

**QATAR FUEL (WOQOD) Q.S.C.
DOHA – QATAR**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007
TOGETHER WITH REVIEW REPORT**

**QATAR FUEL (WOQOD) Q.S.C.
DOHA – QATAR**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007**

TABLE OF CONTENTS

Review Report	--
	<u>Page</u>
Interim Consolidated Balance Sheet	1-2
Interim Consolidated Statement of Income	3
Interim Consolidated Statement of Changes in Shareholders' Equity	4
Interim Consolidated Statement of Cash flows	5-6
Notes to the Interim Condensed Consolidated Financial Statements	7-9

REVIEW REPORT

**TO THE BOARD OF DIRECTORS
QATAR FUEL (WOQOD) Q.S.C.
DOHA – QATAR.**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of **Qatar Fuel (WOQOD) Q.S.C.** as of June 30, 2007 comprising of the interim consolidated balance sheet as of June 30, 2007 and the related interim consolidated statements of income, changes in shareholders' equity and cash flows for the six month period then ended, and certain explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with **International Financial Reporting Standard "IAS 34 – Interim Financial Reporting"**. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review. The interim condensed financial statements of the subsidiary, which when consolidated represent 19 % of the assets, 33 % of the liabilities and 8 % of the results of operations of the company; have been reviewed by other auditors. The review report was furnished to us and our report, in so far as it relates to the amounts included for the subsidiary is based on the report of the other auditor. The interim condensed consolidated financial statements for the six month period ended June 30, 2006 were reviewed by other auditors who issued an unqualified review report thereon dated August 8, 2006. The consolidated balance sheet as of December 31, 2006 which is presented for comparative purposes has been audited by the other auditors; whose report dated March 1, 2007 expressed an unqualified opinion thereon.

Scope of Review

We conducted our review in accordance with **International Standard on Review Engagements 2410**, "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of interim condensed consolidated financial information 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 interim condensed consolidated financial statements are not prepared, in all material aspects, in accordance with **International Accounting Standard – 34**, "Interim Financial Reporting".

**For Rödl & Partners
Middle East**

**Doha – Qatar
July 23, 2007**

**Saoud Abdulla
(License No. 204**

**QATAR FUEL (WOQOD) Q.S.C.
DOHA – QATAR**

INTERIM CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2007

	<u>Notes</u>	June 30, 2007 (Reviewed) QR.	June 30, 2006 (Reviewed) QR.	December 31, 2006 (Audited) QR.
<u>ASSETS</u>				
Current Assets:				
Bank balances and cash		510,063,478	512,862,511	871,782,353
Trade receivables and other debit balances		907,463,120	643,998,173	794,683,431
Inventories		80,937,153	35,429,775	73,527,865
Due from related parties		3,445,477	4,015,291	2,977,035
Total Current Assets		<u>1,501,909,228</u>	<u>1,196,305,750</u>	<u>1,742,970,684</u>
Non-Current Assets:				
Goodwill		57,700,022	57,700,022	57,700,022
Available-for-sale investments	3	121,520,000	126,000,000	73,920,000
Property, plant and equipment, net	4	449,067,064	328,612,779	355,135,362
Total Non-Current Assets		<u>628,287,086</u>	<u>512,312,801</u>	<u>486,755,384</u>
Total Assets		<u>2,130,196,314</u>	<u>1,708,618,551</u>	<u>2,229,726,068</u>

THE ACCOMPANYING NOTES FOR AN INTEGRAL PART OF THESE INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

**QATAR FUEL (WOQOD) Q.S.C.
DOHA – QATAR**

INTERIM CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2007 (CONT'D)

<u>Notes</u>	<u>June 30, 2007 (Reviewed) QR.</u>	<u>June 30, 2006 (Reviewed) QR.</u>	<u>December 31, 2006 (Audited) QR.</u>
<u>LIABILITIES AND EQUITY</u>			
Current Liabilities:			
	29,418,602	17,356,015	36,776,395
	946,268,494	790,624,099	1,150,979,785
5	<u>11,399,445</u>	<u>12,000,000</u>	<u>12,000,000</u>
	<u>987,086,541</u>	<u>819,980,114</u>	<u>1,199,756,180</u>
Non-Current Liabilities:			
	9,418,408	6,476,110	7,603,555
5	-	11,399,445	5,399,445
	<u>-</u>	<u>56,800,000</u>	<u>-</u>
	<u>9,418,408</u>	<u>74,675,555</u>	<u>13,003,000</u>
Equity:			
	300,000,000	300,000,000	300,000,000
	136,811,341	86,893,922	111,644,487
	65,240,000	97,720,000	45,640,000
	600,597,961	301,341,210	389,096,277
	<u>-</u>	<u>-</u>	<u>135,000,000</u>
	<u>1,102,649,302</u>	<u>785,955,132</u>	<u>981,380,764</u>
	<u>31,042,063</u>	<u>28,007,750</u>	<u>35,586,124</u>
	<u>1,133,691,365</u>	<u>813,962,882</u>	<u>1,016,966,888</u>
	<u>2,130,196,314</u>	<u>1,708,618,551</u>	<u>2,229,726,068</u>

