

ANNUAL
REPORT **2007**



TOWARDS GROWTH AND PROSPERITY

Driving energy
www.woqod.com.qa





**His Highness
Sheikh Tamim Bin Hamad Al Thani**
The Heir Apparent



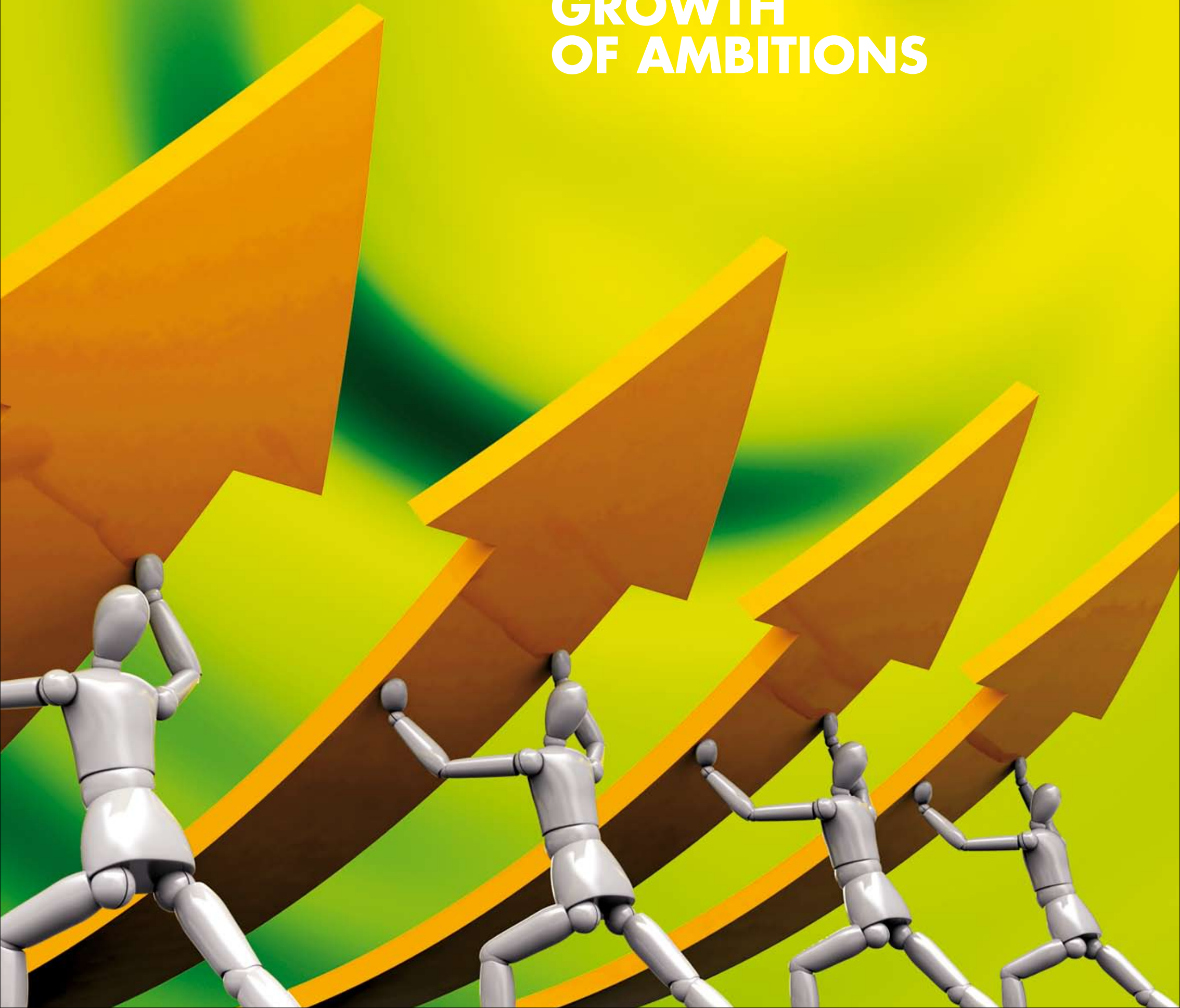
**His Highness
Sheikh Hamad Bin Khalifa Al Thani**
Emir of the State of Qatar



CONTENTS

Board of Directors	2
Our Profile	4
Vision / Mission	4
Our Brand	6
WOQOD's Quality Policy	6
Chairman's Message	7
Board of Directors' Report	9
Financial Highlights	19
Independent Auditor's Report	20
The Company's Financial Statements	21
Notes to the Consolidated Financial Statements	26

GROWTH OF AMBITIONS



BOARD OF DIRECTORS

H.E. Mr. Abdullah Bin Hamad Al-Atiyah
Deputy Prime Minister,
Minister of Energy & Industry,
WOQOD Chairman



(from left to right)

Mr. Mohamed Khalifa Turki Al-Sobai
Vice-Chairman and Managing Director



Mr. Hussain Mohamed Hussain Al-Ishaq
Member

Mr. Nasser Mubarak Al-Maadeed
Member



Dr. Mohamed A. Wahed Al-Hamadi
Member

Mr. Abdulhadi Treheeb N. Al-Shahwani
Member



Sheikh Ali Bin Nasser Al-Ahmad Al Thani
Member

GROWTH OF PROFITS

OUR PROFILE

Introduction

Under the auspices of His Highness the Emir of Qatar, Sheikh Hamad Bin Khalifa Al Thani and the direction of our Chairman His Excellency Abdullah Bin Hamad Al-Attiyah, Deputy Prime Minister, Minister of Energy & Industry, Qatar Fuel **WOQOD** has made a great start as a new company and has a great future to come.

The company was formed from the fuel storage and distribution assets owned at that time by Qatar Petroleum under the name of NODCO (National Oil Distribution Company). NODCO-owned Qatar's fuel distribution depot located in Messaimeer supplies diesel, gasoline and aviation fuels to the entire State of Qatar through a fleet of dedicated road tankers. All these fuels are supplied to the Doha Depot by a multi-product pipeline from Qatar Petroleum's Refinery at Mesaieed.

Qatar Fuel **WOQOD** provides and distributes all of Qatar's energy needs; Gasoline and diesel for vehicles, boats and industry, LPG for cooking and aviation fuel for Doha International Airport. Our products and services touch everybody in Qatar, when you are driving your car, eating your meal or flying on holiday. We fuel Qatar's industrial developments, providing Bitumen to build new roads and diesel to power earth moving equipment, in addition to establishing modern service stations across Qatar. **WOQOD** is a public shareholding company listed in the Doha Securities Market since 2002. Our share growth has been both progressive and impressive, and we are issuing dividends within the early stages of the Company's establishment. Our performance is shared by a strong Qatari shareholder base and positively influenced by our largest shareholder, Qatar Petroleum.

We have well-planned and aggressive growth targets to consolidate our position in Qatar and prepare for international expansion.

OUR VISION / OUR MISSION

Our Vision

To be the leading petroleum products and related services marketing company in the region.

