222,920)	32,199	(653,453)	(4,317,604)	7,779,757	-	7,779,757	5,216,327
Barzan	-	-	18,731	-	-	(320,615)	-	(320,615)	(298,172)
QVC	1,269,628	(131,084)	9,511	-	180,635	493,224	-	493,224	335,885
Q-chem	2,158,069	(5,944)	13,271	(3,596)	(270,063)	500,475	-	500,475	255,243
Q-chem II	2,609,501	(324,178)	21,505	(33,368)	(141,873)	872,020	-	872,020	444,732
Oryx	2,372,513	(14,816)	-	(7,514)	(241,348)	465,789	-	465,789	237,552
QG3	19,013,467	(1,282,478)	38,551	(95,732)	(287,968)	6,803,961	-	6,803,961	4,660,713
QG4	16,346,232	(1,263,175)	34,544	(832,038)	(2,043,478)	3,773,544	-	3,773,544	2,641,481
RG3	31,646,000	(2,027,637)	56,704	(1,433,254)	(4,395,893)	9,517,683	-	9,517,683	6,662,378
GP LNG	559,875	106,332	6,552	-	-	254,368	-	254,368	178,057
ALNG	999,360	(315,180)	1,466	(4,276)	(42,243)	105,857	-	105,857	23,315
SH LNG	282,207	(12,863)	617,543	(71,528)	(112,855)	482,577	10,572	493,149	332,875
GP Pipeline	258,760	(71,016)	-	-	-	147,289	-	147,289	103,102
QPI & SP	364,764	-	-	-	422	366,617	-	366,617	179,642
ARC	-	-	-	(17,476)	-	(40,938)	(55,004)	(95,942)	(36,564)
GPP	-	(11)	-	-	-	(63,730)	-	(63,730)	(44,611)
QAPCO	2,863,071	(343,108)	14,470	(9,339)	-	1,346,982	-	1,346,982	1,077,586
QAFCO	5,676,798	(1,039,125)	162,839	(13,029)	(1,053)	1,073,810	(13,131)	1,060,679	795,509
NOC	22,380,004	(1,110,228)	25,698	(202,225)	(1,453,786)	2,653,939	-	2,653,939	1,857,757
EMEA	211,848	(199,108)	-	(2,184)	-	(439,348)	-	(439,348)	(131,804)
MASA	123,396	(22,932)	-	-	(17,108)	29,120	-	29,120	8,736
Qatalum	4,952,216	(903,688)	16,780	(246,046)	-	291,459	18,877	310,336	155,168
Others	24,090,737	(2,901,335)	55,154	(456,316)	302,719	(605,032)	-	(605,032)	270,295

Proportion of Group's interest in joint ventures total comprehensive income / (loss) does not include intra group adjustments.

As at and for the year ended 31 December 2019 QR '000

9. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

2018	Cash and cash equivalents	Current assets (including. cash and cash equivalents)	Non-current assets	Current financial liabilities (excluding trade payables and provision)	Other current liabilities	Non-current financial liabilities (excluding trade payables and provision)	Other non-current liabilities	Net assets	Adjustments*	Proportion of Group's interest in joint venture's net assets
QG1	448,594	2,125,924	5,393,814	466,007	3,074,919	1,108,300	-	2,870,515	(510,770)	1,355,065
QG2	10,595,960	14,701,636	29,733,049	2,747,425	9,252,531	13,450,117	-	18,984,613	(1,073,134)	11,741,480
LR	236,724	1,720,807	2,363,820	-	1,214,377	873,172	735	1,996,342	-	1,018,134
LR2	773,740	1,953,027	3,804,189	-	1,205,506	4,551,711	-	-	-	-
RG1	5,556,285	6,911,286	2,998,785	19,572	6,277,897	995,686	-	2,616,916	-	1,648,657
RG2	7,669,567	10,920,185	12,370,569	1,696,134	8,242,016	9,326,313	-	4,026,288	-	2,699,626
Barzan	20,056	778,006	33,244,317	2,640,420	1,189,006	19,635,720	-	10,557,177	-	9,818,173
QVC	502,851	997,265	1,041,855	-	339,142	180,635	-	1,519,343	208,924	1,176,951
Q-chem	631,353	1,731,515	2,103,229	-	1,003,406	639,621	5,684	2,186,033	-	1,114,877
Q-chem II	1,079,133	2,795,769	5,041,742	619,144	654,442	1,454,671	-	5,109,254	1,217	2,606,337
Oryx	685,747	1,817,696	3,130,284	1,223	589,079	52,225	50,279	4,255,173	-	2,170,138
QG3	2,967,728	5,350,538	21,511,810	1,802,717	1,363,519	12,570,804	-	11,125,309	(892,309)	6,728,527
QG4	4,604,604	6,592,688	20,613,280	1,481,123	4,188,988	12,726,234	-	8,809,623	(480,209)	5,686,524
RG3	6,311,309	11,258,568	30,071,059	4,003,873	7,160,612	21,445,872	-	8,719,271	-	6,103,489
GP LNG	101,094	177,221	3,828,465	-	48,842	-	-	3,956,844	(2,100)	2,768,320
ALNG	86,749	263,391	8,070,544	6,046	102,799	61,829	9,503	8,153,759	(587,123)	1,664,660
SH LNG	202,089	326,463	5,151,069	149,138	98,673	2,320,128	107,549	2,802,043	123,871	1,974,992
GP Pipeline	84,055	115,912	1,862,468	222	7,953	4,084	-	1,966,121	(227,230)	1,217,225
QPI & SP	3,815	93,468	1,267,550	-	495	-	-	1,360,523	1,334,355	1,320,491
ARC	852,229	904,085	13,601,851	643,350	117,897	8,602,285	37,360	5,105,044	(2,412,792)	1,036,516
GPP	154,711	155,071	589,596	-	149,750	-	-	594,918	(126)	416,353
QAPCO	891,741	2,095,353	6,883,648	864,458	283,342	261,113	-	7,570,088	-	6,056,070
QAFCO	1,720,313	3,671,415	12,073,859	151,742	731,736	295,366	-	14,566,429	-	10,766,538
NOC	729,033	3,684,294	5,477,423	-	3,677,970	2,752,078	-	2,731,670	-	1,912,169
EMEA	46,956	218,764	4,189,276	-	215,124	3,640	44,044	4,145,232	1,068,335	1,564,070
MASA	-	135,408	982,436	42,952	-	3,640	-	1,071,252	351,119	672,495
Qatalum	1,062,410	1,932,243	12,947,367	894,661	537,122	5,010,544	-	9,499,694	-	4,749,847
Others	2,352,158	10,702,636	14,555,338	485,988	5,399,978	8,605,221	2,525,706	7,178,669	583,454	1,856,686

**Pertains to foreign exchange rates differences, embedded goodwill, capital reserve and impairment losses.*

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9. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

2018	Revenue	Depreciation and Amortization	Interest Income	Interest expense	Income tax expense	Profit / (loss) from continuing operations	Other comprehensive income	Total comprehensive income / (loss)	Proportion of Group's interest in joint venture's total comprehensive income / (loss)
QG1	16,264,856	(1,724,472)	14,149	(242,752)	(2,692,049)	5,060,965	-	5,060,965	3,289,627
QG2	38,152,085	(1,842,528)	74,609	(1,104,802)	(6,981,775)	13,007,809	-	13,007,809	8,780,771
LR	14,397,358	(151,581)	17,902	(33)	(31,726)	(99,467)	-	(99,467)	(50,728)
LR2	15,333,030	(199,971)	26,044	(200,149)	58,662	(997,829)	-	(997,829)	(838,173)
RG1	17,970,327	(519,694)	21,600	(29,888)	(4,043,931)	7,510,157	-	7,510,157	4,731,399
RG2	29,449,311	(1,218,526)	26,903	(726,610)	(5,685,076)	10,557,991	-	10,557,991	7,079,133
Barzan	-	-	2,097	(336,944)	-	(1,608,137)	-	(1,608,137)	(1,495,571)
QVC	1,597,276	(133,690)	11,058	-	(102,277)	297,948	-	262,902	179,036
Q-chem	2,753,163	(240,627)	13,942	-	(444,284)	825,098	-	825,098	420,800
Q-chem II	3,074,028	(336,923)	16,863	(34,224)	(142,946)	1,311,413	-	1,311,413	668,820
Oryx	3,195,833	(354,176)	7,087	(524)	(247,513)	1,181,519	-	1,181,519	602,574
QG3	21,324,751	(1,288,913)	40,247	(984,271)	(136,256)	8,899,386	-	8,899,386	5,992,255
QG4	20,611,278	(1,242,194)	32,047	(847,250)	(3,274,133)	5,819,205	-	5,819,205	4,073,443
RG3	37,956,435	(2,019,184)	33,131	(1,487,712)	(4,723,035)	13,332,737	-	13,332,737	9,332,916
GP LNG	572,343	(217,665)	-	-	-	263,473	-	263,473	184,430
ALNG	1,044,068	(339,086)	60	(4,802)	(53,878)	135,580	-	135,580	29,861
SH LNG	241,218	-	656,272	(70,966)	(109,075)	476,233	36,039	512,272	321,457
GP Pipeline	337,956	(107,489)	-	-	-	191,791	-	191,791	134,254
QPI & SP	-	-	2,523	-	(328)	603,395	-	603,395	295,665
ARC	-	-	-	-	(412)	(26,818)	10,460	(8,465)	(7,250)
GPP	-	(58)	-	-	-	(131,506)	-	(131,506)	(92,055)
QAPCO	3,681,827	(315,345)	20,317	-	-	2,125,503	-	2,125,503	1,700,402
QAFCO	6,214,975	(1,021,836)	216,970	-	-	1,874,506	-	1,857,907	1,393,430
NOC	24,319,029	(581,789)	20,528	-	(1,054,224)	1,957,815	-	1,957,815	1,370,471
EMEA	10,627	(8,275)	-	(144)	108	(15,941)	-	(15,780)	(4,734)
MASA	12,012	(64,064)	-	-	-	503	-	503	151
Qatalum	5,514,378	(958,117)	-	(216,751)	-	446,374	-	446,374	223,187
Others	9,984,810	(270,896)	44,791	41,894	(382,724)	2,485,444	69,065	1,354,411	619,046

Proportion of Group's interest in joint ventures total comprehensive income / (loss) does not include intra group adjustments.

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10. Other investments

	2019	2018 (Restated)
Non-current assets		
Financial assets at FVOCI (Note a)	**4,697,153**	4,841,292
Financial assets at amortised cost	**1,467,746**	1,475,584
	6,164,899	6,316,876
Current assets		
Financial assets at FVTPL (Note b)	**676,608**	679,852

a. Financial assets at FVOCI

The carrying amounts of the Group's financial assets at FVOCI are as follows:

	2019	2018 (Restated)
Quoted equity instruments	**4,333,620**	4,556,507
Quoted debt instruments	**302,434**	220,740
Quoted management funds	**59,597**	62,543
Unquoted equity instruments	**1,502**	1,502
	4,697,153	4,841,292

The movement during the year was as follows:

	2019	2018 (Restated)
As previously stated on 1 January 2018	-	3,290,235
Adjustment due to first time adoption of IFRS (Note 2.1)	-	1,630,919
As at 1 January – restated	**4,841,292**	4,921,154
Additions during the year	**1,210,309**	993,851
Disposals during the year	**(1,168,463)**	(1,521,364)
Redemption of debt securities	-	(11,266)
Reclassification	**29,211**	-
Fair value changes during the year	**(215,196)**	458,917
As at 31 December	**4,697,153**	4,841,292

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the Group has elected to designate these investments in equity instruments as at FVOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

b. Financial assets at FVTPL

These represent financial assets which are acquired and incurred principally for the purpose of selling or repurchasing in the near term or to take advantage of short term market movements. Details are as follows:

	2019	2018
Quoted equity instruments	**430,655**	471,681
Quoted debt instruments	**245,953**	208,171
	676,608	679,852

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10. Other investments (continued)

b. Financial assets at FVTPL (continued)

The movement during the year was as follows:

	2019	2018
As at 1 January	**679,852**	218,174
Acquisition during the year	**122,331**	756,567
Disposals during the year	**(99,517)**	(321,267)
Reclsasification	**(13,209)**	-
Net movement in fair value during the year (Note 26 & 27)	**(12,849)**	26,378
As at 31 December	**676,608**	679,852

11. Other non-current assets

	2019	2018 *(Restated)*
Loans and advances to related parties (Note 18(a))	**1,587,138**	3,793,847
Lease receivables (Note a)	**1,023,252**	1,006,966
Projects under development (Note b)	**3,158,971**	559,443
Catalysts	**87,677**	88,452
Deferred tax asset (Note c)	**462,238**	-
Other non-current assets	**72,985**	87,888
	6,392,261	5,536,596

a. Lease receivables

These lease receivables relate to plots of land in Ras Laffan and Mesaieed leased out under operating leases to various parties by the Group based on non-cancellable lease agreements for a term ranging from 20 to 25 years. Lease payments received under these operating leases are recognized on a straight-line-basis over the lease term resulting in long term lease receivables.

	2019	2018
Later than one year and not later than five years	**216,168**	169,789
Later than five years	**807,084**	837,177
	1,023,252	1,006,966

b. Projects under development

Projects under development represent cash advances made by the Group to meet project expenses that will subsequently be capitalized. Projects under development comprise the following;

	2019	2018
North field expansion project	**3,149,399**	405,266
Ras Gas Company Limited - PMS-CCSL-JF (CCOM)	**-**	144,605
RG Company Limited - Q-Power	**9,572**	9,572
	3,158,971	559,443

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11. Other non-current assets (continued)

b. Projects under development (continued)

The movement of projects under development during the year was as follows:

	2019	2018
As at 1 January	**559,443**	236,520
Project costs paid during the year	**2,744,133**	407,249
Write off	**(144,605)**	-
Adjustments	**-**	(84,326)
As at 31 December	**3,158,971**	559,443

c. Deferred tax asset

Deferred tax asset represents asset recognized on carried forward tax losses of QR 391 million and other deductible temporary differences of QR 71 million and pertains to an overseas subsidiary of the Group.

12. Assets held for sale

In 2017, the Group decided to exit from its investment in Heron II, an investment in joint venture in Greece. Accordingly, investment in joint venture along with the Group's investment in interest-bearing shareholders bond, accounted as financial asset at amortised cost in the consolidated financial statements, together with outstanding accrued interest receivable have been reclassified as assets held for sale. The Group was in negotiation with potential buyers and the assets were expected to be sold within the first half of 2018. However, the sale did not materialise and management continued its commitment to hold this investment for sale together with the interest-bearing shareholders bond and accrued interest receivable as assets held for sale. The delay to sell these assets during 2018 and 2019 was caused by circumstances beyond the Group's control.

However, during this period, the Group took action that is necessary to respond to the change in circumstances and the disposal group is being marketed at a price that is reasonable. The Group is currently engaging in discussion with a potential buyer.

In 2018, a bid quotation was received from a potential buyer which represented the fair value less cost to sell of the assets and the Group recognised fair value adjustment amounting to USD 1.56 million (QR 5.6 million) for the year ended 31 December 2018. Since there was no bid price received during the current year, Management assessed the fair value of investments and related assets in Heron II based on the discounted cashflow method which resulted in reversal of previously recognized impairment loss of USD 1.67 million (QR 6.1 million).

Below are the carrying values of assets classified as assets held for sale as of 31 December:

	2019	2018
Shareholder bond	**39,572**	41,420
Interest receivable	**23,973**	16,575
Investment in Heron II	**11,766**	5,667
	75,311	63,662

Discontinued operations

The profit from discontinued operations is attributable to following operations:

	2019	2018
Profit from Heron II (Note i)	**12,177**	11,522
Profit from Al Shaheen Weatherford (Note ii)	**-**	5,607
	12,177	17,129

As at and for the year ended 31 December 2019 QR '000

12. Assets held for sale (continued)

Discontinued operations (continued)

i. Details of profit from Heron II:

	2019	2018
Interest income from financial assets at amortised cost	**6,078**	5,855
Fair value adjustment of assets held for sale	**6,099**	5,667
	12,177	11,522

ii. Details of profit from Al Shaheen Weatherford:

	2019	2018
Gain on disposal of Al Shaheen Weatherford	**-**	5,607
	-	5,607

Profit from discontinued operations is attributable entirely to the owner of the Corporation.

There are no cumulative income or expense included in other comprehensive income relating to the assets held for sale. The Group has cashflows amounting to QR nil (2018: QR 175) million from its discontinued operation during the year.

13. Amounts due from Ministry of Finance

Represents the outstanding balances receivable from the Ministry at the year end. None of the balances with the Ministry of Finance at the end of the reporting period are past due and taking into account the current credit ratings of the Ministry, the Group's management has assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

Balance and transactions with the Ministry of Finance have been disclosed in Note 18 (e).

