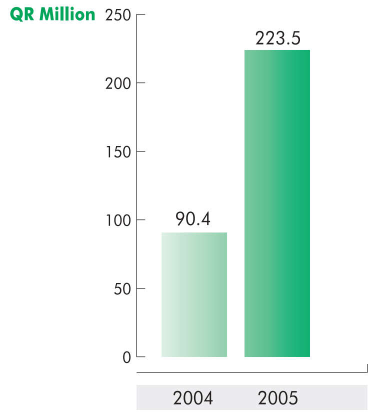
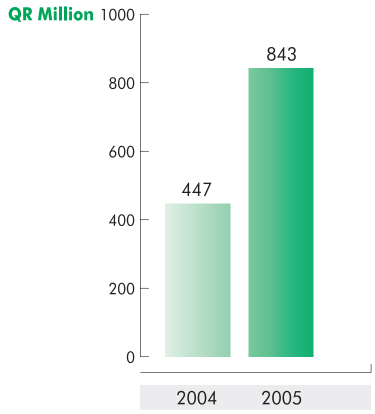
Financial Highlights

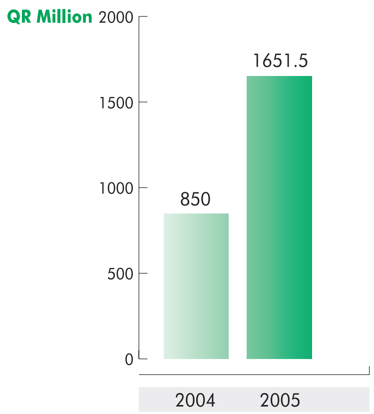
Net Profit



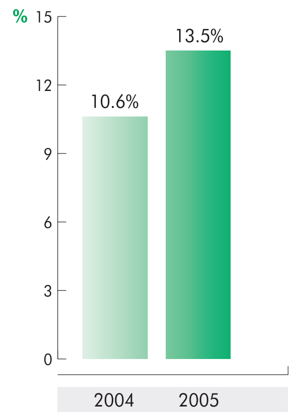
Share Holder Equity



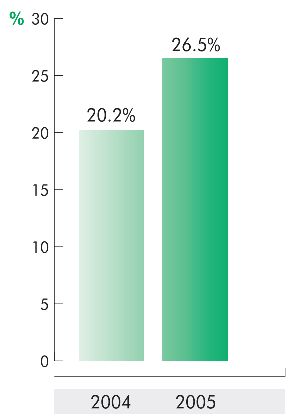
Total Assets



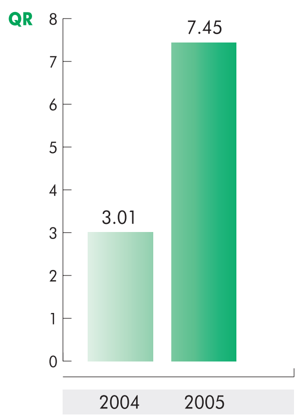
ROA



ROE



Profit Per Share



Auditors' Report

To The Shareholders
Qatar Fuel (WOQOD) Q.S.C. - Doha - Qatar

We have audited the accompanying consolidated balance sheet of **Qatar Fuel (WOQOD) Q.S.C (The Company)** Doha - Qatar, as of December 31, 2005 and the related consolidated statements of income, changes in equity and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The consolidated financial statements of the Company include the assets, liabilities and results of operation of the subsidiary company amounting to QR.259,285,078 (2004: QR. 175,675,248), QR. 182,480,785 (2004: QR. 116,829,137) and QR.37,458,182 (2004: QR. 38,883,813) respectively which have been audited by other auditors and expressed their unqualified opinion thereon. This audit report 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.

We conducted our audit in accordance with **International Standards on Auditing**. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position **of Qatar Fuel (WOQOD) Q.S.C.,** as of December 31, 2005 and the consolidated results of its operations, changes in its equity and its cash flows for the year then ended in accordance with **International Financial Reporting Standards.**

The financial statements provide the information required by law and the Company's Articles of Association. We are also of the opinion that proper accounting records were maintained by the Company and that the stocktaking was carried out in accordance with the recognised procedures. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. 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**
Muhammad Bahemia
License No. 103