These Interim Condensed Consolidated Financial Statements were approved and authorized by the Board of Directors on July 22, 2007 and signed on its behalf by:

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

Mr. Khalil Hassan Makki
Finance Manager

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

**QATAR FUEL (WOQOD) Q.S.C.
DOHA – QATAR**

**INTERIM CONSOLIDATED STATEMENT OF INCOME
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007**

	Notes	Six Month Period Ended	
		June 30, 2007 (Reviewed) QR.	June 30, 2006 (Reviewed) QR.
Sales	6	2,084,125,400	1,599,353,651
Cost of sales		(1,744,155,929)	(1,386,430,883)
Gross Profit		339,969,471	212,922,768
Depreciation of property, plant and equipment		(12,547,331)	(8,805,610)
General and administrative expenses		(87,600,256)	(23,940,557)
Bank charges		(65,670)	-
Other income		20,368,263	11,967,659
Net Profit for the Period		260,124,477	192,144,260
Attributable to:			
Equity holders of the parent		251,668,538	183,158,227
Minority interest		8,455,939	8,986,033
Total		260,124,477	192,144,260
Earnings for the purpose of earnings per share calculation		251,668,538	183,158,227
Number of shares		30,000,000	30,000,000
Earnings per share for the period	QR.	8.39	6.11

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED
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DOHA - QATAR**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007

	Share Capital	Legal Reserve	Fair Value Reserve	Retained Earnings	Proposed Dividends	Attributable to Equity Holders of the Parent	Minority Interest	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Balance - January 1, 2006	300,000,000	68,578,099	248,298,400	136,498,806	90,000,000	843,375,305	30,721,717	874,097,022
Net Profit for the Period	-	-	-	183,158,227	-	183,158,227	8,986,033	192,144,260
Legal reserve	-	18,315,823	-	(18,315,823)	-	-	-	-
Dividend paid	-	-	-	-	(90,000,000)	(90,000,000)	(11,700,000)	(101,700,000)
Movement in fair value	-	-	(150,578,400)	-	-	(150,578,400)	-	(150,578,400)
Balance – June 30, 2006 (Reviewed)	300,000,000	86,893,922	97,720,000	301,341,210	-	785,955,132	28,007,750	813,962,882
Balance – January 1, 2007	300,000,000	111,644,487	45,640,000	389,096,277	135,000,000	981,380,764	35,586,124	1,016,966,888
Net Profit for the Period	-	-	-	251,668,538	-	251,668,538	8,455,939	260,124,477
Legal reserve	-	25,166,854	-	(25,166,854)	-	-	-	-
Dividend paid	-	-	-	(15,000,000)	(135,000,000)	(150,000,000)	(13,000,000)	(163,000,000)
Movement in fair value	-	-	19,600,000	-	-	19,600,000	-	19,600,000
Balance – June 30, 2007 (Reviewed)	300,000,000	136,811,341	65,240,000	600,597,961	-	1,102,649,302	31,042,063	1,133,691,365

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**QATAR FUEL (WOQOD) Q.S.C.
DOHA – QATAR**

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007**

	Six Month Period Ended	
	June 30, 2007 (Reviewed) QR.	June 30, 2006 (Reviewed) QR.
Cash Flows from Operating Activities:		
Net profit for the period before minority interest	260,124,477	192,144,260
Adjustments for:		
Depreciation	12,547,331	8,805,610
Finance cost	65,670	-
Interest income	(14,852,636)	(9,159,691)
Provision for employees' end of service benefits	1,910,206	1,249,064
Net Cash from Operating Activities before changes in working capital	259,795,048	193,039,243
Trade receivables and other debit balances	(112,779,689)	(104,347,823)
Inventories	(7,409,288)	(696,124)
Due from related parties	(468,442)	(1,531,804)
Accounts payable and accruals	(7,357,793)	(8,138,111)
Due to Qatar Petroleum	(204,711,291)	130,158,787
Cash from (used in) Operating Activities	(72,931,455)	208,484,168
Payments towards employees' end of service benefits	(95,353)	(16,472)
Net Cash from (used in) Operating Activities	(73,026,808)	208,467,696