14. Other current assets

Other current assets represent project preliminary costs and pre-incorporation expenses incurred by the Group in respect to prospective subsidiaries or joint venture companies in which the Group has or intends to acquire interest. The analysis of the account is as follows:

	2019	2018
As at 1 January	**59,752**	241,241
Pre-incorporation costs paid during the year	**88,619**	124,237
Transfer to property, plant and equipment	**(9,931)**	-
Transfer to investments (Note i)	**(80,568)**	(116,947)
Write off / adjustments (Note 27 and Note (ii))	**(35,734)**	(188,779)
As at 31 December	**22,138**	59,752

i. Transfer to investments pertains to those project preliminary costs incurred that were transferred to equity advances for investment in Barzan Gas Company Limited.

ii. During the year, the Group reviewed the preliminary and pre-incorporation expenses of various projects to ascertain whether these costs are recoverable and are still feasible. Based on the assessment made by management, certain projects will not be feasible and were adjusted or written off.

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15. Inventories

	2019	2018 *(Restated)*
Crude oil, gas and refined products	**680,066**	596,363
Steel and other related products	**967,901**	855,941
Maintenance and other materials	**3,801,544**	3,118,542
	5,449,511	4,570,846
Less: Provision for obsolescence and non-moving materials	**(468,893)**	(402,190)
	4,980,618	4,168,656

Movements in the provision for obsolescence was as follows:

	2019	2018 *(Restated)*
As at 1 January	**402,190**	375,203
Provision during the year (Note 27)	**66,703**	26,987
As at 31 December	**468,893**	402,190

16. Accounts receivables and prepayments

	2019	2018 *(Restated)*
Due from related parties (Note 18(b))	**4,873,963**	6,435,097
Trade receivables (Note a)	**9,066,414**	8,883,701
Reinsurance contract assets (Note c)	**929,964**	592,566
Loans to employees (Note b)	**450,304**	430,209
Advances to vendors	**537,640**	385,857
Insurance receivable	**444,275**	174,754
Prepayments and other debit balances	**477,872**	101,789
Contract assets	**57,173**	59,753
Loans and advances to related parties (Note 18(a))	**589,120**	641,871
Other receivables	**757,162**	747,049
	18,183,887	18,452,646
Less: Loss allowance	**(342,645)**	(519,247)
	17,841,242	17,933,399

a. Trade receivables

	2019	2018 *(Restated)*
Trade receivables	**9,066,414**	8,883,701
Loss allowance	**(211,761)**	(411,752)
	8,854,653	8,471,949

The average credit period on sales of goods is thirty (30) days to ninety (90) days. No interest is charged on the trade receivables due. The Group does not hold any collateral over these balances.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a reversal of loss allowance of QR. 200 million (2018: QR. 196 million) against trade receivables (Note 35).

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16. Accounts receivable and prepayments (continued)

a. Trade receivables (continued)

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The following table details the risk profile of trade receivables based on QP's provision matrix. As QP's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between QP's different customer base.

	Trade receivables – days past due					
31 December 2019	**Not past due**	**0 – 30 days**	**30 – 60 days**	**60 – 120 days**	**> 120 days**	**Total**
Gross carrying amount	**6,404,062**	**561,852**	**105,794**	**165,937**	**1,828,569**	**9,066,414**

	Trade receivables – days past due					
31 December 2018	Not past due	0 – 30 days	30 – 60 days	60 –120 days	> 120 days	Total
Gross carrying amount	6,202,620	478,891	137,517	126,441	1,938,232	8,883,701

As of the reporting date, the expected credit loss rate ranged from 0% - 7.70% (2018: 0% - 13.65%) resulting in a lifetime ECL of QR. 212 million (2018: QR. 412 million).

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above (Note 38).

b. Loans to employees

	2019	2018 *(Restated)*
Loans to employees	**450,304**	430,209
Loss allowance	**(43,000)**	(42,653)
	407,304	387,556

As of the reporting date, the expected credit loss rate resulted in a lifetime ECL of QR 43.00 million (2018: QR 42.65 million).

The following table shows the movement in lifetime ECL that has been recognised for loans to employees in accordance with the requirements set out in IFRS 9.

	2019	2018 *(Restated)*
As at 1 January	**42,653**	42,490
Expected credit loss allowance remeasured during the year (Note 35)	**347**	163
As at 31 December	**43,000**	42,653

The maximum exposure to credit risk at the reporting date is the carrying value of loans to employees mentioned above.

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16. Accounts receivable and prepayments (continued)

c. Reinsurance contract (assets) and liabilities

Reinsurance share of outstanding claims are as follows:

	2019			2018		
	Gross	**Reinsurance Share**	**Net**	Gross	Reinsurance Share	Net
As at 1 January						
Reported claims	**545,742**	**(406,915)**	**138,827**	462,637	(257,386)	205,251
Unearned premiums	**155,837**	**(74,615)**	**81,222**	173,238	(46,658)	126,580
IBNR	**242,683**	**(111,036)**	**131,647**	236,114	(87,565)	148,549
	944,262	**(592,566)**	**351,696**	871,989	(391,609)	480,380

Movement during the year was as follows:

	2019			2018		
	Gross	**Reinsurance**	**Net**	Gross	Reinsurance	Net
Reported claims	**302,130**	**(280,801)**	**21,329**	83,105	(149,529)	(66,424)
Unearned premiums	**58,553**	**(55,201)**	**3,352**	(17,402)	(27,958)	(45,360)
IBNR	**12,297**	**(1,396)**	**10,901**	6,570	(23,470)	(16,900)
	372,980	**(337,398)**	**35,582**	72,273	(200,957)	(128,684)

	2019			2018		
	Gross	**Reinsurance**	**Net**	Gross	Reinsurance	Net
At December 31,						
Reported claims	**847,872**	**(687,716)**	**160,156**	545,742	(406,915)	138,827
Unearned premiums	**214,390**	**(129,816)**	**84,574**	155,836	(74,616)	81,220
IBNR	**254,980**	**(112,432)**	**142,548**	242,684	(111,035)	131,649
	1,317,242	**(929,964)**	**387,278**	944,262	(592,566)	351,696

17. Cash and cash equivalents

	2019	2018 *(Restated)*
Cash at banks and on hand	**18,895,797**	15,025,585
Short-term deposits	**40,275,573**	24,062,176
Total cash and bank balances	**59,171,370**	39,087,761
Less: Loss allowance (Note 38)	**(2,350)**	(2,170)
Cash and bank balances as per consolidated statement of financial position	**59,169,020**	39,085,591
Less: Term deposits maturing after ninety (90) days (Note ii)	**(10,257,342)**	(10,867,355)
Less: Restricted cash (Note i)	**(435,879)**	(437,537)
Add: Expected credit loss	**2,350**	2,170
Cash and cash equivalents as per consolidated statement of cash flows	**48,478,149**	27,782,869

i. As at December 31, 2018, certain cash balances and deposits amounting to QR. 436 million (2018: QR. 437 million) have been set aside for meeting the other liabilities and commitments.

ii. The balance in short term deposits include term deposits maturing after ninety (90) days amounting to QR. 10,257 million (2018: QR. 10,867 million).

As at and for the year ended 31 December 2019 QR '000

17. Cash and cash equivalents (continued)

Cash at banks earns interest at floating rates based on daily bank deposit rates. Term deposits are made for varying periods between one day and six months depending on the immediate cash requirements of the respective Group entities at average interest rates of 1.98% to 5.19% (2018: 3.35% to 4.56%).

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, the management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month ECL. None of the balances with banks at the end of the reporting period are past due and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group has assessed and recorded minimal impairment on these balances.

18. Related party balances and transactions

Related parties represent associated companies, the shareholder, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties.

(a) Loans and advances to related parties

	2019	2018
Joint ventures of the Group		
Laffan Refinery Company Limited (2) (LR2) (Note i)	**3,351,410**	3,351,410
Total Exploration and Production Congo (TEPC) (Note ii)	**557,415**	1,403,715
Gasal Q.S.C. (Gasal) (Note iii)	**115,436**	122,856
Arab Refining Company (ARC)	**189,416**	-
Al Shaheen GE Services Company	**-**	7,737
Total gross receivable	**4,213,677**	4,885,718
Less: Loss allowance (Note 38)	**(2,037,419)**	(450,000)
Net receivable	**2,176,258**	4,435,718

	2019	2018
Classified as below:		
Non-current asset – net of loss allowance (Note 11)	**1,587,138**	3,793,847
Current asset (Note 16)	**589,120**	641,871
	2,176,258	4,435,718

i. Details of loan to LR2

This pertains to shareholders' loan agreement with LR2 wherein 70% of the cash call advances will form part of a loan while the other will be capitalized as part of the investments in LR2's share capital. Equity funding were derived from the equity advances amounting to USD 198 million (QAR. 721 million) which were converted to share capital amounting to QAR. 259 million and loans receivable amounting to QAR. 462 million. The loan receivable bears an interest rate which is the aggregate of the margin (2.75% per annum) and LIBOR rate. LR 2 shall repay the loan for a period of fourteen (14) years on a quarterly basis. The initial payment was due on March 31, 2018 and maturity date is on 31 December 2031. On 17 December 2018, the shareholders of LR2 amended the agreement and revised the margin from 2.75% per annum to 2.49% per annum effective from 1 October 2018 to 30 September 2020 and 1.74% per annum from 1 October 2020 until the end of the term. In addition, there will be no repayment of outstanding principal from 1 October 2018 to 30 September 2020.

ii. Details of the loan to TEPC

On 5 November 2014, the Group, via its wholly owned subsidiary QPI Upstream ("Lender"), signed a shareholder loan agreement with Total E&P Congo ("TEPC") ("Borrower") for an initial principal amount of USD 135 million (QR. 491 million). However, pursuant to the section 2.3(a) of the shareholder agreement, the Lender has also committed to fund the operation of the Borrower, if required, as per the annual budget of the Borrower approved by the Board for the relevant calendar year. The outstanding principal amount bears interest at LIBOR plus 1.8% per annum. TEPC plans to fully repay the loan until 31 July 2020.

18. Related party balances and transactions (continued)

(a) Loans and advances to related parties (continued)

iii. Details of loan to Gasal

Loan 1

This loan was provided in 2013 for a period of 9.8 years as an unsecured term loan of USD 6.2 million (QR 22.6 million) to Gasal Q.S.C., repayable in 36 quarterly instalments, which started on June 16, 2014 and ending on March 15, 2023. The loan bears an interest rate of 3 month LIBOR + 2.75% per annum.

Loan 2

This loan facility was provided in 2014 for a period of 10.1 years as an unsecured term loan facility of USD 30 million (QR. 110 million) to Gasal Q.S.C., of which QR. 51 million has been utilized in 2014 and QR. 29 million in 2015. The loan is repayable in 32 quarterly instalments, which started on 15 September 2016 and ending on 15 June 2024. The loan bears an interest rate of 3 month LIBOR + 2.75% per annum.

iv. Details of the loan to ARC

On 13 May 2019, the Group ("lender"), Arab Refining Company S.A.E. ("borrower") and QPI Egypt Ltd. ("subsidiary") entered into a Committed Further Shareholder Funding (CFSF) loan agreement under which the lender will provide loan to the borrower for the purpose of on-lending all amounts borrowed to Egyptian Refining Company, a joint venture of the borrower, to fund the new controlling account and to comply with the borrower's obligations in respect of the Committed Further Shareholding Payment Provisions in accordance with the terms of the Deed of Shareholder Support. The borrower shall repay the loan on every 20 June and 20 December of each year starting from 20 June 2020 until 20 June 2024. The rate of interest is the aggregate of LIBOR + 5% margin per annum in each interest period. Interest accrued is payable on every 30 June and 30 December of each year. Interest accrued on CFSF loan as at the interest capitalization date shall be added to and deemed to be part of the principal outstanding.

For the purpose of impairment assessment, the loss allowance is measured at an amount equal to lifetime ECL using the general approach. The expected credit losses on loans to related parties are estimated using factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. During the year, the Group has recognised a loss allowance of QR. 1,529 million (2018: 450 million) against the loan provided to LR2, loss allowance of QR 51 million (2018: Nil) against the loan provided to TEPC and loss allowance of QR 7 million (2018: NIL) against the loan provided to ARC. (Note 35).

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18. Related party balances and transactions (continued)

(b) Due from related parties

	2019	2018 (Restated)
Joint ventures of the Group		
Ras Laffan Liquefied Natural Gas Co. Limited	**767,309**	999,470
North Oil Company	**474,090**	575,582
Qatar Fertiliser Company Q.S.C.C.	**239,453**	287,276
Qatar Petrochemical Company Limited Q.P.S.C.	**331,358**	825,761
Qatar Liquefied Gas Company Limited (2)	**751,464**	721,416
Qatar Fuel Additives Company Limited Q.S.C.	**86,019**	131,345
Qatar Liquefied Gas Company Limited	**293,076**	289,999
Qatofin Company Limited	**94,771**	144,517
Qatar Chemical Company Limited	**83,030**	154,837
Qatar Chemical Company Limited II	**120,163**	161,646
Qatar Aluminium Limited	**28,504**	72,396
Oryx GTL Limited	**15,902**	15,904
Qatargas Operating Company Limited	**136,813**	19,556
Laffan Refinery Company Limited	**218,262**	5,351
Ras Laffan Olefins Company Limited	**11,345**	23,321
Gasal Q.S.C.	**5,574**	574,407
Astad Engineering Consulting and Project Management Q.S.C.	**-**	16,972
Associates of the Group		
Mesaieed Power Company Limited Q.S.C.	**31,078**	30,626
Umm Al Houl Power Q.S.C.	**121,753**	234,987
Ras Girtas Power Company	**161,144**	365,638
Qatar Metals Coating Company W.L.L.	**15,289**	8,988
Ras Laffan Power Company Limited (Q.S.C.)	**12,461**	11,202
Others	**875,105**	763,900
Total (Note 16)	**4,873,963**	6,435,097
Loss allowance	**(87,884)**	(64,842)
Net	**4,786,079**	6,370,255

Due from related parties are unsecured and non-interest bearing. These are collectible within the Group's normal credit term.

For the purpose of impairment assessment, the loss allowance is measured at an amount equal to lifetime ECL using the simplified approach The expected credit losses on due from related parties are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

As of the reporting date, the expected credit loss rate ranged from 0% - 5.80% (2018: 0% – 13.65%) resulting in a lifetime ECL of QR. 88 million (2018: QR. 65 million) against due from related parties.

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18. Related party balances and transactions (continued)

(b) Due from related parties (continued)

The following table shows the movement in lifetime ECL that has been recognised/reversed for due from related parties in accordance with the requirements set out in IFRS 9.

	2019	2018 *(Restated)*
As at 1 January	**64,842**	263,153
Expected credit loss allowance recognized / (reversed) during the year (Note 35)	**23,042**	(198,311)
As at 31 December	**87,884**	64,842

(c) Due to related parties

	2019	2018 *(Restated)*
Joint ventures of the Group		
Ras Laffan Liquefied Natural Gas Co. Limited (II) (Note i)	**3,274,627**	4,297,304
Qatar Liquefied Gas Company Limited (2) (Note i)	**4,623,101**	5,892,937
Ras Laffan Liquefied Natural Gas Company Limited (3) (Note i)	**2,907,214**	3,580,692
Ras Laffan Liquefied Natural Gas Co. Limited	**2,674,234**	3,177,691
Qatar Liquefied Gas Company Limited (4) (Note i)	**1,915,085**	2,379,149
Qatar Liquefied Gas Company Limited (3) (Note i)	**1,087,671**	1,077,897
Laffan Refinery Company Limited 2	**368,552**	232,391
Laffan Refinery Company Ltd.	**407,923**	150,734
North Oil Company	**561,493**	284,057
Others	**957,095**	195,962
	18,776,995	21,268,814

i. These amounts mainly represent amounts received from the joint arrangements under 'Acceptable Credit Support' agreement. This non-interest bearing amount is repayable within three to five business days upon demand.

ii. Due to related parties are unsecured and non-interest bearing. These are payable within the normal terms and operations of the Group.