Doha - Qatar
March 13, 2006

Consolidated Balance Sheet As Of December 31, 2005

ASSETS	NOTE	2005 QR.	2004 QR.
Current Assets:			
Bank balances and cash	4	488,839,684	298,537,071
Accounts receivable		532,334,844	274,109,458
Inventories	5	34,733,651	28,966,291
Prepayments and other debit balances		7,315,506	26,493,370
Due from a related company	6	2,483,487	2,261,557
		-----------------	-----------------
Total Current Assets		**1,065,707,172**	**630,367,747**
		-----------------	-----------------
Non-Current Assets:			
Goodwill	7	57,700,022	57,700,022
Available-for-sale investments	8	276,578,400	28,280,000
Property, plant and equipment	10	251,513,828	133,621,720
		-----------------	-----------------
Total Non-Current Assets		**585,792,250**	**219,601,742**
		-----------------	-----------------
Total Assets		**1,651,499,422**	**849,969,489**
		=========	=========

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WOQOD

Consolidated Balance Sheet As Of December 31, 2005

LIABILITIES AND EQUITY	NOTE	2005 QR.	2004 QR.
Current Liabilities:			
Accounts payable and accruals		25,494,125	13,461,883
Due to Qatar Petroleum	11a	660,465,312	316,868,541
Loan from Qatar Petroleum	11b	12,000,000	6,000,000
Term loan		--	9,916,023
		----------------	----------------
Total Current Liabilities		**697,959,437**	**346,246,447**
		----------------	----------------
Non-Current Liabilities:			
Provision for employees' end of service benefit		5,243,518	4,230,221
Loan from Qatar Petroleum	11b	17,399,445	29,399,445
Deferred Income	12	56,800,000	--
		----------------	----------------
Total Non-Current Liabilities		**79,442,963**	**33,629,666**
		----------------	----------------
Equity:			
Share capital	13a	300,000,000	300,000,000
Share premium	13b	30,078,232	30,034,779
Legal reserve	14	38,499,867	16,152,015
Fair value reserve		248,298,400	--
Retained earnings		226,498,806	25,368,138
Proposed dividend	15	--	75,000,000
		----------------	----------------
Equity attributable to equity holders' of the parent		**843,375,305**	**446,554,932**
Minority Interest		30,721,717	23,538,444
		----------------	----------------
Total Equity		**874,097,022**	**470,093,376**
		----------------	----------------
Total Liabilities and Equity		**1,651,499,422**	**849,969,489**
		=========	=========

These financial statements were approved by the Board of Directors on March 13, 2006 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.

Consolidated Statement Of Income For The Year Ended December 31, 2005

	NOTE	For the Year Ended December 31, 2005 QR.	For the Year Ended December 31, 2004 QR.
Sales	**16**	2,374,969,346	1,511,535,244
Cost of sales		(2,052,971,056)	(1,331,498,578)
		----------------	----------------
Gross Profit		**321,998,290**	**180,036,666**
Depreciation of property, plant and equipment		(14,359,094)	(12,346,304)
Amortisation of goodwill		---	(4,616,002)
Selling and distribution expenses		(1,700,141)	(1,972,773)
General and administrative expenses	**17**	(77,619,216)	(61,687,261)
		----------------	----------------
Operating Profit		**228,319,839**	**99,414,326**
Finance charges		(197,068)	(363,555)
Other income	**18**	10,339,022	6,904,972
		----------------	----------------
Net Profit for the Year		**238,461,793**	**105,955,743**
		=========	=========
Attributable to:			
Equity holders of the parent		223,478,520	90,402,218
Minority interest		14,983,273	15,553,525
		----------------	----------------
Total		**238,461,793**	**105,955,743**
		=========	=========
Basic earnings per share		QR. 7.45	QR. 3.01
		=========	=========
Number of shares		30,000,000	30,000,000
		=========	=========

The Accompanying Notes Are An Integral Part Of These Consolidated Financial Statements