Our Mission

- Provide all customers with reliable, professional and innovative solutions through friendly, excellent and convenient services.
- To demonstrate accountability for all our activities.
- To achieve our vision and mission, we will train and develop competencies across the organization to enable us to demonstrate that we are the best in what we do in the region.
- We will achieve 50% Qatarization by 2010.
- Minimizing our impact on the environment will be achieved through the introduction of new technologies not yet seen in the region.

MAKING GROWTH A PHILOSOPHY

OUR BRAND

Our brand is inspired by a strong Qatari heritage - the Sidra tree - and environment - the energy from the Sun. The Sidra is endemic to Qatar, it is a tough tree, able to thrive in Qatar's desert environment with minimum maintenance.

Many families have lived with the Sidra tree in their gardens. It provides shade from the sun and beautifies the desert landscape. Our new modern brand will enable us to compete globally but will always remind us where our roots are.

Our Brand Values

Professional

Everything **WOQOD** does internally and externally will be seen as a truly professional approach. We aspire to be the most professionally managed company in Qatar.

Solid

WOQOD as a company is built on a solid foundation financially through its shareholders.

Friendly

WOQOD is a friendly company to deal with and always approaches its customers in a friendly manner.

Innovation

WOQOD leads the market in innovative products, services and processes.

Accountable

WOQOD is truly accountable for all its business activities and their impact.

WOQOD QUALITY POLICY

We, at Qatar Fuel **WOQOD**, are engaged in marketing, distribution and storage of fuel and related products within Qatar. The company plans to diversify its products and services and to expand its operations in the GCC and other countries.

In fulfilling our corporate vision and to earn the trust and confidence of our shareholders, we commit to provide consistently quality products and superior services through the use of best management concepts and state-of-the-art technologies.

We shall integrate highest professionalism through our **WOQOD** Brand values and quality considerations in every aspect of our operations by implementing and maintaining an internationally recognized Quality Management System (QMS).

To continually improve the quality of our products and services and the effectiveness of our management system, we shall:

- Seek to know, understand and always meet the requirements of our partners through effective feedback mechanism.
- Comply with applicable laws and regulations and the requirements of the industry to which we belong.
- Establish strategic objectives and targets aim at continually improving the efficiency of our operations and in meeting the stated and implied needs of our customers.
- Empower our employees in resolving problems and in maintaining customer focused and competence by providing them with appropriate training and support.
- Promote quality awareness in all functions and levels within the company and among our stakeholders.
- Review regularly our Quality Management System to ensure its continuing suitability.

CHAIRMAN'S MESSAGE



H.E. Abdullah Bin Hamad Al-Attiyah
Deputy Prime Minister
Minister of Energy & Industry
WOQOD's Chairman

Honourable Shareholders,

On behalf of myself and the Members of the Board, it gives me great pleasure to welcome you and to present the Fifth Annual Report of our Company, highlighting the major accomplishments achieved during the fiscal year ended 2007.

2007 witnessed significant developments at all levels. Internationally, the world oil prices continued its accelerating trend and almost touched the \$100 per barrel. This was accompanied with high international inflation rates, along with US \$ depreciation against most of major currencies.

On the domestic side, 2007 enjoyed unprecedented achievements and positive developments. The growth rate of GDP reached unmatched levels and Qatar continued its economic policies aimed at diversifying its financial resources, satisfying international demand of oil and gas, and updating laws and regulations aim at encouraging domestic as well as foreign investments.

We are proud that Qatar, under the enlightened guidance of H.H. Sheikh Hamad Bin Khalifa Al Thani, the Emir, has become the world's largest LNG exporter only in a decade or so. Our exports of this product is expected to exceed 31 million tons in 2008 and 77 million tons by 2010. This amount will represent one third of total world demand and will rank Qatar as number one among all exporting countries of LNG.

Concerning the Company's achievements and financial performance during 2007, I am pleased to announce that this year was yet again another one of tremendous progress for **WOQOD**. I am pleased to brief you on major financial issues and on future plans, which will be covered in more details by the Annual Report of 2007.

Major projects related to petrol stations , bunkering facilities at Ras Laffan and other projects are progressing . **WOQOD**, and in its second strategic plan is looking for regional and international expansion. Different investment opportunities have been explored in different countries, and feasibilities studies have been conducted for such projects. **WOQOD** will not hesitate ceasing any investment opportunity proves to be viable.

On **WOQOD's** financial side, our achievements during 2007 were excellent and exceeded our targets. Total assets and total equity grew by 21% and 51% respectively in 2007.

Net profit for the year which exceeded QR 616 million compared to QR 431 million achieved in 2006, have been positively reflected on the Earning Per Share (EPS) rate, which mounted from QR 14,4 in 2006 to QR 20,54 in 2007, with an increase of 43%.

In accordance with the previous excellent indications and based on our forecast performance for the recent year 2008, I am pleased to submit through the agenda of the esteemed general assembly a recommendation for distributing dividends of QR 210 million, at 70 % of the value of the nominal capital, i.e. at QR 7 par share, taking into considerations the future financial requirements for **WOQOD's** future projects.

Thanks and appreciation

In my name and on behalf of the Board of Directors, I am pleased to seize this opportunity to express my best regards and thanks to H.H. the Emir of the State of Qatar, Sheikh Hamad Bin Khalifa Al Thani, for his continuous support and wise instructions for the comprehensive development process of Qatar.

I would also like to extend my gratitude and regards to H.H. the Heir Apparent, Sheikh Tamim Bin Hamad Al Thani for his continuous support to **WOQOD**, which directly contributes to the success and prosperity of the Company.

Thanks also to the honourable shareholders for their confidence, faith and loyalty to our Company. We reiterate our commitment to persistently work hard to realize the shareholders' best interest and development of their investments.

Lastly and definitely not least , I take this occasion to extend my thanks and appreciation to the management and employees of the Company for their wholehearted devotion, loyalty and cooperation in the service of the Company and the attainment of its goals.

Abdullah Bin Hamad Al Attiyah
Chairman

BOARD OF DIRECTORS' REPORT

Company's Activities and Performance in the Fiscal Year 2007 and Future Plans



Mr. Mohamed Khalifa Turki Al-Sobai
Vice-Chairman
and Managing Director

Honorable shareholders,

The Executive Management of WOQOD is pleased to present to our esteemed shareholders our review of the Company's achievements and financial results during the fiscal year of 2007, as well as the projects under construction or planned for coming years.

First: Progress of the Company's Main Projects

A- Petrol Stations' Network Projects:

WOQOD is working relentlessly to accomplish the targeted number of petrol stations. Messaimer East petrol station has been completed and commissioned during the second quarter of 2007, to be the third petrol station of WOQOD's operating stations.

In regards to stations under construction, four petrol stations are expected to be completed and commissioned by the end of 2008.

Design and construction for other service stations are progressing. Tendering was completed for seven new petrol stations in the city and suburbs of Doha.



BOARD OF DIRECTORS' REPORT (Continue)

Coordination is currently underway with Ashghal and the Urban Planning Authority, to allocate 5 new sites at the North Highway to serve the habitants and road traffic in this area. Designing and tendering for this project is expected to be completed during 2008.

B- Bitumen Storage Loading and Processing Facilities:

Construction of the project in Messaeid was completed. The project has been commissioned on a trial basis during the last quarter of 2007 and will be fully operational by the second quarter of 2008. Technical and logistic problems have been dealt with.