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18. Related party balances and transactions (continued)

(d) Related party transactions

	2019	2018 (Restated)
Operating income		
Joint ventures of the Group		
Qatar Liquefied Gas Company Limited (2)	**5,601,904**	5,793,084
RasGas Company Limited	**4,332,952**	5,162,856
Laffan Refinery Company Limited	**4,966,666**	6,323,207
Qatar Fertiliser Company Q.S.C.C.	**2,706,827**	2,471,307
Qatar Fuel Additives Company Limited Q.S.C.	**791,852**	1,220,304
Others	**10,055,179**	10,358,000
	28,455,380	31,328,758
Purchases		
Joint ventures of the Group		
Laffan Refinery Company Limited (2)	**5,858,225**	6,228,670
Laffan Refinery Company Limited	**3,624,430**	3,395,117
Qatar Liquified Gas Company (2)	**634,385**	1,873,957
Ras Laffan Liquified Natural Gas Co. Limited	**731,527**	709,044
Qatar Petrochemical Company	**89,968**	216,097
Others	**2,211,143**	2,379,402
	13,149,678	14,802,287
Dividends received from joint ventures (Note 9(b))	**38,472,572**	49,143,825
Dividends received from associates (Note 8)	**215,430**	550,108

(e) Balance and transactions with the Ministry of Finance

	2019	2018 (Restated)
Balance at 1 January	**101,801,443**	92,163,986
Sales revenue collected by Ministry of Finance (MOF) on behalf of QP	**22,846,384**	23,539,510
Grant income from Government (Note 26 (i))	**267,340**	256,620
Cash transfers to MOF	**103,110,280**	156,019,320
Dividend transferred to shareholder during the year (Note 40)	**(73,143,236)**	(59,075,567)
Taxes paid to the Government (Note 29)	**(14,585,308)**	(15,752,405)
Taxes paid to the Government on behalf (Note i) (Note 27)	**(9,599,666)**	(14,195,344)
Royalties paid to the Government	**(6,666,101)**	(7,476,254)
Collections on behalf of the Government:		
Qatargas royalty collection	**(25,955,344)**	(29,124,974)
Rasgas royalty collection	**(25,861,079)**	(28,195,324)
North Oil royalty collection / supplementary contribution	**(14,479,099)**	(18,812,663)
Al-Khalij royalty collection / supplementary contribution	**(377,843)**	(260,311)
Other transactions	**(625,646)**	2,714,849
Balance at 31 December	**56,732,125**	101,801,443

i. This amount pertains to taxes paid on behalf of the joint arrangement entities and Development Production Sharing Agreements with partners.

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18. Related party balances and transactions (continued)

(f) Key management personnel's remuneration

The remuneration of the directors of QP and other key management personnel in the Group entities is set out below:

	2019	2018 (Restated)
Board of directors remuneration	**41,193**	36,257
Key management personnel	**77,819**	76,887
	119,012	113,144

QP is owned by the State of Qatar ("Government") and accordingly all government related entities i.e. the entities which are under the control, joint control or significant influence of the Government are related parties of the Group. The Group has claimed the partial exemption available under IAS 24 for not disclosing related party balances and transactions with Government related entities. Management has determined that transactions and balances with Government related entities (other than those disclosed above) are not significant, either individually or collectively.

19. Loans and bonds

This account includes the following:

	Current		Non-current	
	2019	2018 (Restated)	2019	2018 (Restated)
Interest bearing loans	**825,212**	934,697	**3,862,016**	4,061,868
Bond	**-**	-	**2,901,900**	2,856,850
	825,212	934,697	**6,763,916**	6,918,718

Interest bearing loans

	2019	2018
Loan 1 (i)	**4,523,934**	4,676,869
Loan 2 (ii)	**180,267**	343,200
	4,704,201	5,020,069
Less: unamortized finance cost associated with raising finance	**(16,973)**	(23,504)
	4,687,228	4,996,565

i.) The Group has entered into various borrowing arrangements with different banks. All facilities bear interest rates varying between 3 months LIBOR plus 1.35% - 2.70% (2018: LIBOR plus 1.35% - 2.70%). Most of these loans are to be repaid in quarterly installments.

ii.) On 23 May 2012, the Group obtained a syndicated unsecured Murabaha facility of USD 170 million from a consortium of lenders. The effective profit rate is 6 months LIBOR plus 1.35% (2018: LIBOR plus 1.35%). The loan is repayable in 15 semi-annual installments starting from November 2012 and is unsecured. This loan was fully repaid in the current year. On 20 April 2014, the Group obtained another syndicated unsecured Murabaha facility of USD 80 million from a local Islamic Bank. The effective profit rate is 6 months LIBOR plus 1.45% (2018: LIBOR plus 1.45%). The loan is repayable in 15 semi-annual instalments with the first instalment from April 2015.

As at and for the year ended 31 December 2019 QR '000

19. Loans and bonds (continued)

Bond

On 17 August 2012, the Group issued a bond amounting to JPY 85 billion through a private placement. The bond bears interest at a fixed rate of 1.14% per annum payable semi-annually in arrears on February and August. The bond matures on 17 August 2022. The bond is direct, unconditional, unsecured and unsubordinated and rank equally with other outstanding unsecured and unsubordinated indebtedness of the Group.

The Group's exposure to JPY from the bond was swapped to USD at the time of the bond issuance by entering in cross currency swaps with various highly rated counterparties. As a result of the swaps, the Group pays a fixed rate of 3.3758% per annum payable semi-annually in arrears in February and August. The hedge relationship is treated as a cash flow hedge. The fair value change in the cross currency swap was recognised in the statement of profit and loss and other comprehensive income as hedge reserve. The value of foreign currency swap as at 31 December 2019 amounted to QR. 1,118 million (2018: QR: 1,035 million).

Movement of the bond during the year was as follow:

	2019	2018
At 1 January	**2,856,850**	2,799,900
Revaluation of bond value during the year	**45,050**	56,950
At 31 December	**2,901,900**	2,856,850

Movement of foreign currency swap was as follows:

	2019	2018
At 1 January	**1,034,881**	1,147,014
Revaluation of hedging instrument during the year	**82,726**	(112,133)
At 31 December (Note 20)	**1,117,607**	1,034,881

The movement in fair value of cash flow hedges was as follows:

	2019	2018
Fair value changes included in equity at 1 January	**12,370**	(42,813)
Fair value change in the hedging instrument	**(82,726)**	112,133
Adjustments for hedged item	**(45,050)**	(56,950)
Fair value changes included in equity at 31 December	**(115,406)**	12,370

Under the Group's foreign exchange management policy, the Group hedges foreign exchange risk on the bond by using cross currency swaps.

As at and for the year ended 31 December 2019 QR '000

20. Other non-current liabilities

	2019	2018 (Restated)
Foreign currency swap (Note 19)	**1,117,607**	1,034,881
Decommissioning liability (Note a)	**606,203**	561,070
Deferred tax liability (Note b and 29)	**152,934**	110,245
Contract liabilities	**5,742**	15,664
Others	**-**	3,255
	1,882,486	1,725,115

a. Decommissioning liability

Movement of the decommissioning liability during the year was as follows:

	2019	2018 (Restated)
As previously stated on 1 January	**561,070**	220,290
Adjustment due to first time apotion of IFRS	**-**	333,705
As at 1 January – restated	**561,070**	553,995
Charges during the year	**22,490**	59,707
Reversal made during the year	**-**	(27,253)
Effect of foreign currency exchange differences	**(5,934)**	(25,379)
Change in estimate during the year	**28,577**	-
As at 31 December	**606,203**	561,070

b. Deferred tax liability

Deferred tax liability mainly represents taxable temporary differences on account of difference in the method of depreciation of assets for tax and accounting purposes.

21. Lease liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows;

	2019	2018 (Restated)
Current liabilities	**618,530**	952,980
Non-current liabilities	**2,162,735**	1,851,888
	2,781,265	2,804,868

The movement in lease liabilities during the year was as follows:

	2019	2018 (Restated)
As at 1 January / recognised on adoption of IFRS (Note 2.1)	**2,804,868**	3,163,159
Liabilities recognized during the year (Note 6(b))	**643,116**	150,584
Finance charges on lease liabilities (Note 32)	**149,298**	132,667
Payments made	**(816,017)**	(641,542)
As at 31 December	**2,781,265**	2,804,868

As at and for the year ended 31 December 2019 QR '000

22. Employee benefits

	2019	2018 *(Restated)*
Qatari pension scheme	**1,878,712**	1,856,388
Employees' end of service benefits	**3,125,894**	2,879,276
	5,004,606	4,735,664

The Group has two defined benefit plans as follows:

Qatari pension scheme

The Group has an unfunded scheme i.e. "Qatari pension scheme", where the present value of the defined benefit obligation is backed by a liability.

The Employee's Pension Scheme covers all pensioners and their dependents who retired from the services of Qatar Petroleum before the implementation of Qatari Pension Law No. 24 of 2002.

For pensioners, the monthly pension amount is calculated in accordance with the pension rules applicable before the implementation of Qatari Pension Law No. 24 of 2002. The benefits were on the basis of final salary by considering the length of service.

The pension benefits in respect to the dependents of the deceased pensioner are paid in accordance to the Qatar Labor Law.

The most recent actuarial valuation of the defined benefit plans were carried out at 31 December 2019 by an independent consultant appointed by the management.

Employees' end of service benefits

Employees' end of services benefits represents terminal gratuities and are provided for services rendered in accordance with entitlements stipulated in the employees' contract and / or QP's policy. This plan is for all permanent employees including Qatari and non-Qatari employees. Under previous QP accounting policies, liability against employees' end of service benefits was not measured through actuary. However, after adoption of IFRS, the Group has measured the liability through an independent consultant using actuarial valuations as of date of transition to IFRS, 31 December 2018 and 31 December 2019.

The present value of the defined benefit obligation, and the related cost, were measured using the projected unit credit method.

The principal assumptions used for the purpose of the actuarial valuation were as follows:

	Employees' end of service benefits		**Qatari pension scheme**	
	2019	2018	**2019**	2018
Discount rate	**4.5 – 4.6 %**	4.5 – 4.6 %	**4.5%**	4.5%
Salary increase rate	**3.5 – 6.0 %**	3.5 – 6.0 %	**-**	-
Plan duration	**11.05**	11.04	**9.39**	9.00
Mortality in service	**Swiss EVK 2000**	Swiss EVK 2000	**Swiss EVK 2000 adjusted**	PMA 80 and PFA 80, rated up 3 years
Normal retirement age	**60 years**	60 years	**N/A**	N/A

As at and for the year ended 31 December 2019 QR '000

22. Employee benefits (continued)

Movements in the present value of the unfunded defined benefit obligation were as follows:

	Employees' end of service benefits		Qatari pension scheme	
	2019	2018 *(Restated)*	**2019**	2018
As previously stated on 1 January	**2,879,276**	1,561,328	**1,856,388**	1,730,942
Adjustment due to first time adoption of IFRS (Note 2.1)	-	1,313,971	-	-
Balance on 1 January – restated	**2,879,276**	2,875,299	**1,856,388**	1,730,942
Current service cost	**349,796**	308,855	-	-
Interest cost	**106,561**	87,870	**79,595**	89,743
Benefits paid	**(288,208)**	(264,941)	**(170,081)**	(201,186)
Reclassified to related parties balances	**(274)**	(12,351)	-	-
Actuarial loss / (gain) charged to other comprehensive income	**78,743**	(115,456)	**112,810**	236,889
As at 31 December	**3,125,894**	2,879,276	**1,878,712**	1,856,388

Charge to profit or loss on account of unfunded defined benefit obligation was as follows:

	Employees' end of service benefits		Qatari pension scheme	
	2019	2018 *(Restated)*	**2019**	2018
Current service cost	**349,796**	308,855	-	-
Interest cost	**106,561**	87,870	**79,595**	89,743
For the year	**456,357**	396,725	**79,595**	89,743

Charge to other comprehensive income on account of unfunded defined benefit obligation was as follows:

	Employees' end of service benefits		Qatari pension scheme	
	2019	2018 *(Restated)*	**2019**	2018
Actuarial (gain) / loss arising from				
Demographic assumptions	-	-	**(22,450)**	-
Financial assumptions	-	(197,708)	-	144,715
Experience adjustments	**78,743**	82,252	**135,260**	92,174
For the year	**78,743**	(115,456)	**112,810**	236,889

Significant actuarial assumptions for the determination of the defined obligation are the discount rate and average longevity at retirement age for pensioners. The sensitivity analysis below has been determined based on reasonable possible change of the respective assumptions occurring at the end of the reporting period, while keeping all other assumptions constant.

As at and for the year ended 31 December 2019 QR '000

22. Employee benefits (continued)

	Employees' end of service benefits		Qatari pension scheme	
	(Decrease) / increase in liability			
	2019	2018 *(Restated)*	**2019**	2018
Discount rate (+0.5%)	**(130,698)**	(119,174)	**(78,906)**	(70,543)
Discount rate (-0.5%)	**141,590**	129,105	**84,542**	83,538
Pension increase rate (+0.5%)	**-**	-	**88,300**	83,538
Salary increase rate (+0.5%)	**152,481**	139,036	**-**	-
Salary increase rate (-0.5%)	**(141,590)**	(129,105)	**-**	-

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years, as applicable.

23. Deferred income

	2019	2018
Deferred income	**774,887**	820,428
Classified as below:		
Current liabilities	**45,541**	45,541
Non-current liabilities	**729,346**	774,887
	774,887	820,428

a. In 2010, an offshore facilities license agreement was executed among Qatar Liquefied Gas Company Limited (2) (QG2), Qatar Liquefied Gas Company Limited (3) (QG 3), Qatar Liquefied Gas Company Limited (4) (QG 4), Qatar Liquefied Gas Company Limited, Qatargas Operating Company Limited and Qatar Petroleum with an effective date from December 19, 2007. Under this agreement QG2, QG3, QG OPCO and QG4, paid a one-time license fee of QR. 197 million to QP.

Throughout the life of the license, if the joint arrangement is required to refund any portion of the facility license fees in accordance with Article 2.3.3 of the agreement, the Group is obligated to refund such portion of the facility license fees to the joint arrangement to enable the joint arrangement to refund the licensees accordingly. The license fees have been treated as deferred income and are being amortised over the remaining tenure of the agreement i.e. 22 years. The amount of revenue recognized during the year under "other operating income" in profit or loss amounted to QR. 9 million (2018: QR. 9 million).

The carrying value of deferred income as at 31 December 2019 amounted to QR 117 million (2018: QR 126 million).

b. In 2014, a joint license agreement was executed among Ras Laffan Liquified Natural Gas Company Limited (RG), Ras Laffan Liquified Natural Gas Company Limited (II) (RG II), Ras Laffan Liquified Natural Gas Company Limited (3) (RG 3), Barzan Gas Company Limited, AKG Marketing Company Limited, QG 2, QG 3, QG 4, Laffan Refinery Company Limited, Qatar Shell GTL Limited, Dolphin Energy Limited, Oryx GTL Limited and Ras Laffan Olefins Company Limited with an effective date from January 1, 2013. Under this agreement, QP grants a non-exclusive license share of Common Facilities for loading and export of products.

The Group received a one-time license fee of QR 914 million. The license fees have been treated as deferred income and are being amortised over the remaining tenure of the agreement i.e. 25 years. Revenue recognised during the year under "other operating income" in profit or loss amounted to QR. 37 million (2018: QR. 37 million).

The carrying value as at 31 December 2019 amounted to QR 658 million (2018: QR 695 million).

As at and for the year ended 31 December 2019 QR '000

24. Accounts payable and accruals

	2019	2018 *(Restated)*
Trade creditors (Note a)	**5,662,833**	5,071,604
Accrued liabilities	**1,080,633**	1,355,274
Advance from customers	**125,052**	110,147
Financial guarantees (Note b)	**389,000**	389,000
Accrued interest on bonds	**49,773**	50,138
Due to related parties (Note 18(c))	**18,776,995**	21,268,814
Contract liabilities	**105,164**	92,844
Reinsurance premium payables	**389,699**	141,715
Taxes payable	**88,220**	112,600
Other payables	**1,660,746**	2,031,016
	28,328,115	30,623,152

a. Trade creditors include balances owed to suppliers relating to goods received and services incurred as of the reporting date wherein invoices were not yet received.

b. This represents the provisions on financial guarantees given to lenders of one of the Group's associates. As per the terms of the financial guarantee agreement, the maximum exposure of the Group is QR. 489 million upon which QR. 389 million is recognised as a liability.

