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

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2006
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT

QATAR FUEL (WOQOD) Q.S.C.
DOHA - QATAR
DECEMBER 31, 2006

TABLE OF CONTENTS

QR. 10315

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, 2006, 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.

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. 405,988,589 (2005: QR. 259,285,078), QR. 317,023,279 (2005: QR. 182,480,785) and QR. 41,411,017 (2005:QR. 37,458,182) 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, 2006, 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 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.

For **Deloitte & Touche**

Doha - Qatar
March 1, 2006

Muhammad Bahemia
License No. 103

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

CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2006

ASSETS	Note	December 31, 2006	December 31, 2005
		QR.	QR.
Current Assets:			
Cash and cash equivalent	**6**	871,782,353	488,839,684
Accounts receivable		774,821,304	532,334,844
Due from a related company	**7**	2,977,035	2,483,487
Inventories	8	73,527,865	34,733,651
Prepayments and other debit balances		19,862,127	7,315,506
Total Current Assets		**1,742,970,684**	**1,065,707,172**
Non-Current Assets:			
Goodwill	**9**	57,700,022	57,700,022
Available-for-sale investments	**10**	73,920,000	276,578,400
Property, plant and equipment	**11**	355,135,362	194,713,828
Total Non-Current Assets		**486,755,384**	**528,992,250**
Total Assets		**2,229,726,068**	**1,594,699,422**

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

CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2006

LIABILITIES AND EQUITY	Note	December 31, 2006	December 31, 2005
		QR.	QR.
Current Liabilities:			
Accounts payable and accruals		36,776,395	25,494,125
Due to Qatar Petroleum	**12a**	1,150,979,785	660,465,312
Loan from Qatar Petroleum	**12b**	12,000,000	12,000,000
Total Current Liabilities		**1,199,756,180**	**697,959,437**
Non-Current Liabilities:			
Loan from Qatar Petroleum	**12b**	5,399,445	17,399,445
Provision for employees' end of service benefit		7,603,555	5,243,518
Total Non-Current Liabilities		**13,003,000**	**22,642,963**
Equity:			
Share capital	**13**	300,000,000	300,000,000
Legal reserve	**14**	111,644,487	68,578,099
Fair value reserve		45,640,000	248,298,400
Retained earnings		389,096,277	136,498,806
Proposed dividend	**15**	135,000,000	90,000,000
Equity attributable to equity holders' of the parent		**981,380,764**	**843,375,305**
Minority Interest		35,586,124	30,721,717
Total Equity		**1,016,966,888**	**874,097,022**
Total Liabilities and Equity		**2,229,726,068**	**1,594,699,422**

These financial statements were approved by the Board of Directors on March 1, 2007 and signed on its behalf by:

H.E. Abdulla Bin Hamad Al-Attiyah Second 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 ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

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

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2006

	Note	For the Year Ended December 31, 2006 QR.	For the Year Ended December 31, 2005 QR.
Sales	**16**	3,492,474,819	2,374,969,346
Cost of sales		(2,929,085,870)	(2,052,971,056)
Gross Profit		**563,388,949**	**321,998,290**
Depreciation of property, plant and equipment		(23,308,463)	(14,359,094)
General and administrative expenses	**17**	(116,243,321)	(77,619,216)
Selling and distribution expenses		(5,818,822)	(1,700,141)
Finance costs		--	(197,068)
Other income	**18**	29,209,921	10,339,022
Profit for the Year		**447,228,264**	**238,461,793**
Attributable to:			
Equity holders of the parent		430,663,857	223,478,520
Minority interest		16,564,407	14,983,273
Total		**447,228,264**	**238,461,793**
Basic earnings per share		QR. 14.36	QR. 7.45
Number of shares		30,000,000	30,000,000

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2006

	For the Year Ended December 31, 2006 QR.	For the Year Ended December 31, 2005 QR.
Cash Flows from Operating Activities:		
Net profit for the year	447,228,264	238,461,793
Adjustments for:		
Depreciation of property, plant and equipment	23,308,463	14,359,094
Provision for employees' end of service benefit	2,386,000	1,356,265
Interest income	(22,133,514)	(7,561,294)
Profit on sale of property, plant and equipment	(227,073)	(105,091)
	450,562,140	246,510,767
Increase in accounts receivable	(242,486,460)	(258,225,386)
Increase in inventories	(38,794,214)	(5,767,360)
(Increase) Decrease in prepayments and other debit balances	(12,546,621)	19,177,864
Increase in due from a related company	(493,548)	(221,930)
Increase in accounts payable, accruals and due to Qatar Petroleum	500,577,317	352,639,293
Cash Generated by Operations	**656,818,614**	**354,113,248**
Payments towards employees' end of service benefit	(25,963)	(342,970)
Net Cash Generated by Operating Activities	**656,792,651**	**353,770,278**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2006

