

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

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2008  
TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2008**

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## Report on Review of Interim Condensed Consolidated Financial Statements

**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.** (the “**Company**”) as of June 30, 2008, comprising of the interim condensed consolidated balance sheet as of June 30, 2008 and the related interim condensed consolidated statement of income, changes in equity and cash flows for the six month period then ended (“interim financial information”) and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with **International Accounting 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 consolidated financial statements as of June 30, 2008 incorporate assets of QR 704,072,117 liabilities of QR 619,977,811 and net profit of QR21,909,675 which represent 19.8% of total assets, 33.8% of total liabilities and 6% of net profit, relating to subsidiary company which were reviewed by other auditors who issued their unqualified review report on the respective financial statements. The amounts included in these interim condensed consolidated financial statements are solely based on the report of the other auditors.

### **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 and the review of the other auditors, 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 respects, in accordance with **International Accounting Standard No. (34) “Interim Financial Reporting”**.

**For Rödl & Partners  
Middle East**

**Doha – Qatar  
August 5, 2008**

**Saoud Abdullah  
License No. 204**

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

**INTERIM CONSOLIDATED BALANCE SHEET**

**As of June 30, 2008**

	<u>Note</u>	<u>June 30, 2008 (Reviewed) QR.</u>	<u>June 30, 2007 (Reviewed) QR.</u>	<u>December 31, 2007 (Audited) QR.</u>
<b><u>ASSETS</u></b>				
<b>Current Assets:</b>				
Bank balances and cash	3	668,298,199	510,063,478	675,477,928
Accounts receivable, prepayments and other debit balances		1,529,321,584	907,463,120	969,831,989
Inventories		142,610,851	80,937,153	90,852,608
Due from related parties		6,185,551	3,445,477	4,701,564
<b>Total Current Assets</b>		<b><u>2,346,416,185</u></b>	<b><u>1,501,909,228</u></b>	<b><u>1,740,864,089</u></b>
<b>Non-Current Assets:</b>				
Goodwill		57,700,022	57,700,022	57,700,022
Available-for-sale investments	4	220,080,000	121,520,000	173,600,000
Property, plant and equipment, net	5	928,776,340	449,067,064	726,482,866
<b>Total Non-Current Assets</b>		<b><u>1,206,556,362</u></b>	<b><u>628,287,086</u></b>	<b><u>957,782,888</u></b>
<b>Total Assets</b>		<b><u>3,552,972,547</u></b>	<b><u>2,130,196,314</u></b>	<b><u>2,698,646,977</u></b>

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

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

**INTERIM CONSOLIDATED BALANCE SHEET**

**As of June 30, 2008 (Cont'd)**

<u>Note</u>	<u>June 30, 2008 (Reviewed) QR.</u>	<u>June 30, 2007 (Reviewed) QR.</u>	<u>December 31, 2007 (Audited) QR.</u>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Current Liabilities:</b>			
	43,504,777	29,418,602	50,548,383
	1,774,662,090	946,268,494	1,092,575,744
6	--	11,399,445	5,399,445
	<b><u>1,818,166,867</u></b>	<b><u>987,086,541</u></b>	<b><u>1,148,523,572</u></b>
<b>Non-Current Liabilities:</b>			
	13,559,754	9,418,408	11,124,817
	<b><u>13,559,754</u></b>	<b><u>9,418,408</u></b>	<b><u>11,124,817</u></b>
<b>Equity:</b>			
	300,000,000	300,000,000	300,000,000
	139,278,173	106,733,107	139,278,173
	30,078,234	30,078,234	30,078,234
	163,800,000	65,240,000	117,320,000
	1,054,451,798	600,597,961	913,148,330
	<b><u>1,687,608,205</u></b>	<b><u>1,102,649,302</u></b>	<b><u>1,499,824,737</u></b>
	33,637,721	31,042,063	39,173,851
	<b><u>1,721,245,926</u></b>	<b><u>1,133,691,365</u></b>	<b><u>1,538,998,588</u></b>
	<b><u>3,552,972,547</u></b>	<b><u>2,130,196,314</u></b>	<b><u>2,698,646,977</u></b>

These Interim Condensed Consolidated Financial Statements were approved on August 7, 2008

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

Mr. Mohamed Turki Al-Sobai  
Vice Chairman  
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 CONDENSED CONSOLIDATED STATEMENT OF INCOME  
For the Six Month Period Ended June 30, 2008**

	Note	Six Month Period Ended June 30,	
		2008	2007
		(Reviewed) QR.	(Reviewed) QR.
Sales	7	3,339,633,848	2,084,125,400
Cost of sales		(2,841,973,339)	(1,744,155,929)
<b>Gross Profit</b>		<b>497,660,509</b>	<b>339,969,471</b>
Depreciation of property, plant and equipment	5	(21,796,552)	(12,547,331)
General and administrative expenses		(140,645,384)	(87,600,256)
Finance charges		(182,400)	(65,670)
Other income		25,031,165	20,368,263
<b>Net Profit for the Period</b>		<b>360,067,338</b>	<b>260,124,477</b>
<b>Attributable to:</b>			
Equity holders of the parent		351,303,468	251,668,538
Minority interest		8,763,870	8,455,939
<b>Total</b>		<b>360,067,338</b>	<b>260,124,477</b>
Number of shares		30,000,000	30,000,000
<b>Basic earnings per share (Attributable to equity holders of the parent)</b>	9	<b>QR. 11.71</b>	<b>QR. 8.39</b>