25. Revenue

Revenue of the Group consists of the following:

	2019	2018 *(Restated)*
Revenue from contracts with customers (Note a)	**107,501,663**	118,074,326
Revenue from insurance contracts (Note b)	**829,945**	433,062
	108,331,608	118,507,388

a. Revenue from contracts with customers

	2019	2018 *(Restated)*
Crude oil	**22,443,816**	25,906,432
Condensate	**16,938,035**	20,718,888
Natural gas	**22,136,657**	22,371,644
Natural gas liquids	**14,997,151**	16,827,795
Refined products	**23,063,443**	23,638,843
Steel products	**5,095,823**	5,791,018
Petrochemicals	**517,890**	527,221
Services (Note i)	**1,186,276**	1,256,493
Others	**1,122,572**	1,035,992
	107,501,663	118,074,326

As at and for the year ended 31 December 2019 QR '000

25. Revenue (continued)

a. Revenue from contracts with customers (continued)

	2019	2018 (Restated)
Disaggregation of revenue – over time		
Gas	**22,136,657**	22,371,644
Condensate	**16,938,035**	20,718,888
Services	**848,362**	897,412
	39,923,054	43,987,944

	2019	2018 (Restated)
Disaggregation of revenue – at a point in time		
Crude oil	**22,443,816**	25,906,432
Refined products	**23,063,443**	23,638,843
Natural gas liquids	**14,997,151**	16,827795
Steel products	**5,095,823**	5,791,018
Petrochemicals	**517,890**	527,221
Services	**337,914**	359,081
Others	**1,122,572**	1,035,992
	67,578,609	74,086,382
	107,501,663	118,074,326

The analysis of sales between domestic and export customers is as follows:

	2019	2018 (Restated)
Domestic sales	**55,153,728**	60,125,693
Export sales (i)	**52,347,935**	57,948,633
	107,501,663	118,074,326

(i) This includes export sales made through Qatar Petroleum for the Sale of Petroleum Products Company Limited ("QPSPP") which has been setup exclusively for the marketing and selling of Regulated Products outside the State of Qatar.

b. Revenue from insurance contracts

	2019	2018
Gross insurance revenue	**829,945**	433,062

The details of the gross insurance revenue is as follows:

	2019	2018
Gross premium	**890,788**	402,170
Movement in unearned premium, gross	**(58,553)**	17,402
Net commission income	**(2,290)**	13,490
	829,945	433,062

As at and for the year ended 31 December 2019 QR '000

25. Revenue (continued)

b. Revenue from insurance contracts (continued)

The details of retained premiums and earned premium are as follows:

2019

	Gross	**Reinsurance**	**Net**
Written premiums	890,788	(486,680)	404,108
Change in unearned premiums	(58,553)	55,201	(3,352)
	832,235	(431,479)	400,756

2018

	Gross	Reinsurance	Net
Written premiums	402,170	(226,664)	175,506
Change in unearned premiums	17,402	27,958	45,360
	419,572	(198,706)	220,866

26. Other operating income

	2019	2018 *(Restated)*
Recoveries	**1,696,209**	1,822,910
Terminal charges	**402,196**	403,169
Rental income	**735,406**	826,785
Berthing fees	**406,332**	422,993
Government grant (i)	**267,340**	256,620
Wharf rental	**23,980**	32,625
Reversal of decommissioning costs (Note 20(a))	-	27,253
Net fair value gains from investment in fair value through profit or loss (Note 10(b))	-	26,378
Gain on sale of investments	-	13,075
Other income	**2,649,921**	2,755,914
	6,181,384	6,587,722

i. Government grant relates to the sale of refined products to Woqod at a subsidized price of which the loss has been covered by the Government (Note 18(e)). Income from grant is recognised on sale of refined products to Woqod as there are no other conditions attached to the grant.

As at and for the year ended 31 December 2019 QR '000

27. Operating, selling and administrative expenses

	2019	2018 (Restated)
Direct costs	31,879,100	34,380,702
Taxes paid on behalf (Note a)	9,599,666	14,195,344
Salaries and related costs (Note d)	7,326,684	6,800,217
Royalties (Note b)	6,762,940	7,586,528
Net impairments losses (Note c)	2,112,499	43,453
Provision for inventory obsolescence (Note 15)	66,703	26,987
Write off of project preliminary costs and pre-incorporation expenses (Note 14)	35,734	188,779
Foreign exchange loss	40,880	207,768
Fair value loss in FVTPL investments (Note 10(b))	12,849	-
Write-off of property, plant and equipment (Note 6(a) iv)	8,544	36,540
Other expenses	765,961	1,008,261
	58,611,560	64,474,579

(a) Included in the taxes paid on behalf for the year is an amount of QR 4,343 million (2018: QAR 7,481 million) pertaining to tax on the income of certain joint venture companies, and tax charges on the income of operators who are parties to certain Production Sharing Agreements amounting to QR 5,257 million (2018: QAR 6,714 million). This tax obligation has been assumed by QP on behalf of the joint venture companies and the operators in relation to Production Sharing Agreements.

(b) Royalties due to the Ministry of Finance amounting to QR 6,666 million (2018: 7,476 million) are derived from oil and gas export sales, primarily on an ad-valorem basis depending upon the earnings type and resources. Royalties are applied at a rate of 20% on crude oil and refined product exports, and at a rate of 12.5% on gas product exports, including condensates. This also includes QR 97 million (2018: QR 111 million) on account royalty on crude oil equal to 10% of the oil sales of Al Khalij Block 6 Field.

(c) Details of the recognition / (reversal) of impairment losses are as follows:

	2019	2018 (Restated)
Impairment loss on investment in joint ventures (Note 9(b))	2,202,167	221
(Reversal) / impairment loss on investment in associates (Note 8(ii))	(100,000)	49,535
Impairment loss on other property, plant and equipment (Note 6(a)) – net of reversal	(297)	(260,748)
Impairment loss on intangible assets (Note 7)	-	156,062
Others	10,629	98,383
	2,112,499	43,453

(d) This includes defined benefit obligation expense amounting to QR 536 million (2018: QR 486 million) (Note 22).

28. Depreciation and amortization

	2019	2018 (Restated)
Depreciation of property, plant and equipment (Note 6(a))	8,333,573	8,074,824
Depreciation of right-of-use assets (Note 6(b))	666,755	595,743
Depreciation of investment property (Note 6(c))	34,079	32,345
Amortization of intangible assets (Note 7)	354,710	392,932
Amortization of catalysts	1,337	18,938
	9,390,454	9,114,782

As at and for the year ended 31 December 2019 QR '000

29. Taxes

Provision for taxation for the year is as follows:

	2019	2018 *(Restated)*
Taxes on income from export sales of QP (Note 18(e))	**14,585,308**	15,752,405
Current income tax	**73,897**	112,600
Deferred tax (Note i)	**(419,549)**	25,136
	14,239,656	15,890,141

Taxes are calculated at a rate of 85% of the taxable income for crude oil and refined products and at the higher of royalty payments or 50% of the taxable income for gas and condensate products. The total of royalty and taxation for gas and condensate products should not exceed 50% of the taxable income. Taxable income is determined on the value of all export sales less the costs of operations, depreciation and amortization, and royalties. For the year ended 31 December 2019, taxes amounting QAR. 14,585 million (2018: QAR: 15,752 million) were recognized in profit of loss.

Details of the taxes are as follows:

	2019	2018
Export sales subject to tax – net	**39,017,310**	44,315,290
Less:		
Royalties	**6,666,101**	7,476,254
Cost of operation and depreciation	**8,474,878**	10,047,686
Taxable income	**23,876,331**	26,791,350
Tax rate	**50% – 85%**	50% – 85%
Taxes	**14,585,308**	15,752,405

i. The deferred tax has arisen mainly due to the temporary differences and tax losses available to be carried forward.

Movement in the balance of deferred tax during the year was as follows:

	2019	2018 *(Restated)*
As previously stated on 1 January	**(110,245)**	(132,219)
Adjustment due to first time adoption of IFRS	**-**	47,110
As at 1 January – restated	**(110,245)**	(85,109)
Recognised during the year	**419,549**	(25,136)
As at 31 December	**309,304**	(110,245)

Presented in consolidated statement of financial position as follows:

	2019	2018 *(Restated)*
Deferred tax asset (Note 11)	**462,238**	-
Deferred tax liability (Note 20)	**(152,934)**	(110,245)
	309,304	(110,245)

30. Capital

	2019	2018
Authorised and fully paid capital	**100,000,000**	100,000,000

As at and for the year ended 31 December 2019 QR '000

31. General reserve

As per Emiri Decree No. 10 of 1974, 50% of the net profit for each year is to be transferred to a general reserve until such time the reserve equals the paid up capital. No such transfer was made during the current and previous year as the general reserve reached the paid up capital in line with the requirements of the said decree in an earlier year.

32. Finance charges

	2019	2018 (Restated)
Interest on loans, bonds and foreign currency swaps	364,445	405,363
Interest on lease liabilities (Note 21)	149,298	132,667
Others	20,082	15,706
	533,825	553,736

33. Other reserves

This account includes the following:

	2019	2018 (Restated)
Hedging reserve (i)	(821,048)	(502,100)
Employee benefit reserve (ii)	(583,648)	(439,177)
Foreign currency translation reserve (iii)	(1,581,753)	(1,659,573)
Fair value reserve (iv)	2,113,290	2,419,345
Legal and other reserves from subsidiaries	603,878	558,098
	(269,281)	376,593

(i) Hedging reserve

	2019	2018
At 1 January	(502,100)	(741,221)
Share of movement in hedging reserve during the year:		
From the Parent and subsidiaries	(127,776)	55,183
From Joint ventures	(168,026)	69,030
From associates	(14,504)	121,024
	(310,306)	245,237
Less: share attributable to non-controlling interests	2,664	(6,116)
Other movements during the year	(11,306)	-
At 31 December	(821,048)	(502,100)

(ii) Employee benefit reserve

	2019	2018 (Restated)
At 1 January	(439,177)	(325,857)
Share of movement in employee benefits reserve during the year:		
From the Parent	(191,553)	(121,433)
From Joint ventures	(9,630)	15,906
	(201,183)	(105,527)
Less: share attributable to non-controlling interests	4,826	(7,793)
Other movements during the year	51,886	-
At 31 December	(583,648)	(439,177)

As at and for the year ended 31 December 2019 QR '000

33. Other reserves (continued)

(iii) Foreign currency translation reserve

	2019	2018
At 1 January	**(1,659,573)**	(1,277,301)
Share of movement in Foreign currency translation reserve during the year:		
From the Parent and subsidiaries	**(34,722)**	(36,798)
From Joint ventures	**97,108**	(355,857)
From associates	**(2,679)**	-
	59,707	(392,655)
Less: share attributable to non-controlling interests	**70**	10,383
Other movements during the year	**18,043**	-
At 31 December	**(1,581,753)**	(1,659,573)

(iv) Fair value reserve

	2019	2018 *(Restated)*
At 1 January	**2,419,345**	2,136,191
Share of movement in Fair value reserve during the year:		
From the Parent and subsidiaries	**(224,782)**	348,474
From associates	**(17,537)**	10,175
	(242,319)	358,649
Less: share attributable to non-controlling interests	**(65,431)**	(107,268)
Other movements during the year	**1,695**	31,773
At 31 December	**2,113,290**	2,419,345

34. Social fund contribution

In accordance with Law No. 13 of 2008, QP made an appropriation of profit of QR 123 million (2018: QR 189 million which is equivalent to 2.5% of the adjusted net profit of listed subsidiaries for the year for the support of sports, cultural, social and charitable institutions.

35. Provision for expected credit losses (ECL) on financial assets

	2019	2018
Provision for ECL on loans to related parties (Note 18(a))	**1,587,419**	450,000
Provision for / (reversal of) ECL on due from related parties (Note 18(b))	**23,042**	(198,311)
Reversal of ECL on trade receivables (Note 16(a))	**(199,991)**	(196,490)
Provision for ECL on loans to employees (Note 16(b))	**347**	163
Provision for / (reversal of) ECL on other financial assets	**2,831**	(7,000)
	1,413,648	48,362

36. Contingent liabilities and commitments

a. Capital commitments

	2019	2018 *(Restated)*
Capital commitments of the Group	**15,379,963**	3,956,078
Group's share of joint venture's capital commitments	**27,871,712**	14,265,563
Group's share of associates's capital commitments	**186,153**	157,248
	43,437,828	18,378,889

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36. Contingent liabilities and commitments (continued)

b. Contingent liabilities

	2019	2018 (Restated)
Claims against the Parent (i)	**421,000**	107,000
Contingent liabilities of the subsidiary companies	**1,341,655**	791,812
Group's share of joint venture's contingent liabilities	**9,541,082**	13,540,888
Group's share of associates's contingent liabilities	**493,106**	231,328
	11,796,843	14,671,028

(i) Claims against the Parent

As of 31 December 2019, claims against the Parent amounted to QR 421 million (2018: QR 107 million). These claims pertain mainly to court cases related to contractual and employment disputes. While settlement of these claims cannot be predicted with certainty, management does not expect these claims to have a material effect on the Group's financial position.

(ii) Guarantees provided by the Group

- In December 2011, Barzan Gas Company Limited signed a USD 7.25 billion facility agreement for the financing and construction of offshore and onshore gas trains and distribution facilities. The facilities were fully drawn in 2016. QP has provided a guarantee to the Lenders in proportion of its shareholding amounting to approximately USD 6.7 billion (QR. 24 billion) which will be released following successful completion to be achieved prior to year-end 2022. QP has also given an undertaking to provide shareholder loans if (i) there is a shortfall in gas sold (ii) as a result of which Barzan has insufficient operating revenues (iii) to an amount equal to its Relevant Percentage as calculated in the QP Offtake Support Commitment Agreement.

- In 2013, QP transferred a portion of its shares in the Qatar Chemical Company Limited (Q-Chem) and in the Qatar Chemical Company Limited II (Q-Chem II) to MPHC. QP has provided a guarantee to the other shareholders in these joint ventures with respect to the due and timely performance of all obligations of MPHC as a shareholder arising from the respective Joint Venture Agreements.

- Under the IPO Prospectus for MPHC dated December 31, 2013, QP has agreed to release incentive shares it holds in MPHC to current private investors provided that certain conditions are met as set out in the Prospectus. During the year, 5,537,400 shares (2018: 1,095,117,000 shares) were transferred accordingly.

- Ras Laffan Liquefied Natural Gas Company Limited (II), a joint venture of the Group, has guaranteed, subject to the terms of the Common Security Agreement, as primary obligator and not as a surety, the full and prompt payment when due, of the obligations of Ras Laffan Liquefied Natural Gas Company Limited (3) ("RL 3") to pay principal, interest and other amounts when due in respect of all senior debt obligations of RL 3. As at 31 December 2019, the loans outstanding in the books of RL 3 amounted to QR 9,009 million (2018: QR 12,525 million).

36. Contingent liabilities and commitments (continued)

b. Contingent liabilities (continued)

(ii) Guarantees provided by the Group (continued)

- The Group's joint ventures entered into executed Joint Facility Agreements for the Common Condensate Storage and Loading Facilities, Common Sulphur Project and Jetty Boil-Off Gas Project. Under these agreements, QP, as one of the owners of the joint ventures, is required, within fifteen years of the effective date of the agreement, to formulate a plan to decommission and restore the respective sites of the Joint Facilities based on the useful lives of the individual components as determined by the Facilities' Management Committees, in accordance with the Environmental Laws of the State of Qatar and Internationally Accepted Petroleum Industry Practices. The Facilities' Management Committees are required to review, modify and approve the Abandonment and Decommissioning Plan prepared by the Operator of the facilities and to determine and agree the basis for funding of the Abandonment and Decommissioning Plan.

  Management has re-assessed its previous conclusion with regard to joint ventures' obligation under aforementioned agreements based on recent discussions amongst shareholders and a further review of the terms of the agreement through the legal team and has determined that the joint ventures' obligation in this regard is contingent upon occurrence or non-occurrence of a future event which is not wholly within the control of the joint ventures. The determination of a liability will only be possible once commercial discussions with all parties have concluded and there is agreement on a funding proposal. This position will be re-assessed once such discussions have concluded and a funding plan is ready to be submitted to the Government for approval. Hence, pending future negotiations and in the absence of an approved decommissioning program and funding arrangement, management has concluded that it is a possible obligation under IAS 37 Provisions, Contingent Liabilities and Contingent Assets, and hence no provision has been set up for decommissioning liabilities as of 31 December, 2019 in these consolidated financial statements.

c. Purchase and supply commitments

(i) To purchase from the State of Qatar and AKG Marketing Company Limited (formerly know as Exxon Mobil Middle East Gas Marketing Limited), under a gas supply agreement dated 4 June 2006, certain quantities of gas per day over a period of 25 years.

(ii) To supply natural gas to Dolphin Energy Limited, for export to the UAE, on behalf of the State of Qatar, together with Dolphin Investment Company, Total E&P Dolphin Upstream Limited, and Oxy Dolphin E&P LLC, per year over a period of 25 years from 21 July 2007. Qatar Petroleum commitment is the share of the State of Qatar under the DPSA for Dolphin project.

(iii) To supply Dolphin Energy Limited, for export to the UAE, certain quantities of gas over a period of 10 years starting on 1 January 2016.

(iv) The Group's joint ventures, Barzan, Gas Company Limited, Ras Laffan Liquefied Natural Gas Company Limited, Ras Laffan Liquefied Natural Gas Company Limited (II), Ras Laffan Liquefied Natural Gas Company Limited (3), Laffan Refinery Company Limited, Laffan Refinery Company Limited (2), Qatar Liquefied Gas Liquefied Company Limited (2), Qatar Liquefied Gas Liquefied Company Limited (3) and Qatar Liquefied Gas Liquefied Company Limited (4), will undertake activities with respect to decommissioning the facilities in accordance with the respective joint venture agreements and development and fiscal agreements.