C- HFO Bunkering Facility at Ras Laffan:



The first stage of this project has been completed and commissioning at Berth (1) is expected to take place during the second quarter of 2008. Works continued for Berths (2, 3 & 4), where Berths (2 & 3) are expected to be completed by the first quarter of 2009 and the whole project by the end of same year.

BOARD OF DIRECTORS' REPORT (Continue)

D- Butane Gas Bottling Plant:



Works at the Gas Bottling Plant in the New Industrial Area have been accelerated and all engineering operations completed. Construction works and equipments issues are delayed due to modifications on the project's technical specs after obtaining the approval from QP in order cope with the technical and economical developments taking palce in Qatar.

E- Doha Depot Expansion Project:

Doha Depot is located at Ain-Khaled at the North of Messaimer. The site with a space of 459,000 sq. meters, has been designed for storing a quantity of petroleum products to satisfy local demand, in addition to providing related services. The depot includes the following facilities:

- 9 major tanks with a total storage capacity of 380,000 barrels.
- 11 loading gantries with a total pumping capacity exceeds 60,000 barrels per day.
- Maintenance workshops and administrative buildings.

Due to the increase in local demand for petroleum products, **WOQOD** took the initiative to expand this Depot in stages. The initial stage achieves the following:

- Construction of 4 fuel storage tanks with storage capacity of 200,000 barrels, increasing the depot total storage capacity up to 580,000 barrels and enabling it to satisfy local demand for 7 days or a strategic storage for one week on the basis of 83,000 barrels daily.



- Constructing 6 loading gantries with a capacity of 30,000 barrels per day.
- Constructing and equipping a maintenance workshop and truck wash for heavy trucks, including tire workshops.
- Operating the Vapour Recovery Unit (VRU) which will have a positive impact on the local environment.

F- New Pipeline Projects:

Work is progressing to accomplish the new pipeline connecting Messaied Refinery with Doha Depot. The 18" pipeline will supply the Depot with 120,000 barrels per day. A specialized company was chosen to execute the project, which is expected to be completed by the end of 2008.

BOARD OF DIRECTORS' REPORT (Continue)



The second pipeline is 16" in diameter and is for Jet Fuel. It will supply Jet Fuel from Messaied Refinery to the New Doha International Airport. This pipeline will allow for more storage capacity for the three types of petroleum products at Doha Depot, which will no longer store aviation fuel. The tendering process will be completed during the first quarter of 2008.

It is worth mentioning that these projects are executed in cooperation with Qatar Petroleum.

G- Other Projects:

Major projects are progressing although they still at early stage of accomplishment. 6 new tanks will be constructed for Jet Fuel at the New Doha International Airport, with a capacity of 337,000 barrels. This project is expected to be completed by early 2009. Construction is progressing for 2 tanks of Heavy Fuel Oil at Ras Laffan with a total capacity of 500,000 barrels. The project is expected to be completed during the second quarter of 2008. Other projects including the construction of an additional 10 loading gantries for Diesel, and other 10 for Jet Fuel at Ras Laffan are progressing and completion is expected by the second quarter of 2008.

H- Future Projects:

Within Doha Depot, **WOQOD** is planning to establish other projects. during the third phase. Among those projects are the following:



- Expansion of administration building, and establishing a training center and car parking for 300 cars including a car workshop.
- Establishing a new depot in a suitable location to be selected according to future studies. This new depot will include 36 loading gantries, with a total capacity of 200,000 barrels and a storage capacity exceeding 1,000,000 barrels. The project is expected to be completed by the end of 2015.

BOARD OF DIRECTORS' REPORT (Continue)

Second: Marketing Activities

These activities include the following:

A- Bitumen:

Despite the completion of the Bitumen storage, loading and processing facilities in Messaeid in 2007, the plant has not been fully operational due to technical and marketing problems arose during this year. Bitumen markets in the region lack stability and transparency and markets cannot satisfy the region's increasing demand, in addition to the delays of Bitumen shipments and queuing for a very long time at exporting ports. This caused a 25% decline of our Bitumen sales which dropped to only 33,465 mt in 2007, comparing to 44,702 mt in 2006.

WOQOD took an immediate initiative in dealing with this critical situation, and acquired a new Bitumen ship with a storage capacity of 4,000 mt. This will reduce leasing cost and increase storage capacity significantly.



However, and despite all difficulties facing importing and distribution of Bitumen and the competition from local suppliers, WOQOD, which has no concession right for these activities, will continue to provide the local market with a high standard of Bitumen despite its high cost and low profitability. This is part of our commitment to support the economic development of Qatar and to meet the demands of Private and Public Sectors' future projects.

B- Bunkering Facilities at Ras Laffan:

Commissioning at Berth (1) is expected during the second quarter of 2008. Through this project, WOQOD will supply HFO, CST 180 to LNG vessels at Ras Laffan and other ships within Qatari waters. WOQOD bought a new ship with a storage capacity of 34,000 mt, in addition to providing ship-to-ship bunkering facilities to ships visiting Ras Laffan and Qatari waters.



Operations for ship-to-ship bunkering facilities started in 2006 in Ras Laffan, through providing dredging companies with ships oil. The volume of sales increased to 67,000 mt in 2007 comparing to

BOARD OF DIRECTORS' REPORT (Continue)

16,700 mt in 2006 and. Sales are expected to reach 500,000 mt at the end of 2008, which will help diversify the income resources of the Company and significantly increase its returns.

C- LPG Bulk:

LPG Bulk operations are progressing rapidly and customers are welcoming the new service which is offered by specialized and highly qualified contractors under WOQOD's supervision. Regarding residential projects, WOQOD will be supplying LPG for two residential complexes for Barwa with 6000 units for project (1) and 2000 units for project (2). Barwa has already signed contracts with local contractors accredited by WOQOD.

D- Natural Gas Network:

WOQOD coordinated with the Management of the New Industrial Area and QP to provide natural gas to this area at the first stage by



the end of 2008 through a natural gas network. Other areas in Qatar will be covered in later stages.

E- Lubricants:

WOQOD completed the production of their own branded lubricants. The names of the products were registered in the Ministry of Commerce and Economy as a trade mark of WOQOD. These products will be distributed in the markets of Qatar during the second quarter of 2008.



BOARD OF DIRECTORS' REPORT (Continue)



Third: Acquired Assets and Investments

A- Real Estate: WOQOD's Tower

A QR 29 million contract was signed with an international building company for water drainage and basement foundations of WOQOD's Tower. This phase is expected to be completed by the first quarter of 2008 and the whole project; consisting of 30 stories, 4-story car parking, ground floor and a mezzanine, by the end of 2009.

B- WOQOD's Marine Fleet:

In line with the Company's diversification and accelerated growth, especially in marine transport, storage and supply, WOQOD has established a marine company called "WOQOD for Marine Services" to include the following ships owned by the Company:

1. Sidra Qatar with a storage capacity of 1,150 tons.
2. Sidra Al-Khaleej with a storage capacity of 3,200 tons.
3. Sidra Doha with a storage capacity of 3,200 tons.
4. Sidra Al-Wajba with a storage capacity of 4,000 tons.
5. Sidra Ras Laffan with a storage capacity of 33,000 tons.