Consolidated Statement Of Changes In Equity For The Year Ended December 31, 2005

	SHAREHOLDERS' EQUITY								
	Share Capital QR.	Share Premium QR.	Legal Reserve QR.	Fair Value Reserve QR.	Proposed Dividend QR.	Retained Earnings QR.	Attributable to Equity Holders of the Parent QR.	Minority Interest QR.	Total QR.
Balance at January 1, 2004	**300,000,000**	**30,034,779**	**7,111,794**	--	**30,000,000**	**19,006,141**	**386,152,714**	**12,014,919**	**398,167,633**
Net profit for the year	--	--	--	--	--	90,402,218	90,402,218	15,553,525	105,955,743
Legal reserve	--	--	9,040,221	--	--	(9,040,221)	--	--	--
Dividend paid	--	--	--	--	(30,000,000)	--	(30,000,000)	--	(30,000,000)
Dividend paid to minority Shareholders	--	--	--	--	--	--	--	(4,030,000)	(4,030,000)
Proposed dividend	--	--	--	--	75,000,000	(75,000,000)	--	--	--
Balance at January 1, 2005	**300,000,000**	**30,034,779**	**16,152,015**	**--**	**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	--	--	--	--	--	--	--	--	--
Increase in fair value reserve	--	--	--	248,298,400	--	--	248,298,400	--	248,298,400
Increase in share premium	--	43,453	--	--	--	--	43,453	--	43,453
Balance at December 31, 2005	**300,000,000**	**30,078,232**	**38,499,867**	**248,298,400**	**--**	**226,498,806**	**843,375,305**	**30,721,717**	**874,097,022**

The Accompanying Notes Are An Integral Part Of These Consolidated Financial Statements.

Consolidated Statement Of Cash Flows For The Year Ended December 31, 2005

Cash Flows from Operating Activities:	For the Year Ended December 31, 2005 QR.	For the Year Ended December 31, 2004 QR.
Net profit for the year	238,461,793	105,955,743
Adjustments for:		
Depreciation of property, plant and equipment	14,359,094	12,346,304
Provision for employees' end of service benefit	1,356,265	1,447,163
Interest income	(7,561,294)	(5,454,908)
Amortisation of goodwill	---	4,616,002
Profit on sale of property, plant and equipment	(105,091)	(1,257,215)
	-----------------	-----------------
	246,510,767	117,653,089
Increase in accounts receivable	(258,225,386)	(120,152,460)
Increase in inventories	(5,767,360)	(551,408)
Decrease (Increase) in prepayments and other debit balances	19,177,864	(12,568,127)
Increase in due from a related company	(221,930)	(1,745,129)
Increase (Decrease) in accounts payable, accruals and due to Qatar Petroleum	352,639,293	(133,390,844)
	-----------------	-----------------
Cash from (Used in) Operations	**354,113,248**	**(150,754,879)**
Payments towards employees' end of service benefit	(342,968)	(130,901)
	-----------------	-----------------
Net Cash from (Used in) Operating Activities	**353,770,280**	**(150,885,780)**
	-----------------	-----------------

The Accompanying Notes Are An Integral Part Of These Consolidated Financial Statements.

Consolidated Statement Of Cash Flows For The Year Ended December 31, 2005

	NOTE	For the Year Ended December 31, 2005	For the Year Ended December 31, 2004
Cash Flows from Investing Activities:		QR.	QR.
Purchase of property, plant and equipment		(75,506,111)	(30,333,723)
Interest received		7,561,294	4,607,327
Acquisition of investment available-for-sale		--	(28,280,000)
Proceeds from sale of property, plant and equipment		160,000	1,704,442
		-----------------	-----------------
Net Cash Used in Investing Activities		**(67,784,817)**	**(52,301,954)**
		-----------------	-----------------
Cash Flows from Financing Activities:			
Share premium		43,453	--
Dividends paid		(72,010,279)	(28,392,957)
Payment of term loans		(15,916,024)	(9,916,024)
Dividend paid to minority holders		(7,800,000)	(4,030,000)
		-----------------	-----------------
Net Cash (Used in) Financing Activities		**(95,682,850)**	**(42,338,981)**
		-----------------	-----------------
Net Increase (Decrease) in Bank Balances and Cash		190,302,613	(245,526,715)
Bank balances and cash – beginning of the year		298,537,071	544,063,786
		-----------------	-----------------
Bank Balances and Cash – At End of the Year	**4**	**488,839,684**	**298,537,071**
		=========	=========

The Accompanying Notes Are An Integral Part Of These Consolidated Financial Statements.

WOQOD

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2005

1. Activities:

Qatar Fuel (WOQOD) Q.S.C, (the 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 accounting periods beginning on 1 January 2005. The adoption of IFRS 3: "Business Combinations" has resulted in changes to the Group's accounting policy with regard to goodwill that has affected amounts reported in the current year.

International Financial Report Standard No. 3

Goodwill

In accordance with the transitional rules of IFRS 3, the Group has applied the revised accounting policy for goodwill prospectively from 1 January 2005. Therefore, from 1 January 2005, the Group has discontinued amortising such goodwill and has tested the goodwill for impairment in accordance with IAS 36.