36. Contingent liabilities and commitments (continued)

c. Purchase and supply commitments (continued)

(v) To purchase from the State of Qatar and Qatar Shell GTL Limited under an ethane sale and purchase agreement dated 22 November 2018, certain quantities of ethane per day

(vi) To purchase from Qatar Liquefied Gas Company Limited (2) ("QG II") under a gas sale and purchase agreement for domestic gas sales on account of LNG dated 1 July 2018, where the Group shall have the right to request gas from QG II to meet QP's gas delivery commitments to its domestic customers. Term agreement is over a period of 4 years.

(vii) To purchase from Dolphin Energy Ltd under an Ethane Sale and Purchase Agreement dated 11 March 2009 certain quantities of ethane per day.

37. Financial instruments

Financial instruments represent any contractual agreement that creates a financial asset, financial liability or an equity instrument. Financial assets comprise bank balances, trade and other receivables, Amounts due from Ministry of Finance, due from related parties, loans to related parties, financial assets at fair value though profit or loss (FVTPL), financial assets at fair value though other comprehensive income (FVOCI). Financial liabilities comprise interest bearing loans and bonds, trade payables and other non-current liabilities.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments carried at fair value by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

Classes and categories of financial instruments and their fair values

The following table combines information about fair value hierarchy levels of financial assets and financial liabilities which are measured at fair value.

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37. Financial instruments (continued)

Classes and categories of financial instruments and their fair values (continued)

31 December 2019	**Valuation technique(s) and key input(s)**	**Carrying value**				**Fair value**			
		Financial assets		**Financial liabilities**		**Level**			
		FVTPL	**FVOCI**	**Fair value - hedging instruments**	**Total**	**1**	**2**	**3**	**Total**
Investments in equity instruments – quoted	Quoted price in an active market	430,655	4,333,620	-	**4,764,275**	4,764,275	-	-	**4,764,275**
Investments in equity instruments – unquoted	Based on unobservable inputs	-	1,502	-	**1,502**	-	-	1,502	**1,502**
Investments in debt instruments – quoted	Quoted price in an active market	245,953	302,434	-	**548,387**	548,387	-		**548,387**
Investment in management funds – quoted	Quoted price in an active market	-	59,597	-	**59,597**	59,597	-	-	**59,597**
Foreign currency swap	Based on observable market	-	-	(1,117,607)	**(1,117,607)**	-	(1,117,607)	-	**(1,117,607)**

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37. Financial instruments (continued)

Classes and categories of financial instruments and their fair values (continued)

31 December 2018	Valuation technique(s) and key input(s)	Carrying value				Fair value			
		Financial assets		Financial liabilities		Level			
		FVTPL	FVOCI	Fair value - hedging instruments	Total	1	2	3	Total
Investments in equity instruments - quoted	Quoted price in an active market	471,681	4,556,507	-	5,028,188	5,028,188	-	-	5,028,188
Investments in equity instruments - unquoted	Based on unobservable inputs	-	1,502	-	1,502	-	-	1,502	1,502
Investments in debt instruments – quoted	Quoted price in an active market	208,171	220,740	-	428,911	428,911	-	-	428,911
Investments in management funds	Quoted price in an active market	-	62,543	-	62,543	62,543	-	-	62,543
Foreign currency swap	Based on observable market	-	-	(1,034,881)	(1,034,881)	-	(1,034,881)		(1,034,881)

The fair value of the remaining financial assets and liabilities, including bank balances, investment in unquoted debt instruments, trade and other receivables, due to and from related parties, loans to related parties and bonds approximate to the carrying value as per the book of accounts as most of these items are either short-term in nature or repriced frequently.

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements in 2019 and 2018.

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37. Financial instruments (continued)

Reconciliation of liabilities arising from financing activities

The below table details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

	At 1 January 2019	Financing cash flows	Non-cash changes	At 31 December 2019
Interest bearing loans	**4,996,565**	**(315,867)**	**6,530**	**4,687,228**
Bonds	**2,856,850**	**-**	**45,050**	**2,901,900**
Derivative liabilities	**1,034,881**	**-**	**82,726**	**1,117,607**
Lease liabilities	**2,804,868**	**(816,017)**	**792,414**	**2,781,265**

	At 1 January 2018 *(Restated)*	Financing cash flows *(Restated)*	Non-cash changes *(Restated)*	At 31 December 2018 *(Restated)*
Interest bearing loans	5,371,221	(381,863)	7,207	4,996,565
Bonds	2,799,900	-	56,950	2,856,850
Derivative liabilities	1,147,014	-	(112,133)	1,034,881
Lease liabilities	3,163,159	(641,542)	283,251	2,804,868

38. Financial risk and capital management

Financial risk management objectives

Treasury function of each entity in the Group provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk, liquidity risk and insurance risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by QP's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. QP does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. There have been no changes in the objectives, policies and processes for managing and measuring risk from the previous year.

Market risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group's activities expose it primarily to the financial risks of changes in commodity prices, foreign currency exchange rates and interest rates.

Commodity price risk

Volatility in prices of oil and gas and refined products is a pervasive element of the Group's business environment as the Group's production and purchase of certain products and sales of refined products and crude oil are based on international commodity prices in accordance with a commercial supply agreement entered into with sales agents. The Group's refining margin is affected by disproportionate fluctuations in the prices of crude oil and refined products.

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38. Financial risk and capital management (continued)

Market risk (continued)

Commodity price risk (continued)

The Group is also exposed significantly to commodity price risk, which arises from the purchase and consumption of large volumes of raw materials in its normal course of business. Raw material prices are linked to an index, which is volatile and influenced by worldwide factors such as political events, supply and demand fundamentals.

The Group does not use any derivative instruments to manage commodity price risks or for speculative purposes. The Group' sensitivity to commodity prices has not changed significantly from the prior year.

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Management is of the opinion that the Group's exposure to currency risk is not significant as most of its foreign currency transactions are in United States Dollar which is pegged to Qatari Riyal and its currency exposure on the bond issued in Japanese Yen is hedged through currency swap with United States Dollar. The details of the currency swap on the bonds issues are given in Note 19. Other material foreign currency financial instruments are given below:

	2019	2018
Financial assets: Cash bank balances in foreign currency		
Cash in banks:		
EURO	**85,847**	771,458
GBP	**96,070**	82,020
JPY	**12**	57
BRL	**91**	90
CAD	**1,744**	909,377
MXN	**10**	117
	183,774	1,763,119

Foreign currency sensitivity analysis
A 10% strengthening / weakening of the Qatari Riyal against the above currencies as at reporting date woud have increased / (decreased) profit or loss by an amount of QR. 18 million (2018: QR. 176 million). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2018.

Cash flow hedge

Hedging instruments

	Notional amount		**Carrying amount of the hedging instrument**		**Change in fair value used for calculating hedge ineffectiveness**	
	2019	2018	**2019**	2018	**2019**	2018
1 to 5 years	**3,904,101**	3,904,101	**2,901,900**	2,856,850	**1,002,201**	1,047,251

Hedged items

	2019	2018
Nominal amount of the hedged item	**3,904,101**	3,904,101
Change in value used for calculating hedge ineffectiveness	**1,002,201**	1,047,251
Balance in cash flow hedge reserve for continuing hedges	**(115,406)**	12,370

38. Financial risk and capital management (continued)

Market risk (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the the Group's financial assets and liabilities with floating interest rates. These financial assets and liabilities with floating interest rates includes cash and bank balances, loans and advances to related parties and interest bearing loans which are mostly on floating rate basis.

Interest rate sensitivity analysis
For floating rate assets, the analysis is prepared assuming the amount of the assets held outstanding at the end of the reporting period was outstanding for the whole year. As at reporting date, if interest rates had been 100 basis point higher/lower with all other variables held constant, income for the year would have been QR 10.5 million (2018: QR 44 million) higher/lower, mainly as a result of higher/lower interest income on floating rate assets and liabilities.

Equity price risk

The Group's listed investments are susceptible to equity price risk arising from uncertainties about future values of the investments. The Group manages the equity price risk through diversification and placing limits on individual and total portfolio of equity instruments. Reports on the equity portfolio are submitted to QP's senior management on a regular basis and results are reviewed by the Board of Directors of each Group entity.

As at the reporting date, the exposure to listed equity and debt securities at fair value was QR 4,764 million (2018: QR 5,028 million) and QR. 548 million (2018: QR 429 million) which includes both financial assets at FVOCI and financial assets at FVTPL. An increase or decrease of 10% on the Qatar Exchange (QE) index would have an impact of approximately QR 531 million (2018: QR 546 million) on the equity.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the creditworthiness of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The Group holds performance bonds and bank guarantees to mitigate its credit risk association with its financial assets. Further, the Group limits its exposure on export customers by taking out letters of credit.

In order to minimise credit risk, QP has tasked its Credit Management Committee to develop and maintain the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the Credit Management Committee uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

As at and for the year ended 31 December 2019 QR '000

38. Financial risk and capital management (continued)

Credit risk (continued)

31 December 2019	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Trade receivables	Lifetime ECL	9,066,414	(211,761)	8,854,653
Lease receivable	Lifetime ECL	1,023,252	-	1,023,252
Due from related parties	Lifetime ECL	4,873,963	(87,884)	4,786,079
Loans and advances to related parties	Lifetime ECL	4,213,677	(2,037,419)	2,176,258
Loans to employees	12-month ECL	450,304	(43,000)	407,304
Investments in financial assets	Lifetime ECL	1,467,747	(1)	1,467,746
Amounts due from Ministry of Finance	Lifetime ECL	56,732,125	-	56,732,125
Cash and bank balances	12-month ECL	59,171,370	(2,350)	59,169,020
Reinsurance contract assets	Lifetime ECL	929,964	-	929,964
Insurance receivable	Lifetime ECL	444,275	-	444,275
Other receivables	Lifetime ECL	757,162	-	757,162
Contract assets	Lifetime ECL	57,173	-	57,173
Other non-current receivables	Lifetime ECL	72,985	-	72,985
		139,260,411	(2,382,415)	136,877,996

31 December 2018 *(Restated)*	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Trade receivables	Lifetime ECL	8,883,701	(411,752)	8,471,949
Lease receivable	Lifetime ECL	1,006,966	-	1,006,966
Due from related parties	Lifetime ECL	6,435,097	(64,842)	6,370,255
Loans and advances to related parties	Lifetime ECL	4,885,718	(450,000)	4,435,718
Loans to employees	12-month ECL	430,209	(42,653)	387,556
Investments in financial assets	Lifetime ECL	1,575,585	(1)	1,575,584
Amounts due from Ministry of Finance	Lifetime ECL	101,801,443	-	101,801,443
Cash and bank balances	12-month ECL	39,087,761	(2,170)	39,085,591
Reinsurance contract assets	Lifetime ECL	592,566	-	592,566
Insurance receivable	Lifetime ECL	174,754	-	174,754
Other receivables	Lifetime ECL	747,049	-	747,049
Contract assets	Lifetime ECL	59,753	-	59,753
Other non-current receivables	Lifetime ECL	87,888	-	87,888
		165,768,490	(971,418)	164,797,072

For trade receivables, lease receivables and contract assets, the Group has applied the simplified approach to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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38. Financial risk and capital management (continued)

Liquidity risk (continued)

Analysis of financial assets and liabilities

The table below summarises the maturity profile of the Group's financial assets and liabilities as at the reporting date based on undiscounted contractual repayment obligations:

As at 31 December 2019

Financial assets	Carrying amount	Contractual cash in flows			
		Total	Less than 1 year	1 to 5 years	More than 5 years
Loans and advances to related parties	2,176,258	2,176,258	589,120	1,532,660	54,478
Due from related parties	4,786,079	4,786,079	4,786,079	-	-
Amounts due from Ministry of Finance	56,732,125	56,732,125	56,732,125	-	-
Trade and other receivables *	9,261,957	9,261,957	9,261,957	-	-
Insurance receivable and other outstanding claims	929,964	929,964	929,964	-	-
Financial assets at amortised cost	1,467,746	1,467,746	-	1,467,746	-
Other non-current receivables	72,985	72,985	-	72,985	-
Bank balances	59,169,020	59,169,020	59,169,020	-	-
	134,596,134	134,596,134	131,468,265	3,073,391	54,478

**Includes trade receivables and loans to employees.*

Financial liabilities	Carrying amount	Contractual cash out flows			
		Total	Less than 1 year	1 to 5 years	More than 5 years
Bond	2,901,900	3,296,551	131,062	3,165,489	-
Interest-bearing loans	4,687,228	4,728,040	835,800	3,892,240	-
Interest rate swap	1,117,607	1,117,607	-	1,117,607	-
Accounts payable	5,662,833	5,662,833	5,662,833	-	-
Due to related parties	18,776,995	18,776,995	18,776,995	-	-
Lease liabilities	2,781,265	3,473,301	997,538	1,825,630	650,133
	35,927,828	37,055,327	26,404,228	10,000,966	650,133

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38. Financial risk and capital management (continued)

Liquidity risk (continued)

Analysis of financial assets and liabilities (continued)

As at 31 December 2018 – restated

		Contractual cash in flows			
Financial assets	**Carrying amount**	**Total**	**Less than 1 year**	**1 to 5 years**	**More than 5 years**
Loans and advances to related parties	4,435,718	4,435,718	7,419	2,754,419	1,673,880
Due from related parties	6,370,255	6,370,255	6,370,255	-	-
Amounts due from Ministry of Finance	101,801,443	101,801,443	101,801,443	-	-
Trade and other receivables *	8,859,505	8,859,505	8,859,505	-	-
Insurance receivable and other outstanding claims	592,566	592,566	592,566	-	-
Financial assets at amortised cost	1,475,584	1,475,584	-	1,475,584	-
Other non-current receivables	87,888	87,888	-	87,888	-
Bank balances	39,085,591	39,085,591	39,085,591	-	-
	162,708,550	162,708,550	156,716,779	4,317,891	1,673,880

		Contractual cash out flows			
Financial liabilities	Carrying amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Bond	2,856,850	3,384,029	132,527	3,251,502	-
Interest-bearing loans	4,996,565	5,821,680	1,159,229	4,662,451	-
Interest rate swap	1,034,881	1,034,881	-	1,034,881	-
Accounts payable	5,071,604	5,071,604	5,071,604	-	-
Due to related parties	21,268,814	21,268,814	21,268,814	-	-
Lease liabilities	2,804,868	3,382,899	828,623	,1,960,135	,594,141
	38,033,582	39,963,907	28,460,797	10,908,969	594,141

* includes trade receivables and loans to employees

Insurance risk

The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

38. Financial risk and capital management (continued)

Insurance risk (continued)

Frequency and amounts of claims

The frequency and amounts of claims can be affected by several factors. The Group underwrites mainly energy, fire and general accident, marine and medical risks. These are regarded as short term insurance contracts as claims are normally advised and settled within one year of the insured event taking place. This helps to mitigate insurance risk.

Fire and general accident - Property

Property insurance is designed to compensate contract holders for damage suffered to properties or for the value of property lost. Contract holders could also receive compensation for the loss of earnings caused by the inability to use the insured properties.

For property insurance contracts, the main risks are fire and business interruption.

These contracts are underwritten by reference to the replacement value of the properties and contents insured. The cost of rebuilding properties and obtaining replacement contents and the time taken to restart operations which leads to business interruptions are the main factors that influence the level of claims.

Marine

Marine insurance is designed to compensate contract holders for damage and liability arising through loss or damage to marine craft and accidents at sea resulting in total or partial loss of cargoes. For marine insurance the main risks are loss or damage to marine craft and accidents resulting in the total or partial loss of cargoes.

The underwriting strategy for the marine class of business is to ensure that policies are well diversified in terms of vessels and shipping routes covered.

Health

Health insurances are insurances against the risk of incurring medical expenses among individuals or the employees of corporate bodies. The strategy for the health class of business is to ensure that policies are written within the Group and by proper cession.

Reinsurance risk

In common with other insurance companies, in order to minimise financial exposure arising from large claims, the Group, through one of its subsidiaries, in the normal course of business, enters into agreements with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is effected under treaty, facultative and excess-of-loss reinsurance contracts.

To minimise its exposure to significant losses from reinsurance insolvencies, the Group, through one of its subsidiaries, evaluate the financial condition of its reinsurance companies and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurance companies.

Reinsurance ceded contracts do not relieve the Group from its obligations to policyholders and as a result the Group remains liable for the portion of outstanding claims reinsured to the extent that the reinsurer fails to meet the obligations under the reinsurance agreements.

Concentration of risks

The Group's insurance risk relates to policies written in the State of Qatar only.

As at and for the year ended 31 December 2019 QR '000

38. Financial risk and capital management (continued)

Insurance risk (continued)

Sources of uncertainty in the estimation of future claim payments

Claims on general insurance contracts are payable on a claims-occurrence basis. The Group, through one of its subsidiaries, is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, a larger element of the claims provision relates to incurred but not reported claims (IBNR) which are settled over a short to medium term period.

There are several variables that affect the amount and timing of cash flows from these contracts, these mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures adopted. The compensation paid on these contracts is the monetary awards granted for the loss suffered by the policy holders or third parties (for third party liability covers).