The new Sidra Ras Laffan will be operating as a mother ship for WOQOD's fleet, and for bunkering activities at Ras Laffan.

WOQOD is planning to purchase more ships whenever needed.

C- Financial Investment:

WOQOD still owns the shares that it acquired during the IPO for the Qatar Gas Transportation Company (Nakilat) as one of the founders of the company. The closing price of Nakilat at the end of 2007 was QR 31 per share (QR 5 were paid for the second payment for each owned share) while it was QR 13.2 in 2006.

BOARD OF DIRECTORS' REPORT (Continue)

Fourth: Operations

Operations' activities include distributing petrol products, LPG, Bitumen and other related services. These include the following:

A- Petroleum Products:

2007 witnessed a sharp increase in local demand for most of the petroleum products. This unprecedented increase in demand led WOQOD to take immediate and necessary initiatives to manage this situation. WOQOD, in cooperation with Messaieed Refinery Management decided to operate Messaieed emergency loading gantries in order to supply Doha Depot with 60,000 barrel per day to increase the Depot capacity and reduce pressure on it.

WOQOD also used its own ships for distributing petroleum products to avoid any shortage of supply. In addition, WOQOD, in coordination with Ras Gas Management, has discussed the possibility of opening Ras Gas loading station for supplying Diesel and Jet Fuel products from Ras Laffan. The disequilibrium in market demand for petroleum products which arose in the second half of 2007 was dealt with successfully by WOQOD. WOQOD's transport fleet has been increased by 100 heavy vehicles to deal with Qatar's industrial and consumer needs.



The following table summarizes major achievements in 2007.

Product Type	2006 Quantity of sales (Thousand Liters)	2007 Quantity of sales (Thousand Liters)	% change (+, -)
Diesel	1.298.165	1.760.555	36%
Premium	431.436	481.918	12%
Super	543.830	665.131	22%
Jet Fuel	639.941	902.074	41%
Kerosene	3.820	5.244	37%
Total	2.814.921	3.814.921	35%
LPG	23.193 (Ton)	57.506	148%
Bitumen	44.702 (Ton)	33.462	25%

BOARD OF DIRECTORS' REPORT (Continue)

Fifth: Information Technology



In 2007, the Information Technology Department has implemented different projects aimed at improving the administrations' performances, in cooperation with consultancy firms specialized in evaluating the programs and systems utilized by these administrations to detect their weakness points and finding the right and effective solutions. IT's achievements during 2007 can be summarized as follows:

- Launching WOQOD's website which was designed internally.
- Launching the new payroll system (ERP).
- Developing the reporting system for Marketing Department (OLAP).
- Developing various systems designed for serving various departments such as Human Resources, fuel networks and depots supervision.

Sixth: Administration

During 2007, significant changes took place in WOQOD's Administration in order to comply with the rapid development which the company is witnessing. These initiatives included the following:



A- Recruitment:

WOQOD is aiming at reaching the targeted Qatarization ratio. Different incentives have been introduced to attract new Qatari staff, whether they are fresh graduates or those of previous experience. The total number of WOQOD's employees in 2007 reached 400 administrative and technical employees and 510 laborer including petrol station attendants. Qatari staff represented about 19.4% comparing to 18.5% in 2006.

B- Total Quality Management:

WOQOD's total quality policy had been determined and approved and the ISO 9001-2000 certification is expected by the third quarter of 2008. A call center will be established in 2008, Quality Manuals are prepared and Total Quality Management training courses is being held for the Company's different departments by a specialized consulting company.

C- Strategic planning and Balanced Score Card:

WOQOD has contracted a specialized international institution to implement the Balanced Scorecard method to ensure the effective execution of the Company's strategic objectives and policies. To fulfill WOQOD's vision to be the leading petroleum products and

BOARD OF DIRECTORS' REPORT (Continue)



related services marketing company in the region, the main basis of the Company's future strategies have been defined. Training and workshops sessions have been organized to identify the importance of this method and to ensure its success.

Seventh: Financial Performance

The year 2007 was another year of excellent achievement for WOQOD, and could be summarized as follows :

- Net profit for the financial year 2007 reached QR 616 million, compared to QR 431 million for 2006, an increase of QR 185 million or 43%.
- The company continued its sustainable growth where total assets increased to QR 2,699 million compared to QR 2,230 million for 2006, an increase of QR 469 million or 21%.
- The financial position of WOQOD has been strengthened further, and total shareholder equity amounted to QR 1,539 million in 2007 compared to QR 1,017 million for the previous year, an increase of 51%.
- These positive financial indicators reflected positively on shareholders where Earnings Per Share (EPS) for the year have increased significantly and reached QR 20.54 per share, compared to QR 14.40 per share for 2006, an increase of 43%.