	Note	For the Year Ended December 31, 2006 QR.	For the Year Ended December 31, 2005 QR.
Cash Flows from Investing Activities:			
Purchase of property, plant and equipment		(183,991,924)	(75,506,111)
Interest received		22,133,514	7,561,294
Proceeds from sale of property, plant and equipment		489,000	160,000
Net Cash Used in Investing Activities		**(161,369,410)**	**(67,784,817)**
Cash Flows from Financing Activities:			
Share premium		--	43,455
Dividends paid		(88,780,572)	(72,010,279)
Payment of term loans		(12,000,000)	(15,916,024)
Dividend paid to minority holders		(11,700,000)	(7,800,000)
Net Cash Used in Financing Activities		**(112,480,572)**	**(95,682,848)**
Net increase in cash and cash equivalent		382,942,669	190,302,613
Cash and cash equivalent – at beginning of the year		488,839,684	298,537,071
Cash and cash equivalent – At End of the Year	**6**	**871,782,353**	**488,839,684**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

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:

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for reporting periods beginning on January 1, 2006.

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

IFRS 7	*Financial Instruments: Disclosures*
IFRS 8	*Operating segments*
IFRIC 7	*Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies*
IFRIC 8	*Scope of IFRS 2*
IFRIC 9	*Reassessment of Embedded Derivatives*
IFRIC 10	*Interim Financial Reporting and Impairment*
IFRIC 11	*Group and Treasury Share Transactions*
IFRIC 12	*Service Concession Arrangements*

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

3. Change 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 capitalised at fair value and shown as deferred income to be amortised 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 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.

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 unrealised 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 recognised 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 amortised over the period to the next dry dock (approximately 5 years).

[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 recognised 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 realisable 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 recognised 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 recognised. Impairment losses, if any, are recognised in the statement of income.

[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 capitalised 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 recognised at the date of acquisition. Goodwill is initially recognised 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 recognised 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 realisable value. Adjustments to reduce the cost of inventory to its realisable 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.

6. Cash and Cash Equivalent:

	December 31, 2006	December 31, 2005
	QR.	QR.
Cash on hand	214,294	86,431
Bank current accounts	751,256,184	377,999,996
Fixed deposit accounts	120,311,875	110,753,257
	871,782,353	**488,839,684**

7. Due from a Related Company:

December 31, **December 31,**

	2006	2005
	QR.	QR.
Gulf Helicopters W.L.L.	**2,977,035**	**2,483,487**

8. Inventories:

	December 31, 2006	December 31, 2005
	QR.	QR.
Refined petroleum products	67,429,908	32,280,571
Maintenance materials and parts	6,236,478	2,591,601
	73,666,386	34,872,172
Less: Provision for obsolete maintenance material and parts	(138,521)	(138,521)
Net	**73,527,865**	**34,733,651**

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 recognised at the date of acquisition.

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

10. Available-for Sale Investment:

	Amount
	QR.
Cost at January 1, 2005	28,280,000
Increase in fair value	248,298,400
Value at December 31, 2005	**276,578,400**
Decrease in fair value	(202,658,400)
Value at December 31, 2006	**73,920,000**

12. Due to Qatar Petroleum:

	December 31,	December 31,

	2006	2005
	QR.	QR.
a) Due to Qatar Petroleum		
Current liabilities	1,150,979,785	660,465,312

The above is the current account with Qatar Petroleum which includes normal purchases and service transactions with Qatar Petroleum. The balance is interest free.

	December 31, 2006	December 31, 2005
	QR.	QR.
b) Loan from Qatar Petroleum		
Non Current Liabilities	17,399,445	29,399,445
Less: Current portion	(12,000,000)	(12,000,000)
	5,399,445	**17,399,445**

The above balance is repayable to Qatar Petroleum in equal semi annual instalments of QR. 6,000,000 each started in August 30, 2005. The above balance is interest free.