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation values and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

The liability for these contracts comprise a provision for IBNR, a provision for reported claims not yet paid and a provision for unexpired risks as at the reporting date. In calculating the estimated cost of unpaid claims (both reported and not), the Group's estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between the ultimate cost of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and an estimate based upon actual claims experience using predetermined formula where greater weight is given to actual claims experience as time passes.

Claims development

The Group maintains strong reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved with one year.

Capital management

QP manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. QP's overall strategy remained unchanged from last year.

The capital structure of the Group consists of net debt comprising loans, bonds and lease liabilities which is offset by Cash and bank balances whilst the equity of QP comprises contributed capital, other reserves, retained earnings and non-controlling interest. The Group's management reviews the capital structure of the Group on an annual basis.

	2019	2018 *(Restated)*
Debt	**10,370,393**	10,658,283
Less: Cash and bank balances (Note 17)	**(59,169,020)**	(39,085,591)
	(48,798,627)	(28,427,308)
Total equity	**408,651,988**	413,591,635

The Group does not have a net debt situation as at 31 December 2019 and 31 December 2018.

As at and for the year ended 31 December 2019 QR '000

39. Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra group eliminations.

31 December 2019	Industries Qatar Q.P.S.C.	Gulf International Services Q.P.S.C.	Mesaieed Petrochemical Holding Company Q.P.S.C.	Qatar Aluminium Manufacturing Company Q.P.S.C.	Qatar Fuel Company Q.P.S.C.	Intra-group eliminations	Total
NCI percentage	**49.00%**	**90.00%**	**34.54%**	**49.00%**	**80.00%**		
Non-current assets	21,678,982	7,094,274	13,367,562	5,646,962	7,246,420		
Current assets	14,191,335	3,672,592	2,141,338	105,133	5,406,792		
Non-current liabilities	(368,462)	(4,046,092)	-	-	(297,689)		
Current liabilities	(1,272,029)	(3,139,851)	(254,934)	(33,542)	(3,653,411)		
Net assets	**34,229,826**	**3,580,923**	**15,253,966**	**5,718,553**	**8,702,112**		
Net assets attributable NCI	**16,772,615**	**3,222,831**	**5,268,720**	**2,802,091**	**6,961,690**	**(2,825,506)**	**32,202,441**
Revenue	5,095,823	3,010,812	-	-	22,446,258		
Profit	2,574,613	43,588	1,191,508	80,023	1,258,354		
OCI	(14,530)	6,364	-	10,372	68,288		
Total comprehensive income	**2,560,083**	**49,952**	**1,191,508**	**90,395**	**1,326,642**		
Profit allocated to NCI	1,261,560	39,229	411,547	39,211	1,006,683	12,245	2,770,475
OCI allocated to NCI	(7,120)	5,728	-	5,082	54,630	(447)	57,873
Cash flow from operating activities	110,756	811,317	33,197	(2,477)	752,991		
Cash flow from investing activities	3,518,342	(358,845)	1,550,583	(2,639,070)	(406,814)		
Cash flow from financing activities (dividends to NCI: QR 132 million)	(3,674,496)	(556,092)	(1,005,054)	2,646,952	(897,402)		
Net increase /(decrease) in cash and cash equivalents	(45,398)	(103,620)	578,726	5,405	(551,225)		

As at and for the year ended 31 December 2019 QR '000

39. Non-controlling interests (continued)

31 December 2018 (Restated)	Industries Qatar Q.P.S.C.	Gulf International Services Q.P.S.C.	Mesaieed Petrochemical Holding Company Q.P.S.C.	Qatar Aluminium Manufacturing Company Q.P.S.C.	Qatar Fuel Company Q.P.S.C.	Intra-group eliminations	Total
NCI percentage	49.00%	90.00%	34.50%	49.00%	80.00%		
Non-current assets	22,730,708	7,260,430	13,161,558	4,749,847	6,641,256		
Current assets	14,338,980	3,082,474	2,112,985	-	7,133,523		
Non-current liabilities	(205,024)	(4,199,347)	-	-	(349,761)		
Current liabilities	(1,374,201)	(2,611,496)	(209,876)	-	(5,146,395)		
Net assets	**35,490,463**	**3,532,061**	**15,064,667**	**4,749,847**	**8,278,623**		
Net assets attributable NCI	**17,390,327**	**3,178,855**	**5,197,310**	**2,327,425**	**6,622,898**	**(2,393,264)**	**32,323,551**
Revenue	5,791,018	2,519,180	-	-	23,154,885		
Profit	5,029,816	(98,269)	1,394,136	501	1,243,964		
OCI	16,173	(17,522)	-	-	672,119		
Total comprehensive income	**5,045,989**	**(115,791)**	**1,394,136**	**501**	**1,916,083**		
Profit allocated to NCI	2,464,610	(88,442)	480,977	245	995,171	938,327	4,790,888
OCI allocated to NCI	7,925	(15,770)	-	-	537,695	(419,056)	110,794
Cash flow from operating activities	1,165,737	433,977	180,660	-	1,699,302		
Cash flow from investing activities	3,339,551	(67,961)	824,940	-	(780,026)		
Cash flow from financing activities (dividends to NCI: QR 84 million)	(3,252,707)	(382,425)	(879,422)	-	(927,360)		
Net increase /(decrease) in cash and cash equivalents	1,252,581	(16,409)	126,178	-	(8,084)		

39. Non-controlling interests (continued)

During 2018, through an Intial Public Offering ("IPO"), the Group issued to public 49% of its holding in its subsidiary Qatar Aluminium Manufacturing Company ("QAMCO"). This transaction was dilution in the Group's ownership holding in the subsidiary without a change in control as the Group held 51% of the share capital thereby retaining control. Upon dilution, NCI was recorded on their proportionate share of net assets amounting to QR 2,325.58 million and a gain of QR 408.68 million was recorded in retained earnings as the difference between the proceeds from IPO and carrying value of net assets of QAMCO at the date of dilution.

40. Dividend

i. The Board of Directors in their meeting held on 17 April 2019 (2018: 19 Apr 2018) approved a final dividend of QR 73,143 million (2018: QR 59,076 million).

ii. The Board of Directors in their meeting held on 21st April 2020 have approved a final dividend of QR 66,000 million from the profit for the year ended 31 December 2019.

41. Notes to consolidated statement of cash flows

During the year, the Group entered into the following non-cash activities which are not reflected in the statement of cash flows:

- Transfer from capital work in progress amounting QR 173 million (2018: QR. 801 million) to intangible assets;
- Recognition of additional right of use assets and lease liability amounting to QR 643 million (2018: QR 151 million);

42. Subsequent events

The COVID-19 (coronavirus) outbreak since early 2020 and significant decline in oil price have brought about uncertainties in QP's operating environment and are likely to have an impact on its operations. The scale and duration of these developments remain uncertain but could impact the earnings, cash flows and financial condition of QP. As the situation is fast evolving, the effect of the outbreak and oil price is subject to significant levels of uncertainty, with the full range of possible effects unknown.

Except for the above matter and approval of the dividend for the year 2019 as explained in Note 40 (ii), there were no other subsequent events which have a bearing on the understanding of these consolidated financial statements.

Qatar Petroleum

Condensed Consolidated Interim Financial Statements

31 March 2021

Qatar Petroleum

Condensed Consolidated Interim Financial Statements
As at and for the three-month period ended 31 March 2021

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF QATAR PETROLEUM

TO THE SUPREME COUNCIL FOR ECONOMIC AFFAIRS AND INVESTMENT, STATE OF QATAR

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Qatar Petroleum as at 31 March 2021, the condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three-month periods ended 31 March 2021 and 2020, and notes to the interim financial statements ("the condensed consolidated interim financial statements"). Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 31 March 2021 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

17 June 2021
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Audit registration number 251

Qatar Petroleum

Condensed consolidated statement of financial position
As at 31 March 2021 QR '000

	Note	**31 March 2021** *(Reviewed)*	31 December 2020 *(Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	5	**203,365,928**	201,685,767
Right-of-use assets		**2,639,961**	2,762,111
Investment property		**908,455**	906,316
Intangible assets	6	**3,911,366**	4,428,448
Investments in associates	7	**5,558,905**	5,424,310
Investments in joint ventures	8	**98,678,551**	96,071,628
Other investments	9	**5,990,691**	6,070,730
Other non-current assets	10	**15,165,610**	10,602,123
		336,219,467	327,951,433
Current assets			
Inventories	11	**5,013,076**	5,005,024
Amounts due from Government of Qatar	12	**48,517,320**	37,803,570
Accounts receivables and prepayments	13	**17,786,179**	18,251,695
Other investments	9	**722,982**	706,391
Cash and cash equivalents	14	**33,974,882**	32,489,090
		106,014,439	94,255,770
Assets held for sale		**74,156**	74,156
		106,088,595	94,329,926
TOTAL ASSETS		**442,308,062**	422,281,359

Continued on next page

The accompanying notes 1 to 30 are an integral part of these condensed consolidated interim financial statements.

Qatar Petroleum

Condensed consolidated statement of financial position
As at 31 March 2021 QR '000

Continued from previous page

	Note	**31 March 2021** ***(Reviewed)***	31 December 2020 *(Audited)*
EQUITY AND LIABILITIES			
Equity			
Capital	16	**100,000,000**	100,000,000
General reserve		**175,500,000**	175,500,000
Other reserves	17	**(245,589)**	(166,101)
Retained earnings		**92,549,622**	75,561,628
Equity attributable to owner of the Corporation		**367,804,033**	350,895,527
Non-controlling interests		**31,256,303**	31,680,535
Total equity		**399,060,336**	382,576,062
Non-current liabilities			
Loans and bonds	18	**6,442,541**	6,778,413
Employee benefits	19	**5,428,117**	5,373,448
Lease liabilities		**2,194,407**	2,261,878
Deferred income		**1,027,328**	1,037,950
Other non-current liabilities	20	**3,253,462**	3,061,083
		18,345,855	18,512,772
Current liabilities			
Loans and bonds	18	**813,447**	769,842
Accounts payables and accruals	21	**23,005,979**	19,646,563
Lease liabilities		**729,776**	724,714
Deferred income		**352,669**	51,406
		24,901,871	21,192,525
Total liabilities		**43,247,726**	39,705,297
TOTAL EQUITY AND LIABILITIES		**442,308,062**	422,281,359

These condensed consolidated interim financial statements were approved by the Corporation's management and signed on its behalf by the following on 17 June 2021.

Saad Alkaabi

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Date: 2021.06.17 14:18:01 +03'00'

Saad Sherida Al-Kaabi
Minister of State for Energy Affairs
Vice Chairman and President & CEO

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The accompanying notes 1 to 30 are an integral part of these condensed consolidated interim financial statements.

Qatar Petroleum

Condensed consolidated statement of profit or loss
For the three-month period ended 31 March 2021 QR '000

	Note	Three-month period ended 31 March	
		2021 *(Reviewed)*	*2020* *(Reviewed)*
Continuing operations			
Income			
Revenue	22	**23,023,677**	21,902,633
Other income		**1,242,218**	2,640,617
		24,265,895	24,543,250
Expenses			
Operating, selling and administrative expenses	23	**(11,068,731)**	(14,385,909)
Depreciation and amortization	24	**(2,668,546)**	(2,634,688)
Reversal of expected credit losses on financial assets, net		**420**	5,254
		(13,736,857)	(17,015,343)
Net operating income		**10,529,038**	7,527,907
Share of profit of associates		**115,210**	74,528
Share of profit of joint ventures		**10,186,748**	7,578,405
Dividend and interest income		**254,321**	598,885
Finance charges		**(110,900)**	(144,299)
Profit before tax		**20,974,417**	15,635,426
Taxes	25	**(2,873,055)**	(2,330,061)
Profit for the period from continuing operations		**18,101,362**	13,305,365
Discontinued operations			
Profit from discontinued operations		**-**	1,024
Profit for the period		**18,101,362**	13,306,389
Attributable to:			
Owner of the Corporation		**16,987,011**	12,961,323
Non-controlling interests		**1,114,351**	345,066
		18,101,362	13,306,389

Saad Alkaabi

Digitally signed by Saad Sherida Alkaabi
Date: 2021.06.17 14:17:49 +03'00'

Saad Sherida Al-Kaabi
Minister of State for Energy Affairs
Vice Chairman and President & CEO

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Qatar Petroleum

Condensed consolidated statement of profit or loss and other comprehensive income
For the three-month period ended 31 March 2021 QR '000

	Note	Three-month period ended 31 March	
		2021	*2020*
		(Reviewed)	*(Reviewed)*
Profit for the period		**18,101,362**	13,306,389
Other comprehensive income from continuing operations			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefits obligations		**(34,748)**	(48,216)
Equity investments at FVOCI – net change in fair value		**(66,075)**	(800,893)
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedges – effective portion of changes in fair value		**124,687**	(163,499)
Foreign operations – foreign currency translation differences		**(115,833)**	(131,298)
		(91,969)	(1,143,906)
Other comprehensive income from discontinued operations		**-**	-
Total other comprehensive income		**(91,969)**	(1,143,906)
Total comprehensive income for the period		**18,009,393**	12,162,483
Attributable to:			
Owner of the Corporation		**16,917,812**	12,087,896
Non-controlling interests		**1,091,581**	74,587
		18,009,393	12,162,483

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Condensed consolidated statement of changes in equity
For the three-month period ended 31 March 2021

QR '000

	Equity attributable to owner of the Corporation						
	Capital	General reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total
At 1 January 2020 (Audited)	100,000,000	100,000,000	(269,281)	177,297,877	377,028,596	32,508,004	409,536,600
Profit for the period	-	-	-	12,961,323	12,961,323	345,066	13,306,389
Other comprehensive income for the period	-	-	(873,427)	-	(873,427)	(270,479)	(1,143,906)
Total comprehensive income for the period	-	-	(873,427)	12,961,323	12,087,896	74,587	12,162,483
Reclassification of fair value reserve on sale of investments at FVOCI	-	-	10,528	(10,528)	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	(1,596,946)	(1,596,946)
Other movement during the period	-	-	17,830	28,224	46,054	(43,286)	2,768
At 31 March 2020 (Reviewed)	100,000,000	100,000,000	(1,114,350)	190,276,896	389,162,546	30,942,359	420,104,905
At 1 January 2021 (Audited)	100,000,000	175,500,000	(166,101)	75,561,628	350,895,527	31,680,535	382,576,062
Profit for the period	-	-	-	16,987,011	16,987,011	1,114,351	18,101,362
Other comprehensive income for the period	-	-	(69,199)	-	(69,199)	(22,770)	(91,969)
Total comprehensive income for the period	-	-	(69,199)	16,987,011	16,917,812	1,091,581	18,009,393
Reclassification of fair value reserve on sale of investments at FVOCI	-	-	(1,845)	1,845	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	(1,662,129)	(1,662,129)
Other movement during the period	-	-	(8,444)	(862)	(9,306)	146,316	137,010
At 31 March 2021 (Reviewed)	**100,000,000**	**175,500,000**	**(245,589)**	**92,549,622**	**367,804,033**	**31,256,303**	**399,060,336**

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Qatar Petroleum

Condensed consolidated statement of cash flows
For the three-month period ended 31 March 2021 QR '000

	Note	Three-month period ended 31 March	
		2021	*2020*
		(Reviewed)	*(Reviewed)*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		**18,101,362**	13,306,389
Adjustments for:			
- Depreciation of property, plant and equipment	24	**2,403,783**	2,360,203
- Gain on disposal / derecognition of property, plant and equipment		**-**	(1,741)
- Write off of property, plant and equipment	23	**1,035**	30,816
- Depreciation of right-of-use assets	24	**167,314**	176,360
- Depreciation of investment property	24	**4,045**	8,803
- Amortization of intangible assets and catalysts	24	**93,404**	89,322
- Reversal of expected credit losses on financial assets, net		**(420)**	(5,254)
- Provision for impairment losses – net	23	**-**	1,234,894
- Provision for inventory obsolescence	23	**8,508**	102,082
- Provision for employee benefits		**138,940**	154,492
- Provision for decommissioning costs, net		**-**	1,091,615
- Profit from discontinued operations		**-**	(1,024)
- Fair value (gain) / loss on investment at fair value through profit or loss		**(8,650)**	112,310
- Share of profit of associates		**(115,210)**	(74,528)
- Share of profit of joint ventures		**(10,186,748)**	(7,578,405)
- Dividend and interest income		**(254,321)**	(598,885)
- Deferred income		**290,641**	122,501
- Finance charges		**110,900**	144,299
- Taxes	25	**2,873,055**	2,330,061
- Bargain purchase gain		**-**	(106,808)
- Fair value gain on business combination		**-**	(1,302,129)
		13,627,638	11,595,373
Working capital changes:			
- Inventories		**(18,488)**	486,763
- Amounts due from Government of Qatar		**(10,713,750)**	(20,340,848)
- Accounts receivables and prepayments		**456,244**	3,333,716
- Accounts payables and accruals		**3,671,697**	5,512,196
Cash generated from operations		**7,023,341**	587,200
Employee benefits paid		**(106,364)**	(134,879)
Finance charges paid		**(74,184)**	(114,084)
Taxes paid		**(3,060,869)**	(2,166,811)
Net cash from / (used in) operating activities		**3,781,924**	(1,828,574)

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Condensed consolidated statement of cash flows
For the three-month period ended 31 March 2021 QR ‘000

Continued from previous page

	Note	Three-month period ended 31 March	
		2021 (Reviewed)	*2020 (Reviewed)*
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(3,878,331)**	(3,289,096)
Proceeds from disposal of property, plant and equipment		**256**	53,082
Acquisition of investment property		**(6,184)**	-
Acquisition of intangible assets		**(819)**	-
Disposals of associates – net		**29,120**	-
Additions to investments in joint ventures – net		**(1,917,276)**	(3,032,102)
Dividend received from associates and joint ventures		**9,278,739**	9,279,479
Net cash movement of financial assets at FVOCI		**(209,700)**	66,647
Net cash movement of financial assets at amortised cost		**211,145**	(8,370)
Dividend and interest received from other investments		**254,321**	598,885
Additions to projects under development		**(4,124,375)**	(803,884)
Net cash movement in other non-current assets		**(184,848)**	(14,319)
Net cash movement of financial assets at fair value through profit or loss		**(4,497)**	33,749
Movement in term deposits and restricted cash		**(614,356)**	631,584
Cash inflow on acquisition of subsidiaries		**19,041**	1,223,752
Net cash (used in) / from investing activities		**(1,147,764)**	4,739,407
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans		**26,600**	291,200
Repayment of loans		**(112,453)**	(190,402)
Payment of lease liabilities		**(78,637)**	(118,784)
Movement in other non-current liabilities		**(306)**	125,661
Movement in non-controlling interests		**64,161**	-
Dividends paid to non-controlling interests		**(1,662,129)**	(1,596,946)
Net cash used in financing activities		**(1,762,764)**	(1,489,271)
Net increase in cash and cash equivalents		**871,396**	1,421,562
Effect of movements in exchange rates on cash held		**40**	(19,198)
Cash and cash equivalents at beginning of period		**23,886,466**	48,478,149
Cash and cash equivalents at end of period	14 (ii)	**24,757,902**	49,880,513

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The accompanying notes 1 to 30 are an integral part of these condensed consolidated interim financial statements.