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

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2008**

	Share Capital QR.	Legal Reserve QR.	General Reserve QR.	Fair Value Reserve QR.	Retained Earnings QR.	Proposed Dividends QR.	Total Attributable to Equity Holders of the Parent QR.	Minority Interest QR.	Total QR.
<b>Balance - January 1, 2007</b>	<b>300,000,000</b>	<b>81,566,253</b>	<b>30,078,234</b>	<b>45,640,000</b>	<b>389,096,277</b>	<b>135,000,000</b>	<b>981,380,764</b>	<b>35,586,124</b>	<b>1,016,966,888</b>
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)	--	--	--	--
Dividends paid for 2006	--	--	--	--	(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
<b>Balance – June 30, 2007 (Reviewed)</b>	<b>300,000,000</b>	<b>106,733,107</b>	<b>30,078,234</b>	<b>65,240,000</b>	<b>600,597,961</b>	<b>--</b>	<b>1,102,649,302</b>	<b>31,042,063</b>	<b>1,133,691,365</b>
<b>Balance- January 1, 2008</b>	<b>300,000,000</b>	<b>139,278,173</b>	<b>30,078,234</b>	<b>117,320,000</b>	<b>913,148,330</b>	<b>--</b>	<b>1,499,824,737</b>	<b>39,173,851</b>	<b>1,538,998,588</b>
Net profit for the period	--	--	--	--	351,303,468	--	351,303,468	8,763,870	360,067,338
Proposed dividends	--	--	--	--	(210,000,000)	210,000,000	--	--	--
Dividends paid for 2007	--	--	--	--	--	(210,000,000)	(210,000,000)	(14,300,000)	(224,300,000)
Movement in fair value	--	--	--	46,480,000	--	--	46,480,000	--	46,480,000
<b>Balance – June 30, 2008 (Reviewed)</b>	<b>300,000,000</b>	<b>139,278,173</b>	<b>30,078,234</b>	<b>163,800,000</b>	<b>1,054,451,798</b>	<b>--</b>	<b>1,687,608,205</b>	<b>33,637,721</b>	<b>1,721,245,926</b>

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

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Six Month Period Ended June 30, 2008**

	<b>Six Month Period Ended June 30,</b>	
	<b>2008</b>	<b>2007</b>
	<b>(Reviewed)</b>	<b>(Reviewed)</b>
	<b>QR.</b>	<b>QR.</b>
<b>Cash Flows from Operating Activities:</b>		
Net profit for the period	360,067,338	260,124,477
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	21,796,547	12,547,331
Finance costs	182,400	65,670
Gain on sale of fixed assets	(145,000)	--
Interest income	(12,240,775)	(14,852,636)
Provision for employees' end of service benefits	2,434,937	1,910,206
<b>Net Cash from Operating Activities before changes in working capital</b>	<b>372,095,447</b>	<b>259,795,048</b>
Accounts receivable, prepayments and other debit balances	(559,489,595)	(112,779,689)
Inventories	(51,758,243)	(7,409,288)
Due from related parties	(1,483,987)	(468,442)
Accounts payable and accruals	(7,043,606)	(7,357,793)
Due to Qatar Petroleum	682,086,346	(204,711,291)
<b>Cash from (used in) Operating Activities</b>	<b>434,406,362</b>	<b>(72,931,455)</b>
Payments towards employees' end of service benefits	--	(95,353)
<b>Net Cash from (used in) Operating Activities</b>	<b>434,406,362</b>	<b>(73,026,808)</b>

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, 2008**

	<b>Six Month Period Ended June 30,</b>	
	<b>2008</b>	<b>2007</b>
	<b>(Reviewed)</b>	<b>(Reviewed)</b>
	<b>QR.</b>	<b>QR.</b>
<b>Cash Flows from Investing Activities:</b>		
Purchase of property, plant and equipment	(224,445,021)	(106,479,033)
Proceeds from sale of fixed assets	500,000	--
Investments	--	(28,000,000)
Interest income received	12,240,775	14,852,636
<b>Net Cash used in Investing Activities</b>	<b>(211,704,246)</b>	<b>(119,626,397)</b>
<b>Cash Flows from Financing Activities:</b>		
Finance costs paid	(182,400)	(65,670)
Dividends paid	(210,000,000)	(150,000,000)
Payment of term loan	(5,399,445)	(6,000,000)
Payment to minority interest holders	(14,300,000)	(13,000,000)
<b>Net Cash used in Financing Activities</b>	<b>(229,881,845)</b>	<b>(169,065,670)</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(7,179,729)</b>	<b>(361,718,875)</b>
Cash and Cash Equivalents - Beginning of the Period	675,477,928	871,782,353
<b>Cash and Cash Equivalents - End of the Period</b>	<b>668,298,199</b>	<b>510,063,478</b>

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, 2008**

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**1) Status and Activities**

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

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) Significant Accounting Policies**

**Basis of Preparation**

The interim condensed consolidated financial statements of the Company for the six month period ended June 30, 2008 are prepared in accordance with **IAS 34, Interim Financial Reporting**. 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, 2007.

