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

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
TOGETHER WITH INDEPENDENT AUDITORS' REPORT

QATAR FUEL (WOQOD) Q.S.C.
DOHA – QATAR
DECEMBER 31, 2007

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INDEPENDENT AUDITORS' 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 as of and for the year ended December 31, 2006 were audited by another auditor whose report dated March 1, 2007 expressed an unqualified opinion on those financial statements.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these consolidated 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.

Auditors' 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 respects, 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 consolidated financial position.

Rodl & Partner
Middle East

Doha – Qatar
February 19, 2008

Saoud Abdulla
License No. 204

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

CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2007

ASSETS	Note	December 31, 2007 QR.	December 31, 2006 QR.
Current Assets:			
Cash and cash equivalents	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		**1,740,864,089**	**1,742,970,684**
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		**957,782,888**	**486,755,384**
Total Assets		**2,698,646,977**	**2,229,726,068**

The accompanying notes form an integral part of these financial statements

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

CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2007

LIABILITIES AND EQUITY	Note	December 31, 2007 QR.	December 31, 2006 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		**1,148,523,572**	**1,199,756,180**
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		**11,124,817**	**13,003,000**
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 dividends	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		**1,538,998,588**	**1,016,966,888**
Total Liabilities and Equity		**2,698,646,977**	**2,229,726,068**

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

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

CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2007

	Note	Year Ended December 31, 2007 QR.	2006 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		QR. 20.54	QR. 14.36
Number of shares		30,000,000	30,000,000

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2007

	Share Capital QR.	Legal Reserve QR.	General Reserve	Fair Value Reserve QR.	Proposed Dividends QR.	Retained Earnings QR.	Attributable to Equity Holders of the Parent QR.	Minority Interest QR.	Total 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 dividends	-	-	-	-	-	-	-	-	-
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.

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

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	447,228,264
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	450,562,140
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) increase in cash and cash equivalents	(196,304,425)	382,942,669
Cash and cash equivalents – at beginning of the year	871,782,353	488,839,684
Cash and cash equivalents – at end of the year	**675,477,928**	**871,782,353**

The accompanying notes form an integral part of these 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:

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 current year.

The following IASB Standards and IFRIC interpretations have been issued, and have not yet been adopted by the Company:

IFRS 8 – Operating segments
IAS 1 – Presentation of financial statements (revised)
IAS 23 – Borrowing costs (revised)

The application of IFRS 8 and IAS 1 (revised) which will be effective for the period subsequent to December 31, 2007, will result in amended and additional disclosures relating to the Company's operating segments, products, and services, the geographical areas in which it operates and its major customers, and also will result in amendments to the presentation of financial statements.

The application of IAS 23 (revised) will not result 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. Prior Year Adjustments:

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 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 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).

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. The settlement terms of the accounts payable are 30 to 60 days.

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.

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.

6. Cash and Cash Equivalents:

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

Time deposits carry interest at commercial rates.

7. Due from a Related Company:

	December 31, 2007 QR.	December 31, 2006 QR.
Gulf Helicopters W.L.L.	**4,701,564**	**2,977,035**

8. Inventories:

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

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.

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 year	10,265,049	11,655,323	9,300,313	75,091	187,670,642	180,133,712	399,100,130
Transfers	--	31,562,541	4,077,915	--	--	(35,640,456)	--
At December 31, 2007	**47,661,631**	**152,456,200**	**100,040,296**	**389,845**	**223,966,467**	**313,318,050**	**837,832,489**
Depreciation:							
At January 1, 2007	7,963,459	39,791,424	34,082,133	75,333	1,684,648	--	83,596,997
Depreciation for the year	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**