1. Legal status and principal activities

Qatar Petroleum ("QP", the "Corporation" or the “Parent”) is a state-owned public corporation established in the State of Qatar by Emiri Decree Number 10 of 1974.

The principal activities of QP, its subsidiaries, joint operations, joint ventures and associates are the exploration, production and sale of crude oil, natural gas and gas liquids and refined products, production and sale of petrochemicals, fuel additives, fertilisers, liquefied natural gas (“LNG”), steel, aluminium, chartering of helicopters, investing in industrial and international projects, underwriting insurance, vehicle inspection services, marine bunkering, bitumen, transportation of oil and gas and refined petroleum products and other services. The principal place of business of QP is in the State of Qatar.

Pursuant to Law No. 5 of 2012, which was issued on 7 August 2012, the State of Qatar amended certain provisions of Decree No. 10 of 1974 and transferred the ownership in QP from the Ministry of Economy of Finance to the Supreme Council for Economic Affairs and Investment effective 1 January 2012.

These condensed consolidated interim financial statements reflect the financial information of Qatar Petroleum (“QP”) and its subsidiaries, joint operations, joint ventures and associates (together referred to as the “Group”).

These condensed consolidated interim financial statements were approved by the management and authorised for issue on 17 June 2021.

2. Basis of preparation

These condensed consolidated interim financial statements for the three-month period ended 31 March 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting,* and should be read in conjunction with the Group’s latest annual consolidated financial statements as at and for the year ended 31 December 2020 (‘last annual financial statements’).

They do not include all of information required for a complete set of financial statements prepared in accordance with IFRS. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since last annual financial statements.

These condensed consolidated interim financial statements are presented in Qatari Riyal (QR) which is the Parent’s functional currency. All values are rounded off to the nearest thousand, unless otherwise indicated.

2 New standards or amendments for 2021 and forthcoming requirements

2.1 New amendments to standards adopted by the Group

The Group adopted the below amended International Financial Reporting Standards ("IFRS") that became effective during the current period:

- Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The adoption of above amended standards did not have a significant impact on the Group’s condensed consolidated interim financial statements.

2.2 Standards issued but not yet effective

A number of new standards and amendments to standards are effective from annual periods beginning after 1 January 2021 and earlier adoption is permitted. The Group has not early adopted any of forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

3. Significant accounting policies and financial risk management

3.1 Significant accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2020 except for the below accounting policy on segment reporting which became applicable to the Group from the current reporting period:

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available (see Note 29).

3.2 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the last annual financial statements.

4. Critical judgments and key sources of estimation uncertainty

In preparing these condensed consolidated interim financial statements, management has made judgments and estimates that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those described in the last annual financial statements.

4.1 Measurement of fair values

Certain financial instruments of the Group are measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in valuation techniques as follows:

i. Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities.
ii. Level 2 inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
iii. Level 3 inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

As at and for the three-month period ended 31 March 2021 QR '000

5. Property, plant and equipment

	31 March 2021 *(Reviewed)*	31 December 2020 *(Audited)*
Net carrying value at beginning of the period / year	**201,685,767**	186,755,942
Additions for the period / year (i)	**3,935,178**	13,100,062
Acquisitions through business combinations	**411**	13,081,570
Net reclassification / transfers / derecognition	**210,145**	339,660
Depreciation for the period / year	**(2,403,783)**	(9,679,658)
Impairment charge for the period / year	**-**	(1,679,652)
Effect of foreign currency translation for the period / year	**(61,790)**	(232,157)
Net carrying value at the end of the period / year	**203,365,928**	201,685,767

(i) During the period additions were made to oil and gas assets amounting to QR 208 million, exploration and evaluation assets amounting to QR 336 million, other property, plant and equipment amounting to QR 1,878 million and capital work-in-progress amounting to QR 1,513 million.

6. Intangible assets

	31 March 2021 *(Reviewed)*	31 December 2020 *(Audited)*
Net carrying value at beginning of the period / year	**4,428,448**	5,405,707
Additions for the period / year	**819**	76,019
Acquisitions through business combinations	**-**	10,400
Net transfers	**(198,476)**	130,005
Amortization for the period / year	**(92,369)**	(332,837)
Effect of foreign currency translation for the period / year	**(227,056)**	(852,762)
Impairment charge for the period / year	**-**	(8,084)
Net carrying value at the end of the period / year	**3,911,366**	4,428,448

7. Investments in associates

	31 March 2021 *(Reviewed)*	31 December 2020 *(Audited)*
Net carrying value at beginning of the period / year	**5,424,310**	6,935,277
Disposals during the period / year – net	**(29,120)**	(43,054)
Share in profit for the period / year – net	**115,210**	311,132
Dividends	**(28,210)**	(232,253)
Other adjustments	**76,715**	(1,546,792)
Net carrying value at the end of the period / year	**5,558,905**	5,424,310

8. Investments in joint ventures

	31 March 2021 *(Reviewed)*	31 December 2020 *(Audited)*
Net carrying value at beginning of the period / year	**96,071,628**	101,316,265
Additions during the period / year – net	**1,951,978**	7,027,099
Share in profit for the period / year – net	**10,186,748**	19,448,196
Dividends	**(9,250,529)**	(21,775,604)
Other adjustments	**(281,274)**	(9,944,328)
Net carrying value at the end of the period / year	**98,678,551**	96,071,628

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9. Other investments

	31 March 2021 *(Reviewed)*	31 December 2020 *(Audited)*
Non-current assets		
Financial assets at FVOCI (Note a)	**4,871,719**	4,740,613
Financial assets at amortised cost	**1,118,972**	1,330,117
	5,990,691	6,070,730
Current assets		
Financial assets at FVTPL (Note b)	**722,982**	706,391

a. Financial assets at FVOCI

The carrying amounts of the Group's financial assets at FVOCI are as follows:

	31 March 2021 *(Reviewed)*	31 December 2020 *(Audited)*
Quoted equity instruments	**4,515,883**	4,392,257
Quoted debt instruments	**298,732**	291,252
Quoted managed funds	**55,601**	55,601
Unquoted equity instruments	**1,503**	1,503
	4,871,719	4,740,613

The movement during the period / year was as follows:

	31 March 2021 *(Reviewed)*	31 December 2020 *(Audited)*
As at 1 January	**4,740,613**	4,697,153
Additions during the period / year	**722,474**	1,792,681
Disposals during the period / year	**(512,774)**	(2,070,920)
Fair value changes during the period / year	**(66,075)**	453,751
Other adjustments	**(12,519)**	(132,052)
As at end of the period / year	**4,871,719**	4,740,613

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the Group has elected to designate these investments in equity instruments as at FVOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

b. Financial assets at FVTPL

These represent financial assets which are acquired and incurred principally for the purpose of selling or repurchasing in the near term or to take advantage of short-term market movements. Details are as follows:

	31 March 2021 *(Reviewed)*	31 December 2020 *(Audited)*
Quoted equity instruments	**597,930**	581,635
Quoted debt instruments	**125,052**	124,756
	722,982	706,391

As at and for the three-month period ended 31 March 2021 QR '000

9. Other investments (continued)

b. Financial assets at FVTPL (continued)

The movement during the period / year was as follows:

	31 March 2021 ***(Reviewed)***	31 December 2020 *(Audited)*
As at 1 January	**706,391**	676,608
Acquisition during the period / year	**52,511**	446,438
Disposals during the period /year	**(48,014)**	(430,763)
Net movement in fair value during the period / year	**8,650**	32,862
Other adjustments	**3,444**	(18,754)
As at end of the period / year	**722,982**	706,391

10. Other non-current assets

	31 March 2021 ***(Reviewed)***	31 December 2020 *(Audited)*
Loans and advances to related parties (Note 15(a))	**923,795**	738,439
Lease receivables	**1,152,636**	1,130,714
Projects under development (Note a)	**10,639,840**	6,515,465
Catalysts	**221,294**	217,776
Deferred tax asset (Note 25)	**882,854**	756,646
Recoverable injected gas	**1,331,060**	1,225,046
Other non-current assets	**14,131**	18,037
	15,165,610	10,602,123

a. Projects under development

Projects under development represent cash advances made by the Group to meet project expenses that will subsequently be capitalized. Projects under development comprise the following;

	31 March 2021 ***(Reviewed)***	31 December 2020 *(Audited)*
North Field Expansion Project	**8,553,827**	5,270,547
North Field Production Sustainability Project	**2,086,013**	1,244,918
	10,639,840	6,515,465

11. Inventories

	31 March 2021 ***(Reviewed)***	31 December 2020 *(Audited)*
Crude oil, gas and refined products	**847,060**	565,666
Steel and other related products	**369,630**	452,355
Maintenance and other materials	**4,388,578**	4,570,687
	5,605,268	5,588,708
Less: Provision for obsolescence	**(592,192)**	(583,684)
	5,013,076	5,005,024

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12. Amounts due from Government of Qatar

Represents the outstanding balances receivable from the Ministry of Finance of the Government of Qatar at the period / year end. None of the balances with the Ministry of Finance at the end of the reporting period are past due and taking into account the current credit ratings of the Ministry, the Group's management has assessed that there is no impairment, and hence has not recorded any loss allowances on these balances.

13. Accounts receivables and prepayments

	31 March 2021 ***(Reviewed)***	31 December 2020 *(Audited)*
Due from related parties (Note 15 (b))	**5,278,552**	5,046,690
Trade and insurance receivables	**7,172,935**	8,997,398
Reinsurance contract assets	**897,065**	806,130
Loans to employees	**727,406**	443,972
Advances to vendors	**1,200,624**	1,316,873
Prepayments and other debit balances	**573,515**	382,578
Contract assets	**1,307,334**	753,754
Loans and advances to related parties (Note 15 (a))	**351,999**	542,633
Other receivables	**667,403**	356,379
Other current assets	**110,000**	106,362
	18,286,833	18,752,769
Less: Loss allowance	**(500,654)**	(501,074)
	17,786,179	18,251,695

14. Cash and cash equivalents

	31 March 2021 ***(Reviewed)***	31 December 2020 *(Audited)*
Cash at banks and on hand	**15,412,575**	11,971,400
Short-term deposits	**18,563,308**	20,518,691
Total cash and bank balances	**33,975,883**	32,490,091
Less: Loss allowance	**(1,001)**	(1,001)
Cash and bank balances as per condensed consolidated statement of financial position	**33,974,882**	32,489,090

i. As at 31 March 2021, certain cash balances and deposits amounting to QR 613 million (31 December 2020: QR 514 million) have been set aside for meeting the other liabilities and commitments.

ii. For the purpose of the condensed consolidated statement of cash flows, cash and cash equivalents consist of the following:

	31 March 2021 ***(Reviewed)***	31 March 2020 *(Reviewed)*
Cash and bank balances as per condensed consolidated statement of financial position	**33,974,882**	59,939,853
Less: Term deposits maturing after ninety (90) days	**(8,604,973)**	(9,546,709)
Less: Restricted cash	**(613,008)**	(514,928)
Add: Loss allowance	**1,001**	2,297
Cash and cash equivalents as per condensed consolidated statement of cash flows	**24,757,902**	49,880,513

As at and for the three-month period ended 31 March 2021 QR ‘000

15. Related party balances and transactions

Related parties represent associated companies, the shareholder, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties.

(a) Loans and advances to related parties

	31 March 2021 *(Reviewed)*	31 December 2020 *(Audited)*
Associates and joint ventures of the Group		
Total gross receivable	**3,838,998**	3,844,276
Less: Loss allowance	**(2,563,204)**	(2,563,204)
Net receivable	**1,275,794**	1,281,072

	31 March 2021 *(Reviewed)*	31 December 2020 *(Audited)*
Classified as below:		
Non-current asset (Note 10)	**923,795**	738,439
Current asset (Note 13)	**351,999**	542,633
	1,275,794	1,281,072

(b) Due from related parties

	31 March 2021 *(Reviewed)*	31 December 2020 *(Audited)*
Joint ventures of the Group	**3,209,746**	3,050,003
Associates of the Group	**410,702**	324,164
Others	**1,658,104**	1,672,523
Total (Note 13)	**5,278,552**	5,046,690
Less: Loss allowance	**(88,881)**	(88,881)
Net	**5,189,671**	4,957,809

(c) Due to related parties

	31 March 2021 *(Reviewed)*	31 December 2020 *(Audited)*
Joint ventures of the Group	**12,971,852**	9,846,467
Associates of the Group	**2,003**	-
Others	**291,798**	542,663
Total (Note 21)	**13,265,653**	10,389,130

As at and for the three-month period ended 31 March 2021 QR '000

15. Related party balances and transactions (continued)

(d) Related party transactions

	Three-month period ended 31 March	
	2021	2020
	(Reviewed)	*(Reviewed)*
Operating income		
Joint ventures of the Group	**5,354,622**	5,489,716
Others	**552,053**	736,924
	5,906,675	6,226,640
Purchases		
Joint ventures of the Group	**1,581,241**	2,238,408
Others	**40,255**	34,006
	1,621,496	2,272,414
Dividends received from joint ventures	**9,250,529**	9,205,244
Dividends received from associates	**28,210**	74,235

(e) Key management personnel's remuneration

The remuneration of the directors of the Group and other key management personnel in the Group entities is set out below:

	2021	2020
Remuneration and other benefits	**36,790**	36,593

QP is owned by the Supreme Council for Economic Affairs and Investment of the State of Qatar ("Government") and accordingly all government related entities i.e. the entities which are under the control, joint control or significant influence of the Government are related parties of the Group. The Group has claimed the partial exemption available under IAS 24 for not disclosing related party balances and transactions with Government related entities. For the three-month period ended 31 March 2021, 33.68% (31 March 2020: 28.82%) of total sales are made to two government-related entities. Further, as at 31 March 2021, 37.88% (31 December 2020: 31.19%) out of trade receivables are related to two government-related entities. Management has determined that all other transactions and balances with Government related entities (other than those disclosed above) are not significant individually or collectively.