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

**QATAR FUEL (WOQOD) Q.S.C.
DOHA – QATAR**

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007**

	Six Month Period Ended	
	June 30, 2007 (Reviewed) QR.	June 30, 2006 (Reviewed) QR.
Cash Flows from Investing Activities:		
Purchase of property, plant and equipment	(106,479,033)	(85,904,560)
Investments	(28,000,000)	-
Interest received	14,852,636	9,159,691
Net Cash used in Investing Activities	(119,626,397)	(76,744,869)
Cash Flows from Financing Activities:		
Dividends paid	(150,000,000)	(90,000,000)
Payment of term loan	(6,000,000)	(6,000,000)
Finance charges paid	(65,670)	-
Payment to minority interest holders	(13,000,000)	(11,700,000)
Net Cash used in Financing Activities	(169,065,670)	(107,700,000)
Net (Decrease) Increase in Cash and Cash Equivalents	(361,718,875)	24,022,827
Cash and Cash Equivalents at the Beginning of the period	871,782,353	488,839,684
Cash and Cash Equivalents at the End of the Period	510,063,478	512,862,511

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

**QATAR FUEL (WOQOD) Q.S.C.
DOHA – QATAR**

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007**

1) BASIS OF PREPARATION

The interim condensed consolidated financial statements of the company for the six months ended June 30, 2007 have been prepared in accordance with IAS 34, Interim Financial Reporting.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2006. In addition, results for the 6 months ended June 30, 2007 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2007.

2) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2006.

In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

**QATAR FUEL (WOQOD) Q.S.C.
DOHA – QATAR**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007**

NOTE – 03 AVAILABLE-FOR-SALE INVESTMENTS

	June 30, 2007 (Reviewed) QR.	June 30, 2006 (Reviewed) QR.	December 31, 2006 (Audited) QR.
Value at the beginning	73,920,000	276,578,400	276,578,400
Payment made during the period	28,000,000	-	-
	<u>101,920,000</u>	<u>276,578,400</u>	<u>276,578,400</u>
(Decrease) Increase in fair value	19,600,000	(150,578,400)	(202,658,400)
Value at closing	<u>121,520,000</u>	<u>126,000,000</u>	<u>73,920,000</u>

NOTE – 04 PROPERTY, PLANT AND EQUIPMENT, NET

	June 30, 2007 (Reviewed) QR.	June 30, 2006 (Reviewed) QR.	December 31, 2006 (Audited) QR.
Opening net book value	355,135,362	251,513,828	194,713,828
Additions	106,479,033	85,904,560	183,991,924
Net book value of disposal	-	-	(261,927)
Depreciation	(12,547,331)	(8,805,609)	(23,308,463)
Net	<u>449,067,064</u>	<u>328,612,779</u>	<u>355,135,362</u>

NOTE – 05 LOAN FROM QATAR PETROLEUM

	June 30, 2007 (Reviewed) QR.	June 30, 2006 (Reviewed) QR.	December 31, 2006 (Audited) QR.
Term loan - Balance	11,399,445	23,399,445	17,399,445
Less : current portion	<u>(11,399,445)</u>	<u>(12,000,000)</u>	<u>(12,000,000)</u>
Non-current portion	<u>-</u>	<u>11,399,445</u>	<u>5,399,445</u>

The loan is repayable in equal semi-annual installments starting from August 30. The above balance is interest free.

**QATAR FUEL (WOQOD) Q.S.C.
DOHA – QATAR**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007**

NOTE – 06 SALES

	Six Month Period Ended	
	June 30, 2007 (Reviewed)	June 30, 2006 (Reviewed)
	QR.	QR.
Sale of aviation fuel	522,445,415	661,736,083
Sale of refined products	1,522,808,515	910,626,212
Transportation and other revenue	38,871,470	26,991,356
Total	<u>2,084,125,400</u>	<u>1,599,353,651</u>

NOTE – 07 RELATED PARTY TRANSACTIONS

	Six Month Period Ended	
	June 30, 2007 (Reviewed)	June 30, 2006 (Reviewed)
	QR.	QR.
Purchases from Qatar Petroleum	<u>1,752,844,213</u>	<u>1,372,248,269</u>
General and administrative expenses	<u>2,122,058</u>	<u>1,233,839</u>