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, and should be read in conjunction with the Company’s consolidated financial statements for the year ended December 31, 2007. In addition, results for the 6 months ended June 30, 2008 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2008.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would be also appropriate to anticipate or defer such costs at the end of the financial year. 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, 2008**

**3. Bank Balances and Cash:**

	<b>June 30, 2008 (Reviewed)</b>	<b>June 30, 2007 (Reviewed)</b>	<b>December 30, 2007 (Audited)</b>
	<b>QR.</b>	<b>QR.</b>	<b>QR.</b>
Cash on hand	259,782	268,464	214,912
Current and call accounts	574,370,230	279,757,778	454,479,723
Fixed deposits	93,668,187	230,037,236	220,783,293
<b>Total</b>	<b>668,298,199</b>	<b>510,063,478</b>	<b>675,477,928</b>

**4. Available-For-Sale Investments**

	<b>June 30, 2008 (Reviewed)</b>	<b>June 30, 2007 (Reviewed)</b>	<b>December 30, 2007 (Audited)</b>
	<b>QR.</b>	<b>QR.</b>	<b>QR.</b>
Fair value at the beginning of period/year	173,600,000	73,920,000	73,920,000
Payment made during the period	--	28,000,000	28,000,000
	173,600,000	101,920,000	101,920,000
Increase in fair value	46,480,000	19,600,000	71,680,000
Fair value at the end of the period/ year	<b>220,080,000</b>	<b>121,520,000</b>	<b>173,600,000</b>

**5. Property, Plant and Equipment**

	<b>June 30, 2008 (Reviewed)</b>	<b>June 30, 2007 (Reviewed)</b>	<b>December 31, 2007 (Audited)</b>
	<b>QR.</b>	<b>QR.</b>	<b>QR.</b>
Net book value, beginning balance	726,482,866	355,135,362	355,135,362
Additions	224,445,021	106,479,033	399,100,130
Net disposals	(355,000)	--	--
Depreciation charge	(21,796,547)	(12,547,331)	(27,752,626)
<b>Net</b>	<b>928,776,340</b>	<b>449,067,064</b>	<b>726,482,866</b>

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For The Six Month Period Ended June 30, 2008**

**6. Loan from Qatar Petroleum**

	<b>June 30, 2008 (Reviewed) QR.</b>	<b>June 30, 2007 (Reviewed) QR.</b>	<b>December 31, 2007 (Audited) QR.</b>
Term loan	--	11,399,445	5,399,445
Less: Current portion	--	(11,399,445)	(5,399,445)
Non-current portion	--	--	--

**7. Sales**

	<b>Six Month Period Ended June 30,</b>	
	<b>2008 (Reviewed) QR.</b>	<b>2007 (Reviewed) QR.</b>
Sale of aviation fuel	1,552,308,359	828,136,019
Sale of refined products	1,727,674,913	1,217,117,911
Transportation and other revenue	59,650,576	38,871,470
<b>Total</b>	<b><u>3,339,633,848</u></b>	<b><u>2,084,125,400</u></b>

**8. Related Parties Transactions**

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners. Pricing policies and terms of these transactions are approved by the Company's management.

Transactions with related parties included in the income statement are as follows:

	<b>Six Month Period Ended June 30,</b>	
	<b>2008 (Reviewed) QR.</b>	<b>2007 (Reviewed) QR.</b>
Sales to Qatar Petroleum	46,481,535	24,287,052
Purchases from Qatar Petroleum	<u>2,563,490,832</u>	<u>1,752,844,213</u>

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For The Six Month Period Ended June 30, 2008**

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**9. Basic Earnings per Share:**

Basic earnings per share are calculated by dividing the profit for the period attributable to equity holders of the parent by the weighted average number of shares outstanding during the period.

	<b>Six Month Period Ended June 30,</b>	
	<b>2008</b>	<b>2007</b>
	<b>(Reviewed)</b>	<b>(Reviewed)</b>
Profit for the period attributable to equity shareholders of the parent (QR.)	<u>351,303,468</u>	<u>251,668,538</u>
Weighted average number of shares outstanding during the period	<u>30,000,000</u>	<u>30,000,000</u>
<b>Basic earnings per share (expressed in QR. per share)</b>	<u><b>11.71</b></u>	<u><b>8.39</b></u>