

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD
ENDED JUNE 30, 2009
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, 2009**

TABLE OF CONTENTS

Independent Auditor’s Review Report	--
	<u>Page</u>
Interim Condensed Consolidated Balance Sheet	1-2
Interim Condensed Consolidated Comprehensive Income	3
Interim Condensed Consolidated Statement of Changes in Equity	4
Interim Condensed Consolidated Statement of Cash Flows	5-6
Notes to the Interim Condensed Consolidated Financial Statements	7-10

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, 2009, comprising of the interim condensed consolidated balance sheet as of June 30, 2009 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, 2009 incorporate assets of QR 618,962,295 liabilities of QR 336,062,734 and net profit of QR 42,720,149 which represent 14.7% of total assets, 22,1% of total liabilities and 10,5% 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**

**Saoud Abdullah
License No. 204**

**Doha – Qatar
July 17, 2009**

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

INTERIM CONSOLIDATED BALANCE SHEET

As of June 30, 2009

	<u>Note</u>	<u>June 30, 2009 (Reviewed) QR.</u>	<u>June 30, 2008 (Reviewed) QR.</u>	<u>December 31, 2008 (Audited) QR.</u>
<u>ASSETS</u>				
Current Assets:				
Bank balances and cash	3	1.296.121.603	668,298,199	1.284.388.183
Accounts receivable, prepayments and other debit balances		1.333.768.641	1,529,321,584	1.413.127.106
Inventories		199.461.826	142,610,851	137.067.672
Due from related parties		3.511.264	6,185,551	6.720.381
Total Current Assets		<u>2.832.863.334</u>	<u>2,346,416,185</u>	<u>2.841.303.342</u>
Non-Current Assets:				
Goodwill		57.700.022	57,700,022	57,700,022
Available-for-sale investments	4	152.290.700	220,080,000	120.960.000
Property, plant and equipment, net	5	1.170.341.121	928,776,340	1.054.747.963
Total Non-Current Assets		<u>1.380.331.843</u>	<u>1,206,556,362</u>	<u>1.233.407.985</u>
Total Assets		<u>4.213.195.177</u>	<u>3,552,972,547</u>	<u>4.074.711.327</u>

THE ACCOMPANYING NOTES FORM 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, 2009 (Cont'd)

<u>Note</u>	<u>June 30, 2009 (Reviewed) QR.</u>	<u>June 30, 2008 (Reviewed) QR.</u>	<u>December 31, 2008 (Audited) QR.</u>
<u>LIABILITIES AND EQUITY</u>			
Current Liabilities:			
Accounts payable and accruals	322,989,633	43,504,777	185,968,519
Due to Qatar Petroleum	1,169,677,022	1,774,662,090	1,298,697,572
Total Current Liabilities	1,492,666,655	1,818,166,867	1,484,666,091
Non-Current Liabilities:			
Provision for employees' end of service benefits	20,955,786	13,559,754	16,059,753
Total Non-Current Liabilities	20,955,786	13,559,754	16,059,753
Equity:			
Share capital	315,000,000	300,000,000	300,000,000
Legal reserve	150,000,000	139,278,173	150,000,000
General reserve	30,078,234	30,078,234	30,078,234
Fair value reserve	78,680,000	163,800,000	64,680,000
Retained earnings	2,005,818,121	1,054,451,798	1,598,028,721
Proposed dividends	--	--	300,000,000
Equity Attributable to Equity Holders of the Parent	2,579,576,355	1,687,608,205	2,442,786,955
Minority Interest	119,996,381	33,637,721	131,198,528
Total Equity	2,699,572,736	1,721,245,926	2,573,985,483
Total Equity and Liabilities	4,213,195,177	3,552,972,547	4,074,711,327

These Interim Condensed Consolidated Financial Statements were approved on July 17, 2009

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 COMPEREHENSIVE INCOME
For the Six Month Period Ended June 30, 2009

	Note	Six Month Period Ended June 30,	
		2009	2008
		(Reviewed)	(Reviewed)
		QR.	QR.
Sales	7	2,908,997,912	3,339,633,848
Cost of sales		(2,283,042,745)	(2,841,973,339)
Gross Profit		625,955,167	497,660,509
Depreciation of property, plant and equipment	5	(30,672,778)	(21,796,552)
General and administrative expenses		(169,929,829)	(140,645,384)
Finance charges		(199,338)	(182,400)
Doubtful debts		(65,953,126)	--
Other income		75,495,547	25,031,165
Total Comprehensive Income		434,695,643	360,067,338
Attributable to:			
Equity holders of the parent		407,789,400	351,303,468
Minority interest		26,906,243	8,763,870
Total		434,695,643	360,067,338
Number of shares		31,500,000	30,000,000
Basic earnings per share (Attributable to equity holders of the parent)	8	QR. 12.95	QR. 11.71

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, 2009

	<u>Share Capital</u>	<u>Legal Reserve</u>	<u>General Reserve</u>	<u>Fair Value Reserve</u>	<u>Retained Earnings</u>	<u>Proposed Dividends</u>	<u>Total Attributable to Equity Holders of the Parent</u>	<u>Minority Interest</u>	<u>Total</u>
	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Balance- January 1, 2008	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
Total Comprehensive Income	--	--	--	--	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
Balance – June 30, 2008 (Reviewed)	300,000,000	139,278,173	30,078,234	163,800,000	1,054,451,798	--	1,687,608,205	33,637,721	1,721,245,926
Balance- January 1, 2009	300,000,000	150,000,000	30,078,234	64,680,000	1,598,028,721	300,000,000	2,442,786,955	131,198,528	2,573,985,483
Total Comprehensive Income	--	--	--	--	407,789,400	--	407,789,400	26,906,243	434,695,643
Issue of shares	15,000,000	--	--	--	--	--	15,000,000	--	15,000,000
Dividends paid for 2008	--	--	--	--	--	(300,000,000)	(300,000,000)	(38,108,390)	(338,108,390)
Movement in fair value	--	--	--	14,000,000	--	--	14,000,000	--	14,000,000
Balance – June 30, 2009 (Reviewed)	315,000,000	150,000,000	30,078,234	78,680,000	2,005,818,121	--	2,579,576,355	119,996,381	2,699,572,736