16. Capital

	31 March 2021 ***(Reviewed)***	31 December 2020 *(Audited)*
Authorised and fully paid capital	**100,000,000**	100,000,000

17. Other reserves

This account includes the following:

	31 March 2021 ***(Reviewed)***	31 December 2020 *(Audited)*
Employee benefit reserve	**(722,315)**	(687,567)
Fair value reserve	**2,391,064**	2,448,180
Hedging reserve	**(861,662)**	(983,369)
Foreign currency translation reserve	**(1,663,363)**	(1,553,824)
Legal and other reserves from subsidiaries	**610,687**	610,479
	(245,589)	(166,101)

As at and for the three-month period ended 31 March 2021 QR '000

18. Loans and bonds

This account includes the following:

	Current		Non-current	
	31 March 2021	31 December 2020	**31 March 2021**	31 December 2020
	(Reviewed)	*(Audited)*	***(Reviewed)***	*(Audited)*
Interest bearing loans	813,447	769,842	3,574,641	3,702,263
Bond	-	-	2,867,900	3,076,150
	813,447	769,842	**6,442,541**	6,778,413

Interest bearing loans

	31 March 2021 ***(Reviewed)***	31 December 2020 *(Audited)*
Loans related to drilling business (i)	**4,259,976**	4,310,020
Loans related to aviation business (ii)	**37,292**	46,386
Syndicated Murabaha facility (iii)	**99,840**	99,840
Others	**-**	26,715
	4,397,108	4,482,961
Less: unamortized finance cost associated with raising finance	**(9,020)**	(10,856)
	4,388,088	4,472,105

i.) These borrowings are related to the Group's subsidiary, Gulf Drilling International (Qatari Private Shareholding Company) ("GDI"). GDI has entered into various borrowing arrangements with different banks. All facilities bear interest at the rates varying between 3 months LIBOR plus 1.35% - 2.70% (31 December 2020: LIBOR plus 1.35% - 2.70%). Most of these loans are to be repaid in quarterly instalments. The loans obtained by GDI are unsecured.

Further, loan balances of GDI also consist of a Master Murabaha facility agreement of US$ 925 million with a local Islamic Bank. The proceeds of the facility were utilized on general corporate purposes and the settlement or refinancing of various outstanding loan facilities. The loan is unsecured and has an effective interest of LIBOR plus 2.70%, and repayable in lump sum upon maturity on 31 December 2023. GDI has drawn down US$ 676.8 million from this facility as of 31 March 2021 (31 December 2020: US$ 669.5 million).

ii.) These borrowings are related to the Group's subsidiary, Gulf Helicopters Company (Qatari Private Shareholding Company) ("GHC"). GHC has entered into various borrowing arrangements with different banks. All facilities bear interest at the rates varying between 3 months LIBOR plus 1.35% - 2.75% (31 December 2020: LIBOR plus 1.35% - 2.75%). The loans are to be repaid in quarterly installments. The loans obtained are unsecured and do not have any financial covenants.

iii.) On 20 April 2014, the Group through its subsidiary Gulf International Services Q.P.S.C. ("GIS") obtained syndicated Murabaha facility of US$ 80 million from a local Islamic Bank to finance the acquisition of the additional 30% shares of GDI. The effective profit rate is 6 months LIBOR plus 1.45% (31 December 2020: LIBOR plus 1.45%). The loan is repayable in 15 semi-annual instalments commencing from April 2015 and is unsecured.

Further, GIS obtained a loan of US$ 80 million from a local commercial bank to further finance the acquisition of the additional 30% of GDI. The effective interest rate is 6 months LIBOR plus 1.45% (31 December 2020: 6 months LIBOR plus 1.45%). The loan is repayable in 14 semi-annual installments starting from April 2015 and is unsecured.

As at and for the three-month period ended 31 March 2021 QR '000

18. Loans and bonds (continued)

Bond

On 17 August 2012, the Group issued a bond amounting to JPY 85 billion through a private placement. The bond bears interest at a fixed rate of 1.14% per annum payable semi-annually in arrears on February and August. The bond matures on 17 August 2022. The bond is direct, unconditional, unsecured and unsubordinated and rank equally with other outstanding unsecured and unsubordinated indebtedness of the Group.

The Group's exposure to JPY from the bond was swapped to USD at the time of the bond issuance by entering in cross currency swaps with various highly rated counterparties. As a result of the swaps, the Group pays a fixed rate of 3.3758% per annum payable semi-annually in arrears in February and August. The hedge relationship is treated as a cash flow hedge. The fair value change in the cross-currency swap was recognised in the consolidated statement of profit and loss and other comprehensive income as hedge reserve. The value of foreign currency swap as at 31 March 2021 amounted to QR 1,222 million (31 December 2020: QR 1,042 million).

Movement of the bond during the period / year was as follow:

	31 March 2021 ***(Reviewed)***	31 December 2020 *(Audited)*
At the beginning of the period / year	**3,076,150**	2,901,900
Revaluation of bond value during the period / year	**(208,250)**	174,250
At the end of period / year	**2,867,900**	3,076,150

Movement of foreign currency swap was as follows:

	31 March 2021 ***(Reviewed)***	31 December 2020 *(Audited)*
As at the beginning of the period / year	**1,042,418**	1,117,607
Revaluation of hedging instrument during the period / year	**179,363**	(75,189)
At the end of period / year	**1,221,781**	1,042,418

The movement in fair value of cash flow hedges was as follows:

	31 March 2021 ***(Reviewed)***	31 December 2020 *(Audited)*
Fair value changes included in equity at beginning of the period / year	**(214,467)**	(115,406)
Fair value change in the hedging instrument	**(179,363)**	75,189
Adjustments for hedged item	**208,250**	(174,250)
Fair value changes included in equity at the end of the period / year	**(185,580)**	(214,467)

Under the Group's foreign exchange management policy, the Group hedges foreign exchange risk on the bond by using cross currency swaps.

19. Employee benefits

	31 March 2021 ***(Reviewed)***	31 December 2020 *(Audited)*
Qatari pension scheme	**1,825,311**	1,838,159
Employees' end of service benefits	**3,602,806**	3,535,289
	5,428,117	5,373,448

As at and for the three-month period ended 31 March 2021 QR '000

20. Other non-current liabilities

	31 March 2021 ***(Reviewed)***	31 December 2020 *(Audited)*
Foreign currency swap (Note 18)	**1,221,781**	1,042,418
Decommissioning provision	**1,844,142**	1,832,989
Deferred tax liability (Note 25)	**187,539**	185,370
Contract liabilities	**-**	306
	3,253,462	3,061,083

21. Accounts payables and accruals

	31 March 2021 ***(Reviewed)***	31 December 2020 *(Audited)*
Trade creditors	**5,588,724**	5,027,100
Accrued liabilities	**1,235,432**	1,246,239
Advance from customers	**101,955**	103,492
Financial guarantees	**400,000**	400,000
Due to related parties (Note 15(c))	**13,265,653**	10,389,130
Contract liabilities	**136,710**	169,055
Reinsurance premium payables	**320,085**	163,925
Taxes payable	**7,228**	4,658
Other payables	**1,950,192**	2,142,964
	23,005,979	19,646,563

22. Revenue

Revenue of the Group consists of the following:

	Three-month period ended 31 March	
	2021 ***(Reviewed)***	2020 *(Reviewed)*
Revenue from contracts with customers (Note a)	**22,922,990**	21,832,145
Revenue from insurance contracts	**100,687**	70,488
	23,023,677	21,902,633

a. Revenue from contracts with customers

	Three-month period ended 31 March	
	2021 ***(Reviewed)***	2020 *(Reviewed)*
Disaggregation of revenue – by products		
Crude oil	**4,153,247**	3,923,330
Condensate	**3,347,155**	3,279,758
Natural gas	**5,957,980**	5,572,628
Refined products	**6,145,108**	6,139,731
Steel products	**1,227,892**	1,302,053
Fertilizers	**1,611,934**	443,220
Petrochemicals	**130,220**	117,205
Services	**180,608**	545,485
Others	**168,846**	508,735
	22,922,990	21,832,145

	Three-month period ended 31 March	
	2021 ***(Reviewed)***	2020 *(Reviewed)*
Disaggregation of revenue – over time		
Natural gas	**5,957,980**	5,572,628
Condensate	**3,347,155**	3,279,758
Services	**143,602**	230,186
	9,448,737	9,082,572

As at and for the three-month period ended 31 March 2021 QR '000

22. Revenue (continued)

a. Revenue from contracts with customers (continued)

	Three-month period ended 31 March	
	2021	2020
	(Reviewed)	*(Reviewed)*
Disaggregation of revenue – at a point in time		
Crude oil	**4,153,247**	3,923,330
Refined products	**6,145,108**	6,139,731
Steel products	**1,227,892**	1,302,053
Fertilizers	**1,611,934**	443,220
Petrochemicals	**130,220**	117,205
Services	**37,006**	315,299
Others	**168,846**	508,735
	13,474,253	12,749,573
	22,922,990	21,832,145

23. Operating, selling and administrative expenses

	Three-month period ended 31 March	
	2021	2020
	(Reviewed)	*(Reviewed)*
Direct costs	**5,854,180**	4,997,614
Taxes paid on behalf	**1,052,325**	1,609,058
Royalties	**1,458,469**	1,278,785
Net impairments losses	**-**	1,234,894
Salaries and related costs	**2,033,128**	2,276,963
Foreign exchange loss	**317,247**	1,240,164
Write-off of property, plant and equipment	**1,035**	30,816
Provision for inventory obsolescence	**8,508**	102,082
Other expenses	**343,839**	1,615,533
	11,068,731	14,385,909

24. Depreciation and amortization

	Three-month period ended 31 March	
	2021	2020
	(Reviewed)	*(Reviewed)*
Depreciation of property, plant and equipment	**2,403,783**	2,360,203
Depreciation of right-of-use assets	**167,314**	176,360
Depreciation of investment property	**4,045**	8,803
Amortization of intangible assets	**92,369**	83,140
Amortization of catalysts	**1,035**	6,182
	2,668,546	2,634,688

As at and for the three-month period ended 31 March 2021 QR '000

25. Taxes

Provision for taxation for the period is as follows:

	Three-month period ended 31 March	
	2021	2020
	(Reviewed)	*(Reviewed)*
Taxes on income from export sales of QP (Note i)	**3,063,025**	2,324,254
Current income tax	**414**	(31,705)
Deferred tax	**(190,384)**	37,512
	2,873,055	2,330,061

i. These taxes are calculated at a rate of 85% of the taxable income for crude oil and refined products and at the higher of royalty payments or 50% of the taxable income for gas and condensate products. The total of royalty and taxation for gas and condensate products should not exceed 50% of the taxable income. Taxable income is determined on the value of all export sales less the costs of operations, depreciation and amortization, and royalties. For the period ended 31 March 2021, taxes amounting QR 3,063 million (period ended 31 March 2020: QR 2,324 million) were recognized in profit of loss.

Details of the taxes on income from QP's export sales are as follows:

	Three-month period ended 31 March	
	2021	2020
	(Reviewed)	*(Reviewed)*
Export sales subject to tax – net	**8,492,977**	7,399,397
Less:		
Royalties	**1,448,156**	1,264,028
Cost of operation and depreciation	**1,965,290**	2,150,265
Taxable income	**5,079,531**	3,985,104
Tax rate	**50% – 85%**	50% – 85%
Taxes	**3,063,025**	2,324,254

ii. The deferred tax has arisen mainly due to the temporary differences and tax losses available to be carried forward.

Movement in the balance of deferred tax during the period / year was as follows:

	31 March 2021	31 December 2020
	(Reviewed)	*(Audited)*
At the beginning of the period / year	**571,276**	309,304
Recognised during the period / year	**190,384**	377,375
Effect of foreign currency translation	**(66,345)**	(115,403)
At the end of period / year	**695,315**	571,276

Presented in condensed consolidated statement of financial position as follows:

	31 March 2021	31 December 2020
	(Reviewed)	*(Audited)*
Deferred tax asset (Note 10)	**882,854**	756,646
Deferred tax liability (Note 20)	**(187,539)**	(185,370)
	695,315	571,276

As at and for the three-month period ended 31 March 2021 QR '000

26. Contingent liabilities and commitments

a. Capital commitments

	31 March 2021 *(Reviewed)*	31 December 2020 *(Audited)*
Capital commitments of the Group	**21,106,565**	25,584,057
Group's share of joint ventures' capital commitments	**12,582,794**	12,717,703
Group's share of associates' capital commitments	**27,364**	27,364
	33,716,723	38,329,124

b. Contingent liabilities

	31 March 2021 *(Reviewed)*	31 December 2020 *(Audited)*
Claims against the Parent	**412,000**	412,000
Contingent liabilities of the subsidiary companies	**1,198,795**	609,429
Group's share of joint ventures' contingent liabilities	**10,078,135**	10,474,065
Group's share of associates' contingent liabilities	**491,532**	491,532
	12,180,462	11,987,026

27. Financial instruments at fair value

Financial instruments represent any contractual agreement that creates a financial asset, financial liability or an equity instrument. Financial assets comprise bank balances, trade and other receivables, due from related parties, loans to related parties, financial assets at fair value though profit or loss (FVTPL) and financial assets at fair value though other comprehensive income (FVOCI). Financial liabilities comprise interest bearing loans and bonds, foreign currency swaps and trade and other payables.

As at and for the three-month period ended 31 March 2021 QR '000

27. Financial instruments at fair value (continued)

Classes and categories of financial instruments and their fair values

The following tables discloses information about fair value hierarchy levels of financial assets and financial liabilities which are measured at fair value.

31 March 2021	**Valuation technique(s) and key input(s)**	**Carrying value**				**Fair value**			
		Financial assets		**Financial liabilities**		**Level**			
		FVTPL	**FVOCI**	**Fair value - hedging instruments**	**Total**	**1**	**2**	**3**	**Total**
Investments in quoted instruments	Quoted price in an active market	722,982	4,870,216	-	**5,593,198**	5,593,198	-	-	**5,593,198**
Investments in unquoted instruments	Based on unobservable inputs	-	1,503	-	**1,503**	-	-	1,503	**1,503**
Foreign currency swap	Based on observable market	-	-	(1,221,781)	**(1,221,781)**	-	(1,221,781)	-	**(1,221,781)**

31 December 2020	Valuation technique(s) and key input(s)	Carrying value				Fair value			
		Financial assets		Financial liabilities		Level			
		FVTPL	FVOCI	Fair value - hedging instruments	Total	1	2	3	Total
Investments in quoted instruments	Quoted price in an active market	706,391	4,739,110	-	5,445,501	5,445,501	-	-	5,445,501
Investments in unquoted instruments	Based on unobservable inputs	-	1,503	-	1,503	-	-	1,503	1,503
Foreign currency swap	Based on observable market	-	-	(1,042,418)	(1,042,418)	-	(1,042,418)	-	(1,042,418)

The fair value of the remaining financial assets and liabilities, including bank balances, investment in unquoted debt instruments, trade and other receivables, due to and from related parties, loans to related parties and bonds approximate to the carrying value as per the book of accounts as most of these items are either short-term in nature or repriced frequently.

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements in 2021 and 2020.

As at and for the three-month period ended 31 March 2021 QR '000

28. Acquisition of subsidiary

The Group signed amended and restated shareholders agreement with Qatar Electricity & Water Company (QEWC) for Siraj Energy Q.P.S.C. (Siraj) which became effective during the period. As per this revised agreement, the Group has power to govern the relevant activities of Siraj. Accordingly, the Group obtained control of Siraj and has consolidated it from 1 January 2021 as per the terms of this agreement.

Details of the purchase consideration of the net assets acquired are as follows:

Purchase consideration:

Fair value of previously recognised investment in joint venture	81,792
Non-controlling interest	78,584
Total purchase consideration	**160,376**
Less: Book value of the identifiable net assets of Siraj	160,376
Goodwill / gain on bargain purchase	**-**

Net cash inflow on acquisition of subsidiary

Cash and cash equivalent balances acquired	19,041
Less: consideration paid in cash	-
	19,041

The identifiable assets acquired, and liabilities assumed as a result of acquisition are as follows:

Property, plant and equipment	411
Investment in joint ventures	16,485
Other non-current assets	129,091
Accounts receivables and prepayments	2,821
Cash and cash equivalents	19,041
Accounts payables and accruals	(7,473)
	160,376

The initial accounting for the acquisition of Siraj has been provisionally determined at the end of the reporting period. At the date of finalization of these condensed consolidated interim financial statements, the necessary market valuations and other calculations had not been finalized and they have, therefore, only been provisionally determined based on the carrying values at acquisition. Accordingly, management is in the process of carrying out a detailed fair market value assessment of the assets and liabilities and purchase price allocation which is expected to be completed within one year of acquisition date.

29. Operating segments

The Group is mainly engaged in exploration, production and sale of oil & gas products. More than 85% of the Group's revenue for the period ended 31 March 2021 is generated through a single segment i.e. exploration, production and sale of oil & gas products. Revenue from two major customers of the Group represents approximately 23% and 11% of the Group's total revenue for the period ended 31 March 2021. Further, 99% of the Group's revenue for the period ended 31 March 2021 and 93% of total assets as at 31 March 2021 are from the components based in the State of Qatar.

30. Subsequent events

There were no subsequent events which have a bearing on the understanding of these condensed consolidated interim financial statements.

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