13. Share Capital:

	December 31, 2006	December 31, 2005
	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 4.5 per share for the year ended December 31, 2006 (2005: total dividend QR 3 per share). The proposed dividend for 2005 was approved by the shareholders at the Annual General Assembly Meeting on April 2, 2006.

16. Sales:

	For the Year Ended December 31, 2006 QR.	For the Year Ended December 31, 2005 QR.
Sale of refined products	2,001,822,513	1,409,487,926
Sale of jet fuel	1,435,310,127	926,318,208
Transportation and other revenue	55,342,179	39,163,212
	3,492,474,819	**2,374,969,346**

17. General and Administrative Expenses:

	For the Year Ended December 31, 2006 QR.	For the Year Ended December 31, 2005 QR.
Manpower cost	76,037,022	53,732,256
Rent	2,372,428	1,009,250
Others	37,833,871	22,877,710
	116,243,321	**77,619,216**

18. Other Income:

	For the Year Ended December 31, 2006 QR.	For the Year Ended December 31, 2005 QR.
Interest from banks	22,133,514	7,561,094
Profit on sale of property, plant and equipment	227,073	105,091
Others	6,849,334	2,672,837
	29,209,921	**10,339,022**

19. Related Party Transactions:

	For the Year Ended December 31, 2006 QR.	For the Year Ended December 31, 2005 QR.
Purchases from Qatar Petroleum	2,894,659,035	2,021,488,443
Sales to Qatar Petroleum	67,310,436	64,855,990
General and administrative expenses	3,246,854	8,962,823

(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. Compensation of Key Management Personnel:

The remuneration of key management personnel during the year was as follows:

	For the Year Ended December 31, 2006 QR.	For the Year Ended December 31, 2005 QR.
Board of directors' remuneration	5,588,962	2,975,000
Management short terms benefits	5,377,832	4,290,648
Management post-employment benefits	277,455	227,884
	11,244,249	**7,493,532**

21. Commitments and Contingent Liabilities:

	December 31, 2006 QR.	December 31, 2005 QR.
Capital Commitments:		
Heavy Fuel Oil Project	325,000,000	325,000,000
Liquefied Petroleum Gas Plant Project	150,000,000	--
Construction of Petrol Stations	99,329,247	96,182,247
Bitumin Storage Tank	50,000,000	50,000,000
Available-for-sale investments*	28,000,000	--
	652,329,247	471,182,747

*As at December 31, 2006, the parent company had committed to pay the remaining 50% of its investment in Qatar Gas Transport Company (Nakilat) Q.S.C. amounting to QR. 28,000,000.

	December 31, 2006 QR.	December 31, 2005 QR.
Contingent Liabilities:		
Letter of credit	--	1,671,481
Letter of guarantee	543,200	43,200

22. Fair Value of Financial Instruments:

Fair value is the amount for which an asset can be exchanged or a liability settled, between knowledgeable and willing parties at arms length. Since the accompanying financial statements have been prepared under the historical cost convention, except for certain investments, the carrying value of the Group's financial instruments as recorded could therefore be different from the fair value. However, in management's opinion, the fair values of the Group's financial assets and liabilities are not considered significantly different from their book values.

23. Credit Risk:

The Group's credit risk is primarily attributable to its accounts receivable. The amount presented in the balance sheet is net of allowances for doubtful debts, if any, estimated by management based on prior experience and the current economic environment.

The Group has no significant concentration of credit risk, with exposure spread over a number of contraparties and customers.

The credit terms for accounts receivable are 30 to 60 days.

24. Interest Rate Risk Sensitivity:

The following summary sets out the Group's exposure to interest rate risk as of December 31, 2006.