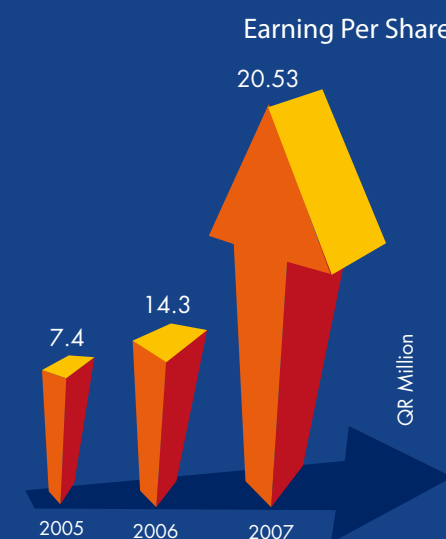
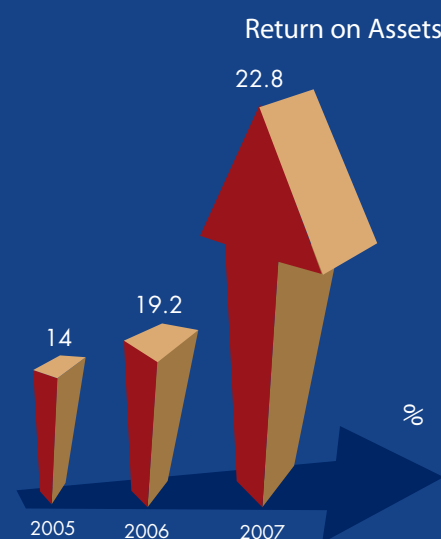
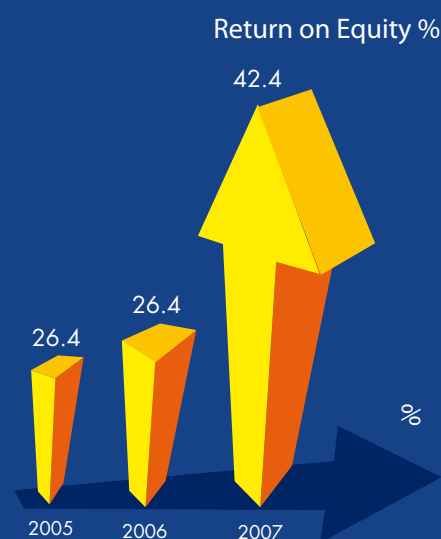
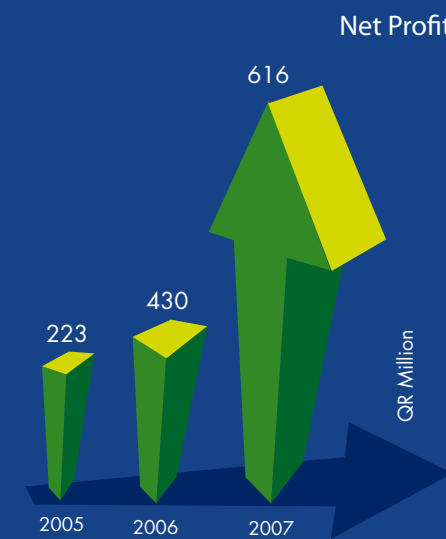
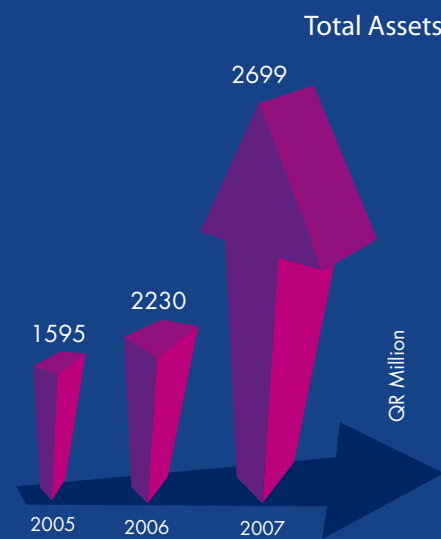
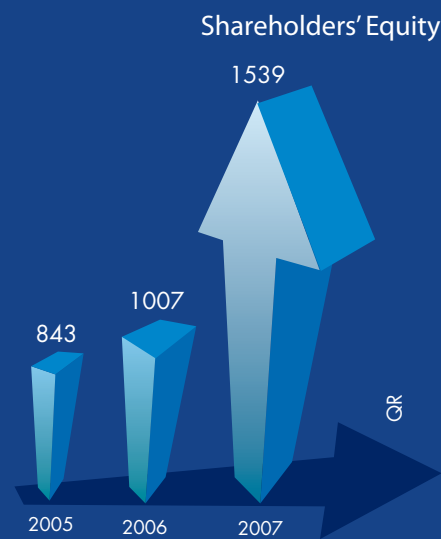
2007 profits exceeded the Company's targets. This excellent performance can be referred to the following factors:

- The increase in returns of bulk oil products transportation due to the concession right granted to the Company.
- The increase in returns of possession and management of onshore and offshore petrol stations.
- The significant increase in sales of Q-Jet Company, of which WOQOD owns 60%.
- Commencing the bunkering activities in Ras Laffan when officially operational during the second quarter of 2008. It is expected to achieve excellent financial results for WOQOD during 2008.
- Returns of non-petroleum activities such as retail business, transportation, leasing and stations' various services.
- The efforts of the Company's employees and the support of the Management.

WOQOD is pleased to extend its lasting superlative gratitude to His Highness Sheikh Hamad Bin Khalifa Al Thani, the Emir of the State of Qatar and His Highness Heir Apparent Sheikh Tamim Bin Hamad Al Thani for their continuous support to the Company. Our Gratitude is extended also to His Excellency, Mr. Abdullah Bin Hamad Al-Attiyah, the Deputy Prime Minister, the Minister of Energy and Industry and the Chairman of The Board of Directors of WOQOD for his exquisite professional leadership, support and directives. In addition, we extend our thanks and regards to the whole Qatari Government, public and private establishments for their support and to the staff and employees of the Company for all efforts extended.

Mohamed Turki Al-Sobai
Vice-Chairman and Managing Director

FINANCIAL HIGHLIGHTS



INDEPENDENT AUDITOR'S REPORT

To The Shareholders Qatar Fuel (WOQOD) Q.S.C. Doha - Qatar

Report on the financial statements

We have audited the accompanying consolidated financial statements of Qatar Fuel (WOQOD) Q.S.C. (the "Company") Doha - Qatar, which comprise of the consolidated balance sheet as at December 31, 2007, and the consolidated statements of income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. The consolidated financial statements for the year ended December 31, 2006 were audited by another auditor who issued an unqualified opinion thereon dated March 1, 2007.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The consolidated financial statements of the Company include assets, liabilities and results of operation of the subsidiary company amounting to QR. 524,239,745 (2006: QR. 405,988,589), QR. 426,305,116 (2006: QR. 317,023,279) and QR. 41,469,318 (2006: QR. 41,411,017) respectively which have been audited by other auditors and expressed their unqualified opinion thereon. The audit report of the subsidiary company was furnished to us, and our opinion, insofar as it relates to the amounts included for the subsidiary, is based solely on the report of other auditors.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit and the report of the other auditors, the accompanying consolidated financial statements present fairly, in all material respect the consolidated financial position of Qatar Fuel (WOQOD) Q.S.C. as of December 31, 2007, and the consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other legal and regulatory requirements

Furthermore, in our opinion the financial statements provide the information required by the Qatar Commercial Companies' Law No. 5 of 2002 and the Company's Articles of Association. We are also of the opinion that proper books of account were maintained by the Company and the contents of the directors' report are in agreement with the Company's financial statements. To the best of our knowledge and belief and according to the information given to us, no contraventions of the above Law or the Company's Articles of Association were committed during the year which would materially affect the Company's activities or its financial position.

Rodl & Partner
Middle East
Saoud Abdulla
License No. 204

Doha - Qatar
Feb. 19, 2008

CONSOLIDATED BALANCE SHEET As of December 31, 2007

ASSETS	Note	December 31,	
		2007	2006
		QR.	QR.
Current Assets:			
Cash and cash equivalent	6	675,477,928	871,782,353
Accounts receivable		934,353,819	774,821,304
Due from a related company	7	4,701,564	2,977,035
Inventories	8	90,852,608	73,527,865
Prepayments and other debit balances		35,478,170	19,862,127
Total Current Assets		<u>1,740,864,089</u>	<u>1,742,970,684</u>
Non-Current Assets:			
Goodwill	9	57,700,022	57,700,022
Available-for-sale investments	10	173,600,000	73,920,000
Property, plant and equipment	11	726,482,866	355,135,362
Total Non-Current Assets		<u>957,782,888</u>	<u>486,755,384</u>
Total Assets		<u>2,698,646,977</u>	<u>2,229,726,068</u>