At 1 January 2005, the carrying amount of amortisation accumulated before that date of QR. 11,540,004 has been eliminated, with a corresponding decrease in goodwill.

Because the revised accounting policy has been applied prospectively, the change has had no impact on amounts reported for 2004 or prior periods.

Goodwill amortisation in 2005 is nil (2004: 4,616,002)

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

- IFRS 6 Exploration for and Evaluation of Mineral Resources
- IFRIC 3 Emission Rights
- IFRIC 4 Determining whether an Arrangement contains a Lease
- IFRIC 5 Right to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

Management anticipates that the adoption of these Standards and Interpretations, if any, in future periods will have no material impact on the financial statements of the Group.

3. Summary of Significant Accounting Policies:

The accompanying consolidated financial statements have been prepared under the historical cost convention, except for certain investments, in accordance with **International Financial Reporting Standards.**

The following are the significant accounting policies which have been applied in the preparation of the consolidated financial statements.

[a] Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary company, Qatar Jet Fuel company WLL, a company registered in Qatar. The company owns 60% of the subsidiary company.

A subsidiary is an entity where the Group 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 Company are eliminated.

Minority interest in the net assets of consolidated subsidiary is identified separately from the Group'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.

[b] Investment:

Available-for-sale investments are initially recognised at cost, being the fair value of the consideration given. After initial recognition, investments classified as "available-for-sale", are remeasured at fair value. Unrealised gains and losses are reported as a separate component of equity until the investment is 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.

For investments traded in organised markets, fair value is determined by reference to quoted market bid prices. Where the investments are not traded in an active market, traded in small volumes or where there is no quoted market price, a reasonable estimate of fair value is determined by reference to the market value of a similar investment or is based on the expected discounted cash flows. Investments whose fair value cannot be reliably measured are carried at cost less any impairment in value.

[c] Revenue Recognition:

- Sales of goods are recognised when goods are delivered and title passes to the buyer. Sales consist of the value of goods sold net of returns.
- Income from bank deposits is recognised on a time proportion basis taking account the principal outstanding and the effective rate over the period to maturity.
- Other revenues are recognised as and when the services are rendered to the customers.

[d] 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 approved by management.

[e] Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation. Land is not depreciated. Depreciation is charged to write off the cost of assets, other than capital work in progress, over their estimated useful lives, using the straight line method. The estimated useful lives of the assets are as follows:

Buildings	20 years
Plant and equipment	10 - 20 years
Vehicles, office equipment and furniture	5 - 10 years
Petrol Stations	20 years
Ship (excluding dry docking components)	20 years

Dry docking components are amortised over the period to the next dry dock (5 years).

[f] Cash and Cash Equivalents:

Cash and cash equivalents comprise cash on hand, current accounts with banks and bank deposits having maturities of less than 90 days.

[g] 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.

[h] Operating lease

The land on which the subsidiary company's refuelling facilities are located is leased under an operating lease from the government. Lease rentals are charged in the income statement on a straight-line basis over the period of lease.

[i] Inventories:

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.

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.

[j] Foreign Currencies:

Transactions in foreign currencies during the year are translated into Qatari Riyals at the rate 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 ruling at that date. Resultant exchange gains and losses are reflected in the statement of income.

[k] 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.

[l] Financial Instruments:

Financial Assets:

The Group's principal financial assets are bank balances and cash, due from a related company, investments 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.

[m] Government grants:

Government grants relating to land are deferred and amortised over the period necessary to match them with the related costs they intend to compensate.

[n] 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.

[o] 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 income statement.

[p] 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 Group 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.

[q] 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.

[r] 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.

4. Bank Balances and Cash:

	2005 QR.	2004 QR.
Cash on hand	86,431	112,235
Bank current accounts	377,999,996	212,304,881
Fixed deposit accounts	110,753,257	86,119,955
	-----------------	-----------------
Total	**488,839,684**	**298,537,071**
	=========	=========

In 2004, the subsidiary company pledged its bank deposit of QR. 5,788,555 as security against repayment of the term loan. During the year 2005, the term loan was fully repaid and the pledge has been released.