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, 2009

	Six Month Period Ended June 30,	
	2009	2008
	(Reviewed)	(Reviewed)
	QR.	QR.
Cash Flows from Operating Activities:		
Net profit for the period	434,695,643	360,067,338
Adjustments for:		
Depreciation of property, plant and equipment	32,763,791	21,796,547
Finance costs	199,338	182,400
Gain on sale of fixed assets	--	(145,000)
Interest income	(16,585,484)	(12,240,775)
Provision for employees' end of service benefits	5,094,984	2,434,937
Net Cash from Operating Activities before changes in working capital	456,169,272	372,095,447
Accounts receivable, prepayments and other debit balances	79,358,465	(559,489,595)
Inventories	(62,394,154)	(51,758,243)
Due from related parties	3,209,117	(1,483,987)
Accounts payable and accruals	137,021,114	(7,043,606)
Due to Qatar Petroleum	(129,020,550)	682,086,346
Cash from Operating Activities	484,343,264	434,406,362
Payments towards employees' end of service benefits	(203,953)	--
Net Cash from Operating Activities	484,139,311	434,406,362

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, 2009

	Six Month Period Ended June 30,	
	2009	2008
	(Reviewed)	(Reviewed)
	QR.	QR.
Cash Flows from Investing Activities:		
Purchase of property, plant and equipment	(148,356,949)	(224,445,021)
Proceeds from sale of fixed assets	--	500,000
Investments	(17,330,700)	--
Interest income received	16,585,484	12,240,775
Net Cash used in Investing Activities	(149,102,165)	(211,704,246)
Cash Flows from Financing Activities:		
Finance costs paid	(199,336)	(182,400)
Dividends paid	(300,000,000)	(210,000,000)
Issue of shares	15,000,000	
Payment of term loan	--	(5,399,445)
Payment to minority interest holders	(38,104,390)	(14,300,000)
Net Cash used in Financing Activities	(323,303,726)	(229,881,845)
Net Decrease in Cash and Cash Equivalents	11,733,420	(7,179,729)
Cash and Cash Equivalents - Beginning of the Period	1,284,388,183	675,477,928
Cash and Cash Equivalents - End of the Period	1,296,121,603	668,298,199

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, 2009**

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, 2009 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, 2008.

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, 2008. In addition, results for the 6 months ended June 30, 2009 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2009.

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, 2009

3. Bank Balances and Cash:

	June 30, 2009 (Reviewed)	June 30, 2008 (Reviewed)	December 30, 2008 (Audited)
	QR.	QR.	QR.
Cash on hand	259.912	259,782	284.244
Current and call accounts	869.697.307	574,370,230	1.213.457.474
Fixed deposits	426.164.384	93,668,187	70.646.465
Total	<u>1.296.121.603</u>	<u>668,298,199</u>	<u>1.284.388.183</u>

4. Available-For-Sale Investments

	June 30, 2009 (Reviewed)	June 30, 2008 (Reviewed)	December 30, 2008 (Audited)
	QR.	QR.	QR.
Fair value at the beginning of period/year	120.960.000	173,600,000	173,600,000
Payment made during the period	17.330.700	--	--
	<u>138.290.700</u>	<u>173,600,000</u>	<u>173,600,000</u>
Increase in fair value	14.000.000	46,480,000	(52.640.000)
Fair value at the end of the period/ year	<u>152.290.700</u>	<u>220,080,000</u>	<u>120.960.000</u>

5. Property, Plant and Equipment

	June 30, 2009 (Reviewed)	June 30, 2008 (Reviewed)	December 31, 2008 (Audited)
	QR.	QR.	QR.
Net book value, beginning balance	1.054.747.963	726,482,866	726.482.866
Additions	148.356.949	224,445,021	377.193.964
Net disposals	--	(355,000)	(227.543)
Depreciation charge	(32.763.791)	(21,796,547)	(48.701.324)
Net	<u>1.170.341.121</u>	<u>928,776,340</u>	<u>1.054.747.963</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, 2009

٦ **Sales**

	Six Month Period Ended June 30,	
	2009	2008
	(Reviewed)	(Reviewed)
	QR.	QR.
Sale of aviation fuel	828.462.050	1,552,308,359
Sale of refined products	1.900.627.688	1,727,674,913
Transportation and other revenue	179.908.174	59,650,576
Total	2.908.997.912	3,339,633,848

٧ **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:

	Six Month Period Ended June 30,	
	2009	2008
	(Reviewed)	(Reviewed)
	QR.	QR.
Sales to Qatar Petroleum	57.182.553	46,481,535
Purchases from Qatar Petroleum	١.٩٤٢.٢٨٥.٣٢١	2,563,490,832

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For The Six Month Period Ended June 30, 2009

^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.

	Six Month Period Ended June 30,	
	2009	2008
	(Reviewed)	(Reviewed)
Profit for the period attributable to equity shareholders of the parent (QR.)	407,789,400	351,303,468
Weighted average number of shares outstanding during the period	31,500,000	30,000,000
Basic earnings per share (expressed in QR. per share)	12.95	11.71