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET As of December 31, 2007

LIABILITIES AND EQUITY	Note	December 31,	
		2007	2006
		QR.	QR.
Current Liabilities:			
Accounts payable and accruals		50,548,383	36,776,395
Due to Qatar Petroleum	12a	1,092,575,744	1,150,979,785
Loan from Qatar Petroleum	12b	5,399,445	12,000,000
Total Current Liabilities		<u>1,148,523,572</u>	<u>1,199,756,180</u>
Non-Current Liabilities:			
Loan from Qatar Petroleum	12b	-	5,399,445
Provision for employees' end of service benefits		11,124,817	7,603,555
Total Non-Current Liabilities		<u>11,124,817</u>	<u>13,003,000</u>
Equity:			
Share capital	13	300,000,000	300,000,000
Legal reserve	14	139,278,173	81,566,253
General reserve		30,078,234	30,078,234
Fair value reserve		117,320,000	45,640,000
Retained earnings		913,148,330	374,096,277
Proposed dividend	15	-	150,000,000
Equity attributable to equity holders			
Of the parent		1,499,824,737	981,380,764
Minority Interest		39,173,851	35,586,124
Total Equity		<u>1,538,998,588</u>	<u>1,016,966,888</u>
Total Liabilities and Equity		<u>2,698,646,977</u>	<u>2,229,726,068</u>

These financial statements were approved by the Board of Directors on February 19, 2008 and signed on their behalf by:

H.E. Abdulla Bin Hamad Al-Attiyah
Deputy Prime Minister and
Minister of Energy and Industry
Chairman of Woqod

Mr. Mohamed Turki Al-Subai
Vice Chairman and
Managing Director

Mr. Khalil Hassan Makki
Finance Manager

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF INCOME
For The Year Ended December 31, 2007

	Note	Year Ended December 31,	
		2007	2006
		QR.	QR.
Sales	16	4,715,546,339	3,492,474,819
Cost of sales		(3,927,755,108)	(2,929,085,870)
Gross Profit		787,791,231	563,388,949
Depreciation of property, plant and equipment		(27,752,626)	(23,308,463)
General and administrative expenses	17	(182,255,177)	(122,001,815)
Bank charges		(154,336)	(60,328)
Other income	18	55,222,608	29,209,921
Profit for the Year		632,851,700	447,228,264
Attributable to:			
Equity holders of the parent		616,263,973	430,663,857
Minority interest		16,587,727	16,564,407
Total		632,851,700	447,228,264
Basic earnings per share		20.54	14.36
Number of shares		30,000,000	30,000,000

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Year Ended December 31, 2007

	Share Capital	Legal Reserve	General Reserve	Fair Value Reserve	Proposed Dividends	Retained Earnings	Attributable to Equity Holders of the Parent	Minority Interest	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Balance – January 1, 2006	300,000,000	38,499,867	30,078,234	248,298,400	90,000,000	136,498,806	843,375,307	30,721,717	874,097,024
Net profit for the year	--	--	--	--	--	430,663,857	430,663,857	16,564,407	447,228,264
Legal reserve	--	43,066,386	--	--	--	(43,066,386)	--	--	--
Dividend paid	--	--	--	--	(90,000,000)	--	(90,000,000)	--	(90,000,000)
Dividend paid to minority shareholders	--	--	--	--	--	--	--	(11,700,000)	(11,700,000)
Proposed dividend	--	--	--	--	150,000,000	(150,000,000)	--	--	--
Movement in fair value	--	--	--	(202,658,400)	--	--	(202,658,400)	--	(202,658,400)
Balance – December 31, 2006	300,000,000	81,566,253	30,078,234	45,640,000	150,000,000	374,096,277	981,380,764	35,586,124	1,016,966,888
Net profit for the year	--	--	--	--	--	616,263,973	616,263,973	16,587,727	632,851,700
Legal reserve	--	61,626,397	--	--	--	(61,626,397)	--	--	--
Prior year adjustment	--	(3,914,477)	--	--	--	(15,585,523)	--	--	(19,500,000)
Dividend paid	--	--	--	--	(150,000,000)	--	(150,000,000)	--	(150,000,000)
Dividend paid to minority shareholders	--	--	--	--	--	--	--	(13,000,000)	(13,000,000)
Movement in fair value	--	--	--	71,680,000	--	--	71,680,000	--	71,680,000
Proposed dividend	--	--	--	--	--	--	--	--	--
Balance – December 31, 2007	300,000,000	139,278,173	30,078,234	117,320,000	--	913,148,330	1,499,824,737	39,173,851	1,538,998,588

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS For The Year Ended December 31, 2007

	Year Ended December 31,	
	2007	2006
	QR.	QR.
Cash Flows from Operating Activities		
Net profit for the year	632,851,700	430,663,857
Adjustment for:		
Depreciation of property, plant and equipment	27,752,626	23,308,463
Provision for employees' end of service benefits	4,082,537	2,386,000
Interest income	(33,853,633)	(22,133,514)
Profit on sale of property, plant and equipment	-	(227,073)
Prior year adjustment	(19,500,000)	
	611,333,230	468,112,140
Increase in accounts receivable	(159,532,515)	(242,486,460)
Increase in inventories	(17,324,743)	(38,794,214)
Increase in prepayments and other debit balances	(15,616,043)	(12,546,621)
Increase in due from a related company	(1,724,529)	(493,548)
Increase in accounts payable, accruals and due to Qatar Petroleum	(44,632,053)	501,796,745
Cash Generated by Operations	372,503,347	658,038,042
Payments towards employees end of service benefits	(561,275)	(25,963)
Net Cash Generated by Operating Activities	371,942,072	658,012,079
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(399,100,130)	(183,991,924)
Interest received	33,853,633	22,133,514
Investment	(28,000,000)	-
Proceeds from sale of property, plant and equipment	-	489,000
Net Cash used in Investing Activities	(393,246,497)	(161,369,410)
Cash Flows from Financing Activities		
Dividend paid	(150,000,000)	(90,000,000)
Payment of term loans	(12,000,000)	(12,000,000)
Dividend paid to minority shareholders	(13,000,000)	(11,700,000)
Net Cash used in Financing Activities	(175,000,000)	(113,700,000)
Net decrease in cash and cash equivalent	(196,304,425)	382,942,669
Cash and cash equivalent – at beginning of the year	871,782,353	488,839,684
Cash and cash equivalent – at end of the year	675,477,928	871,782,353

The accompanying notes form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended December 31, 2007

1. Activities:

Qatar Fuel (WOQOD) Q.S.C., (the "Company" or "Parent Company") is registered in Qatar with the Ministry of Economy and Commerce as a Qatari Shareholding Company under Commercial Registration No. 24872. The Company was formed in accordance with Emiri Decree No. 5 year 2002 issued on February 10, 2002.

The principal activities of the Company and its subsidiary collectively referred to as "the Group" are sales and distribution of refined petroleum products manufactured by Qatar Petroleum. The Group operates only in the State of Qatar.

2. Adoption of New and Revised International Financial Reporting Standards:

The accounting policies adopted are consistent with those of the previous financial year except for new and amended IFRS and IFRIC interpretations adopted by the Company during the year. Adoption of those revised standards and interpretations did not have any effect on the financial position of the Company.

The application of new IFRS and revised IAS which will be effective for the year ending December 31, 2009, will result in amended and additional disclosures relating to the Company's operating segments, products, services, the geographical areas in which it operates, its major customers presentation of financial statements and significant changes to the financial statements.

The directors anticipate that the adoption of those Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Company.

3. Changes in Accounting Policy:

Land received from the government for the construction of Petrol Stations is treated as non-monetary government grants. These non-monetary grants were previously capitalized at fair value and shown as deferred income to be amortized over the useful life of the Petrol Stations. Due to the restricted use of the land and to improve the quality of the financial information, the company has decided to record the amount at nominal value in accordance with IAS 20. In this regard, the amount shown as deferred income in the previous year of QR. 56,800,000 has been off set against the corresponding amount in property, plant and equipment. This change has not affected the statement of income of the current and previous years.