	Effective Interest Rate	Interest Bearing	Non-Interest Bearing	Total
ASSETS:		QR.	QR.	QR.
Cash and cash equivalent	5.25%	120,311,875	751,470,478	**871,782,353**
Accounts receivable	--	--	774,821,304	**774,821,304**
Inventories	--	--	73,527,865	**73,527,865**
Prepayments and other debit balances	--	--	19,862,127	**19,862,127**
Due from a related company	--	--	2,977,035	**2,977,035**
Available-for-sale investments	--	--	73,920,000	**73,920,000**
Goodwill	--	--	57,700,022	**57,700,022**
Property, plant and equipment	--	--	355,135,362	**355,135,362**
		120,311,875	**2,109,414,193**	**2,229,726,068**
LIABILITIES AND EQUITY:				
Accounts payable and accruals	--	--	36,776,395	**36,776,395**
Due to Qatar Petroleum	--	--	1,150,979,785	**1,150,979,785**
Loan from Qatar Petroleum	--	--	17,399,445	**17,399,445**
Provision for employees' end of service benefit	--	--	7,603,555	**7,603,555**
Equity	--	--	1,016,966,888	**1,016,966,888**
		--	**2,229,726,068**	**2,229,726,068**
Interest Rate Sensitivity Gap		**120,311,875**	**(120,311,875)**	**--**

11. Property, Plant and Equipment:

	Land and Buildings	Plant and Equipment	Vehicles, Office Equipment and Furniture	Petrol Station	Vessels	Capital Work-in-Progress	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Cost:							
At January 1, 2006	**28,094,070**	**83,787,436**	**73,012,060**	**314,754**	**4,883,760**	**64,995,755**	**255,087,835**
Additions	106,250	8,955,336	12,839,283	--	31,412,065	130,678,990	183,991,924
Disposals			(347,400)	--	--	--	(347,400)
Transfers	9,196,262	16,495,564	1,158,125	--	--	(26,849,951)	--
At December 31, 2006	**37,396,582**	**109,238,336**	**86,662,068**	**314,754**	**36,295,825**	**168,824,794**	**438,732,359**
Depreciation:							
At January 1, 2006	5,907,601	29,263,491	24,879,870	58,508	264,537	--	60,374,007
Charge for the year	2,055,858	10,527,933	9,287,736	16,825	1,420,111	--	23,308,463
Disposals	--	--	(85,473)	--	--	--	(85,473)
At December 31, 2006	**7,963,459**	**39,791,424**	**34,082,133**	**75,333**	**1,684,648**	**--**	**83,596,997**
Net Book Value:							
At December 31, 2006	**29,433,123**	**69,446,912**	**52,579,935**	**239,421**	**34,611,177**	**168,824,794**	**355,135,362**
At December 31, 2005	22,186,469	54,523,945	48,132,190	256,246	4,619,223	64,995,755	194,713,828

- The fair value of land donated by the government for the construction of Petrol Stations amounted to QR. 67,800,000 (2005: 56,800,000).
- Vessel costs include dry docking components which are depreciated at accelerated rates of depreciation as discussed in note 4 (g).

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2006

	SHAREHOLDERS' EQUITY							
	Share Capital	Legal Reserve	Fair Value Reserve	Proposed Dividend	Retained Earnings	Attributable to Equity Holders of the Parent	Minority Interest	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Balance at January 1, 2005	**300,000,000**	**46,186,794**	**--**	**75,000,000**	**25,368,138**	**446,554,932**	**23,538,444**	**470,093,376**
Net profit for the year	--	--	--	--	223,478,520	**223,478,520**	14,983,273	**238,461,793**
Legal reserve	--	22,347,852	--	--	(22,347,852)	**--**	--	**--**
Dividend paid	--	--	--	(75,000,000)	--	**(75,000,000)**	--	**(75,000,000)**
Dividend paid to minority Shareholders	--	--	--	--	--	**--**	(7,800,000)	**(7,800,000)**
Proposed dividend	--	--	--	90,000,000	(90,000,000)	**--**	--	**--**
Increase in fair value reserve	--	--	248,298,400	--	--	**248,298,400**	--	**248,298,400**
Increase in share premium	--	43,455	--	--	--	**43,455**	--	**43,455**
Balance at December 31, 2005	**300,000,000**	**68,578,101**	**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)**	--	**--**
Dividend paid to minority Shareholders	--	--	--	--	--	**--**	(11,700,000)	**(11,700,000)**
Proposed dividend	--	--	--	135,000,000	(135,000,000)	**--**	--	**--**
Decrease in fair value reserve	--	--	(202,658,400)	--	--	**(202,658,400)**	--	**(202,658,400)**
Balance at December 31, 2006	**300,000,000**	**111,644,487**	**45,640,000**	**135,000,000**	**389,096,277**	**981,380,764**	**35,586,124**	**1,016,966,888**