5. Inventories:

	2005 QR.	2004 QR.
Refined petroleum products	32,280,571	25,435,921
Maintenance materials and parts	2,591,601	3,620,557
	-----------------	-----------------
Total	34,872,172	29,056,478
Less: Provision for obsolete maintenance material and parts	(138,521)	(90,187)
	-----------------	-----------------
Net	**34,733,651**	**28,966,291**
	=========	=========

6. Due from a Related Company:

	2005 QR.	2004 QR.
Gulf Helicopters	**2,483,487**	**2,261,557**
	=========	=========

7. Goodwill:

	2005 QR.
Cost:	
At January 1, 2004	69,240,026

At January 1, 2005	69,240,026
Elimination of amortisation accumulated prior to the adoption of IFRS 3 (see note 2)	(11,540,004)

At December 31, 2005	**57,700,022**

Amortisation:	
At January 1, 2004	6,924,002
Amortisation for the year	4,616,002

At January 1, 2005	11,540,004
Elimination of amortisation accumulated prior to the adoption of IFRS 3 (see note 2)	(11,540,004)

At December 31, 2005	--

Carrying amount	
At December 31, 2005	**57,700,022**
	=========
At December 31, 2004	57,700,022
	=========

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

8. Available for Sale Investment:

	2005 QR.
Value at January 1, 2005	28,280,000
Increase in fair value	248,298,400

Value at December 31, 2005	**276,578,400**
	=========

9. Compensation of Key Management Personnel:

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

	For the Year Ended December 31, 2005 QR.	For the Year Ended December 31, 2004 QR.
Short terms benefits	4,290,648	3,391,500
Post-employment benefits	227,884	252,060
	-----------------	-----------------
Total	**4,518,532**	**3,643,560**
	=========	=========

10. Property, Plant and Equipment:

	Land and Buildings QR.	Plant and Equipment QR.	Vehicles, Office Equipment and Furniture QR.	Petrol Station QR.	Vessel QR.	Capital Work-in-Progress QR.	Total QR.
Cost:							
At January 1, 2005	27,894,300	70,838,938	46,409,450	314,754	4,883,760	9,337,067	159,678,269
Additions	56,999,770	1,796,256	17,119,207	--	--	56,390,878	132,306,111
Disposals	--	--	(76,600)	--	--	--	(76,600)
Transfers	--	--	732,190	--	--	(732,190)	--
At December 31, 2005	**84,894,070**	**72,635,194**	**64,184,247**	**314,754**	**4,883,760**	**64,995,755**	**291,907,780**
Depreciation:							
At January 1, 2005	4,176,287	13,364,447	8,453,783	41,683	20,349	--	26,056,549
Charge for the year	1,731,314	5,812,504	6,554,263	16,825	244,188	--	14,359,094
Disposals	--	--	(21,691)	--	--	--	(21,691)
At December 31, 2005	**5,907,601**	**19,176,951**	**14,986,355**	**58,508**	**264,537**	**--**	**40,393,952**
Net Book Value:							
At December 31, 2005	**78,986,469**	**53,458,243**	**49,197,892**	**256,246**	**4,619,223**	**64,995,755**	**251,513,828**
At December 31, 2004	23,718,013	57,474,491	37,955,667	273,071	4,863,411	9,337,067	133,621,720

Included in the additions for the year, is an amount of QR. 56,800,000 representing the land received as government grants.

11. Due to Qatar Petroleum:

a) Due to Qatar Petroleum	2005 QR.	2004 QR.
Current liabilities	660,465,312	316,868,541
	=========	=========

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

	2005 QR.	2004 QR.
b) Loan from Qatar Petroleum	29,399,445	35,399,445
Less: Current portion	(12,000,000)	(6,000,000)
	-----------------	-----------------
Non Current Liabilities	**17,399,445**	**29,399,445**
	=========	=========

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

12. Deferred Income:

During the year, the government allocated certain plots of land to the company for the construction of petrol stations, herein referred to as "Government grants": Government grants received are deferred and will be taken into income over the period necessary to match them with the related costs that they are intended to compensate.

13. Share Capital and Premium:

a) Share Capital	2005 QR.	2004 QR.
30,000,000 issued and fully paid shares of QR. 10 each	**300,000,000**	**300,000,000**
	=========	=========

b) Share Premium	2005 QR.	2004 QR.
Premium on sale of shares (i)	29,349,128	29,305,675
Amount collected towards establishment costs	3,000,000	3,000,000
Establishment costs incurred	(2,270,896)	(2,270,896)
	-----------------	-----------------
Total share premium	**30,078,232**	**30,034,779**
	=========	=========

(i) Premium on sale of shares represents the difference between the selling price and nominal value of shares sold in the market. These shares represent unallocated shares from the initial subscription. According to the Qatar Commercial Companies' Law, the share premium is to be treated as legal reserve.