4. Significant Accounting Policies:

a) Statement of Compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

b) Basis of Preparation:

The financial statements have been prepared on the historical cost basis, except for the measurement at fair value of financial instruments. The principal accounting policies adopted are set out below. For the purpose of the financial statements, the results and financial position of the Group are expressed in Qatari Riyals, which is the functional currency of the Group, and presentation currency for the financial statements.

c) Basis of Consolidation:

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary company, Qatar Jet Fuel W.L.L., a company registered in Qatar. The Company owns 60% of the subsidiary company.

A subsidiary is an entity where the Parent Company can exercise control. Control is achieved where the Parent Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of the subsidiary company to bring its accounting policies into line with those used by the Group. All intercompany transactions, balances, income and expenses between the subsidiary and the Parent Company are eliminated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended December 31, 2007 (Continue)

Minority interest in the net assets of consolidated subsidiary is identified separately from the Parent Company's equity therein. Minority interest consists of the amount of the interest at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

**d) Investment:
Available for Sale**

After initial recognition, investments classified as "available for sale" are remeasured at fair value. The unrealized gains and losses on remeasurement to fair value are reported as a separate component of equity until the investment is sold, collected or otherwise disposed of, or the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the statement of income for the year.

e) Revenue Recognition:

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Investment income represents dividend income, realized profits on the sale of investments and unrealized profit / (loss) on investments held for trading.

Dividend income is recognized when the rights to receive the payments have been established.

Interest income is recognized on a time accrual basis, by reference to the principal amount outstanding and the interest rate applicable.

f) Related Parties:

A related party is one with which the Group has, in common, partners or management, but is neither an investment, a subsidiary nor an associate. Related parties also include key management personnel of the Group. Transactions with related parties are performed at prices as discussed in Note 19.

g) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is charged to write off the cost of assets, other than capital work in progress and land over their estimated useful lives, using the straight line method. The estimated useful lives of the assets are as follows:

Buildings and infrastructure	10 - 20 years
Plant and equipment	10 - 20 years
Vehicles, office equipment and furniture	5 - 10 years
Petrol stations	5 - 20 years
Vessels (excluding dry docking components)	20 years

Land is not depreciated.

Dry docking components are amortized over the period to the next dry dock (approximately 5 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended December 31, 2007 (Continue)

h) Cash and Cash Equivalents:

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, bank balances and short term deposits with banks maturing within 90 days.

i) Accounts Payable and Accruals:

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

j) Operating Lease:

The land on which the subsidiary company's refueling facilities are located is leased under an operating lease from the government. Lease rentals are charged in the statement of income on a straight-line basis over the period of lease.

k) Inventories:

Refined Petroleum Products

Petroleum product inventories are recorded at the lower of cost and net realizable value. Cost is determined by the first-in first-out basis.

Maintenance Materials and Parts

Maintenance materials and parts inventories are stated at cost with appropriate adjustments for provisions against deterioration, obsolescence or other loss in value. Costs are determined by the first-in first-out basis.

l) Foreign Currencies:

Transactions in foreign currencies are recorded in Qatari Riyals at the rates of exchange ruling at the date of each transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are translated to Qatari Riyals at the rates of exchange of those currencies ruling at that date. Gains or losses arising thereon are included in the statement of income.

m) Provisions:

Provisions are recognized when the Group has an obligation either legal or constructive arising from a past event and the costs to settle the obligation are both probable and can be reliably measured.

n) Financial Instruments:

Financial Assets

The Group's principal financial assets are cash and cash equivalent, investments, due from a related company and accounts receivable. All financial assets, except for certain investments, are stated at their nominal values, as reduced by appropriate allowances for estimated irrecoverable amounts, if any.

Financial Liabilities

Significant financial liabilities include accounts payable and due to Qatar Petroleum. All financial liabilities are stated at their nominal values.

o) Government Grants:

Non-monetary government grants are recorded at nominal value.

p) Accounts Receivable and Prepayments:

Accounts receivable and prepayments are stated net of provision for amounts estimated to be doubtful of recovery. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

q) Impairment:

The carrying amounts of the Group's assets are reviewed at each balance sheet date, to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss, being the excess of the carrying amount over the recoverable amount, is recognized. Impairment losses, if any, are recognized in the statement of income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended December 31, 2007 (Continue)

r) Employees' End of Service Benefits and Pension Contributions:

Employees' end of service benefits represent terminal gratuity and are provided for services rendered based on entitlements stipulated in the employees' contracts of employment and their length of service, subject to the completion of a minimum service period.

Under Law No. 24 of 2002 on Retirement and Pensions, contributions by the Company to a Government fund scheme for Qatari employees are calculated as a percentage of the Qatari employees' salaries and the obligations are limited to these contributions, which are expensed when due.

s) Borrowing Costs:

Borrowing costs directly attributable to the construction of qualifying assets which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognized as expenses in the year they are incurred.

t) Capital Work-in-Progress:

All expenditures and costs incurred on the Capital Assets are capitalized and are initially recorded as capital work-in-progress. These costs are transferred to property, plant and equipment when these assets are ready for their intended use.

u) Goodwill:

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

5. Critical Accounting Judgments and Key Sources of Estimation Uncertainty:

In the process of applying the Company's accounting policies, which are described in Note 4, management has made judgments that have the most significant effect on the amounts recognized in the financial statements and applied certain assumptions, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as discussed below:

Inventories

Inventories are stated at the lower of cost and net realizable value. Adjustments to reduce the cost of inventory to its realizable value are made at the product level for estimated obsolescence. Factors influencing these adjustments include changes in demand, product pricing, physical deterioration and quality issues. Based on the above factors, the Group has arrived at certain percentages for allowance for slow moving and obsolete inventories. Revisions to these adjustments would be required if these factors differ from the estimates.

Property, Plant, Equipment and Investment Property

The cost of property, plant and equipment is depreciated over the estimated useful life, which is based on expected usage of the asset, expected physical wear and tear, the repair and maintenance program and technological obsolescence arising from changes and the residual value. The management has not considered any residual value as it is deemed immaterial.