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 ….. per share for the year ended December 31, 2005 (2004: total dividend QR 2.50 per share). The proposed dividend for 2004 was approved by the shareholders at the Annual General Assembly Meeting on April 6, 2005.

16. Sales:

	For the Year Ended December 31, 2005 QR.	For the Year Ended December 31, 2004 QR.
Sale of jet fuel	926,318,208	522,323,839
Sale of refined products	1,409,487,926	962,026,453
Transportation and other revenue	39,163,212	27,184,952
	-----------------	-----------------
Total	**2,374,969,346**	**1,511,535,244**
	=========	=========

17. General and Administrative Expenses:

	For the Year Ended December 31, 2005 QR.	For the Year Ended December 31, 2004 QR.
Manpower cost	53,732,256	43,876,024
Rent	1,009,250	1,172,684
Others	22,877,710	16,638,553
	-----------------	-----------------
Total	**77,619,216**	**61,687,261**
	=========	=========

18. Other Income:

	For the Year Ended December 31, 2005 QR.	For the Year Ended December 31, 2004 QR.
Interest from banks	8,553,788	5,611,850
Profit on sale of property, plant and equipment	105,091	1,257,215
Others	1,680,143	35,907
	-----------------	-----------------
Total	**10,339,022**	**6,904,972**
	=========	=========

19. Related Party Transactions:

	For the Year Ended December 31, 2005 QR.	For the Year Ended December 31, 2004 QR.
Purchases from Qatar Petroleum	2,021,488,443	1,311,663,337
	=========	=========
Sales to Qatar Petroleum	64,855,990	27,007,312
	=========	=========
General and administrative expenses	8,962,823	12,476,792
	=========	=========

20. Commitments and Contingent Liabilities:

	2005 QR.	2004 QR.
Letter of credit	1,671,481	--
	=========	=========
Letter of guarantee	43,200	43,200
	=========	=========
Capital commitments	471,182,747	199,266,294
	=========	=========

21. 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.

22. Credit Risk:

The Group's credit risk is primarily attributable to 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. As at December 31, 2004, the Group had a significant concentration of credit risk with one customer accounting for 36% of trade receivable outstanding at that date. Management is of the opinion that this concentration of credit risk will not result in a loss to the Group.

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

23. Key Sources of Estimation Uncertainty:

Impairment of accounts receivable

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis, whilst amounts which are not individually significant but past due, are assessed collectively. Provisions are made according to the length of time the balances are past due, based on historical recovery rates.

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24. Interest Rate Risk Sensitivity:

The following summary sets out the Group's exposure to interest rate risk as of December 31, 2005.

ASSETS	Effective Interest Rate	Interest Bearing QR.	Non-Interest Bearing QR.	Total QR.
ASSETS:				
Bank balances and cas	4.5%	110,753,257	378,086,427	488,839,684
Accounts receivable	--	--	532,334,844	532,334,844
Inventories	--	--	34,733,651	34,733,651
Prepayments and other debit balances	--	--	7,315,506	7,315,506
Due from related company	--	--	2,483,487	2,483,487
Available-for-sale investments	--	--	276,578,400	276,578,400
Goodwill	--	--	57,700,022	57,700,022
Property, plant and equipment	--	--	251,513,828	251,513,828
		-----------------	-----------------	-----------------
Total		**110,753,257**	**1,540,746,165**	**1,651,499,422**
		=========	=========	=========
LIABILITIES AND EQUITY:				
Accounts payable and accruals	--	--	25,494,125	25,494,125
Loan from Qatar Petroleum	--	--	29,399,445	29,399,445
Due to Qatar Petroleum	--	--	660,465,312	660,465,312
Provision for employees' end of service benefit	--	--	5,243,518	5,243,518
Deferred income	--	--	56,800,000	56,800,000
Equity	--	--	874,097,022	874,097,022
		------------------	-----------------	-----------------
	--	**--**	**1,651,499,422**	**1,651,499,422**
		------------------	-----------------	-----------------
Interest Rate Sensitivity Gap		**110,753,257**	**(110,753,257)**	
		=========	=========	=========