Allowance for Doubtful Debts

Allowance for doubtful debts is determined using a combination of factors to ensure that the trade receivables are not overstated due to uncollectibility. The allowances for doubtful debts for all customers are based on a variety of factors, including the overall quality and aging of the receivables, continuing credit evaluation of the customers' financial conditions and collateral requirements from customers in certain circumstances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended December 31, 2007 (Continue)

6. Cash and Cash Equivalent:

	December 31, 2007	December 31, 2006
	QR.	QR.
Cash on hand	214,912	219,294
Bank current accounts	454,479,723	751,256,184
Fixed deposit accounts	220,783,293	120,311,875
	<u>675,477,928</u>	<u>871,787,353</u>

7. Due from a Related Company:

	December 31, 2007	December 31, 2006
	QR.	QR.
Gulf Helicopters W.L.L.	<u>4,701,564</u>	<u>2,977,035</u>

8. Inventories:

	December 31, 2007	December 31, 2006
	QR.	QR.
Refined petroleum products	85,845,851	67,429,908
Maintenance materials and parts	5,145,278	6,236,478
	<u>90,991,129</u>	<u>73,666,386</u>
Less: Provision for obsolete maintenance Material and parts	<u>(138,521)</u>	<u>(138,521)</u>
Net	<u>90,852,608</u>	<u>73,527,865</u>

9. Goodwill:

Goodwill represents the excess of the cost of acquisition of the subsidiary company over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognized at the date of acquisition.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended December 31, 2007 (Continue)

10. Available-for-Sale Investment:

	Amount
	QR.
Cost at January 1, 2006	276,578,400
Decrease in fair value	(202,658,400)
Value at December 31, 2006	73,920,000
Increase in fair value	71,680,000
Final installment payment for purchase of shares	28,000,000
Value at December 31, 2007	173,600,000

11. Property, Plant and Equipment:

	Land and Buildings	Plant and Equipment	Vehicles, Office Equipment and Furniture	Petrol Stations	Vessels	Capital Work-in- Progress	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Cost:							
At January 1, 2007	37,396,582	109,238,336	86,662,068	314,754	36,295,825	168,824,794	438,732,359
Additions during the period	10,265,049	11,655,323	9,300,313	75,091	187,670,642	180,133,712	399,100,130
Transfers	--	--	35,640,456	--	--	(35,640,456)	--
At December 31, 2007	47,661,631	120,893,659	131,602,837	389,845	223,966,467	313,318,050	837,832,489
Depreciation:							
At January 1, 2006	7,963,459	39,791,424	34,082,133	75,333	1,684,648	--	83,596,997
Depreciation for the period	2,056,789	9,010,648	14,069,635	17,252	2,598,302	--	27,752,626
At December 31, 2007	10,020,248	48,802,072	48,151,768	92,585	4,282,950	--	111,349,623
Net Book Value:							
At December 31, 2007	37,641,383	72,091,587	83,451,069	297,260	219,683,517	313,318,050	726,482,866
At December 31, 2006	29,433,123	69,446,912	52,579,935	239,421	34,611,177	168,824,794	355,135,362

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For The Year Ended December 31, 2007 (Continue)

12. Due to Qatar Petroleum:

	December 31, 2007	December 31, 2006
	QR.	QR.
a) Due to Qatar Petroleum:	1,092,575,744	1,150,979,785

The above amount represents the current account with Qatar Petroleum which consists of normal purchases and service transactions. The outstanding balance is interest free.

	December 31, 2007	December 31, 2006
	QR.	QR.
b) Loan from Qatar Petroleum:		
Non-current portion	5,399,445	5,399,445
Current portion	--	12,000,000
Total	5,399,445	17,399,445

The above balance is interest free and is repayable to Qatar Petroleum in February 2008.

13. Share Capital:

	December 31, 2007	December 31, 2006
	QR.	QR.
30,000,000 issued and fully paid shares of QR. 10 each	300,000,000	300,000,000

14. Legal Reserve:

In accordance with Qatar Commercial Companies' Law No. 5 of 2002, 10% of the net profit for the year/period is to be transferred to legal reserve. This reserve is to be maintained until the reserve equals 50% of the paid up capital and is not available for distribution except in circumstances specified in the Commercial Companies' Law.

15. Dividend:

The Board of Directors proposed a total dividend of QR 7.00 per share for the year ended December 31, 2007 (2006: total dividend QR 5.00 per share).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended December 31, 2007 (Continue)

16. Sales:

	Year Ended December 31,	
	2007	2006
	QR.	QR.
Sale of refined products	2,668,558,268	2,001,822,513
Sale of jet fuel	1,947,158,485	1,435,310,127
Transportation and other revenue	99,829,586	55,342,179
	<u>4,715,546,339</u>	<u>3,492,474,819</u>

17. General and Administrative Expenses:

	Year Ended December 31,	
	2007	2006
	QR.	QR.
Manpower cost	113,026,076	76,037,022
Rent	5,118,265	2,372,428
Others	64,110,836	43,592,365
	<u>182,255,177</u>	<u>122,001,815</u>

18. Other Income:

	Year Ended December 31,	
	2007	2006
	QR.	QR.
Interest from banks	33,853,633	22,133,514
Profit on sale of property, plant and equipment	347,340	27,073
Others	21,021,635	6,849,334
	<u>55,222,608</u>	<u>29,209,921</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended December 31, 2007 (Continue)

19. Related Party Transactions:

	Year Ended December 31,	
	2007	2006
	QR.	QR.
Purchase from Qatar Petroleum	3,668,405,479	2,894,659,035
Sales to Qatar Petroleum	58,749,314	67,310,436
General and administrative expenses	3,534,584	3,246,854

(i) Sales transactions to Qatar Petroleum are at arms length.

(ii) Purchases for Qatar Petroleum are in accordance to the agreement with Qatar Petroleum.

20. Capital Commitments:

	December 31,	December 31,
	2007	2006
	QR.	QR.
Heavy Fuel Oil Project	325,000,000	325,000,000
Liquefied Petroleum Gas Plant Project	150,000,00	150,000,00
Construction of Petrol Stations	99,329,247	99,329,247
Bitumen Storage Tank	50,000,000	50,000,000
Available-for-sale investments	--	28,000,000
	<u>624,329,247</u>	<u>652,329,247</u>

Contingent Liabilities:

	December 31,	December 31,
	2007	2006
	QR.	QR.
Letter of guarantee	--	543,200

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended December 31, 2007 (Continue)

21. Interest Rate Risk Sensitivity:

The following summary sets out the Group's exposure to interest rate risk as of December 31, 2007.

	Effective Interest Rate	Interest Bearing	Non- Interest Bearing	Total
		QR.	QR.	QR.
Assets:				
Cash and cash equivalents	5.25%	220,783,293	454,694,635	675,477,928
Accounts receivable	--	--	934,353,819	934,353,819
Inventories	--	--	90,852,608	90,852,608
Prepayments and other debit balances	--	--	35,478,170	35,478,170
Due from a related party	--	--	4,701,564	4,701,564
Available-for-sale investments	--	--	173,600,000	173,600,000
Goodwill	--	--	57,700,022	57,700,022
Property, plant and equipment	--	--	726,482,866	726,482,866
		<u>220,783,293</u>	<u>2,477,863,684</u>	<u>2,698,646,977</u>
Liabilities and Equity:				
Accounts payable and accruals	--	--	50,548,383	50,548,383
Loan to a related party - Qatar Petroleum	--	--	5,399,445	5,399,445
Due from a related party - Qatar Petroleum	--	--	1,092,575,744	1,092,575,744
Provision for employees' end of service benefits	--	--	11,124,817	11,124,817
Equity	--	--	1,538,998,588	1,538,998,588
		<u>--</u>	<u>2,698,646,977</u>	<u>2,698,646,977</u>
Interest Rate Sensitivity Gap		<u>220,783,293</u>	<u>(220,783,293)</u>	<u>--</u>

22. Reclassifications:

Certain balances were reclassified to conform with the current year financial statement presentation.