IN THE NAME OF ALLAH

THE MOST GRACIOUS

AND THE MOST MERCIFUL



His Highness

Sheikh Hamad Bin Khalifa Al Thani

Emir of the State of Qatar



His Highness

Sheikh Tamim Bin Hamad Al Thani

The Heir Apparent

Our Profile

Introduction

Qatar Fuel "WOQOD" provides and distributes all of Qatar's energy needs. Gasoline and diesel for vehicles, boats and industry, LPG for cooking, aviation fuel for Doha International Airport. Our products and services touch everybody in Qatar, when you are driving your car, eating your meal or flying on holiday. We fuel Qatar's industrial developments, providing Bitumen to build new roads and diesel to power earth moving equipment. Qatar Fuel "WOQOD" is a young company; a public share company listed on the Doha Securities Exchange. Our share growth has been both progressive and impressive and we are issuing dividends within the early stages of company establishment. Our performance is shared by a strong Qatar shareholder base and positively influenced by our largest shareholder, Qatar Petroleum.

We have well planned and aggressive growth targets to consolidate our position in Qatar and prepare for international expansion. We will bring to the market new ideas in innovation to improve dramatically our service to our customers. Everything we do will be benchmarked against world class best practices with an aspiration to demonstrate leadership in customer service.

Our Vision

To be the leading petroleum and Related Services Marketing company in the region.



Our Profile

Our Mission

Provide all Customers Reliable, Professional and Innovative Solutions through Friendly, Excellent and Convenient Service.

- To demonstrate Accountability for all our activities.
- To achieve our Vision and Mission, we will train and develop competencies across the organization to enable us to demonstrate that we are the best in what we do in the Region.
- We will achieve 50% Qatarization by 2008.
- Minimizing our impact on the environment will be achieved through the introduction of new technologies not yet seen in the Region.

Our Brand Values...

Professional

Everything WOQOD does internally and externally will be seen as a truly professional approach. We aspire to be the most professionally managed company in Qatar.

Solid

WOQOD as a company is built on a solid foundation financially through its shareholders.

Friendly

WOQOD is a friendly company to deal with and always approaches its stakeholders in a friendly manner.

Innovation

WOQOD leads the market in innovative products, services and processes.

Accountable

WOQOD is truly accountable for all its business activities and their impact.



Our Brand



Our Brand is inspired by a strong Qatari heritage - the Sidra tree - and environment - the energy from the Sun.
The Sidra is endemic to Qatar, it is a tough tree, able to thrive in Qatar's desert environment with minimum maintenance.

Many families have lived with the Sidra tree in their gardens.
It provides shade from the sun and beautifies the desert landscape. Our new modern Brand will enable us to compete globally but will always remind us where our roots are.

Board of Directors



H.E. Mr. Abdullah Bin Hamad Al Attiyah

Second Deputy Prime Minister, Minister of Energy & Industry
WOQOD Chairman



Mr. Mohamed Khalifa Turki Al-Sobai

Vice-Chairman
and Managing Director



Mr. Hussain Mohamed Hussain Al Ishaq

Member



Mr. Nasser Mubarak Al-Maadeed

Member



Dr. Mohamed A. Wahed Al-Hamadi

Member



Mr. Abdulhadi Treheeb N. Al-Shahwani

Member



Sheikh Ali Bin Nasser Al-Ahmad Al Thani

Member

Chairman's Message



H.E. Mr. Abdullah Bin Hamad Al Attiyah

Second Deputy Prime Minister, Minister of Energy & Industry
WOQOD Chairman

Honorable Shareholders,

On behalf of the members of the Board of Directors of Qatar Fuel (WOQOD), I am very pleased to welcome you all and to present the Annual Report of our company highlighting the major accomplishment achieved during the fiscal year ended 2005. The pace of growth of the world's economy gained momentum during 2005. The juxtaposition of several factors has contributed to a more favorable economic performance during the year 2005 for the economies of the Gulf Cooperation council countries (GCC) in general, and that of the Qatari economy in particular. Foremost amongst these factors has been the dramatic increase in energy prices with oil prices at their peak , surpassing the $60 per barrel level. This provided a most welcome stimulus to our export revenues, which is anticipated to lead to huge surpluses in both balance of payments and government budgets for the State of Qatar.

During the 2005, through the grace at God and the wise and diligent guidance of His Highness the Emir, Sheikh Hamad Bin Khalifah Al Thani, our efforts to restructure the economy and diversify our revenue sources through the expansion of export oriental industries continued pace. With the sharp increase in oil prices and increased export. Qatar has become one of the leading countries in this field in the world, and the performance of the economy has been and shall remain very strong. Gross Domestic Product (GDP) is forecasted to increase by more than 20% in 2005.

Honorable Shareholders,

As far as our company's achievements during 2005 I am pleased to confirm that this year was another one of progress for WOQOD, during which important achievements were accomplished on more fronts.

Concerning the major projects, the Taxi petrol station has been commissioned and final preparation for Missemir West petrol station are almost completed. The station is expected to be completed and commissioned in April 2006. Construction works at Missemir East and Al Asmakh are progressing. These projects are expected to be completed and commissioned during 2006, when at least 4 petrol stations (out of 50) will be completed. It is worth mentioning that the completion of the above projects has been delayed and interrupted for many times due to reasons beyond our control.

Construction for the HFO Bunkering facility at Ras Laffan has started in March 2005 in cooperation with QP, and expected to be completed by the end of 2006.

Other important projects such as Bitumen storage and loading facility, LPG filling and distribution station, Natural Gas Network and Lubricating oils are either in preparation stages for commissioning or tendering process.

Chairman's Message

As to the financial Performance of the company the year 2005 was another year of excellent achievement for WOQOD. Net profit for the year has increased to QR 223.5 million in 2005 compared to QR 90.4 million in 2004, with an increase of QR133 million or 147%.

While total increase of the value of assets has reached QR 1651.5 million in 2005, compared to QR 850 million in 2004, with an increase of QR 801.5 million or 94.3%, total shareholder's equity has reached QR 843 million in 2005, compared to QR 447 million in 2004; an 89% increase.

As far as the ROA (Return on Assets) is concerned, this ratio has increased to 13.5% in 2005 as compared to 10.6% in 2004, with an increase of 27%.

Concerning the share return, it has increased from QR 3.01 per share in 2004 to QR 7.45 per share in 2005, with an increase of QR 4.44 or 147.5%. These financial indicators reflect management's efficiency in dealing with company's assets.

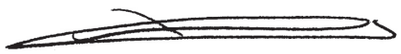
The strong performance of Qatar Fuel (WOQOD) has produced an effect upon the value of its share in Doha Securities Market (DSM). The market value of Woqod's share has increased from QR 40 in December 2004 to QR 126 in December 2005, with an increase of 215%.

In accordance with the excellent performance of the company in the fiscal year 2005, and in compliance with clear good signs so far, the performance for the year 2006 is expected to be stronger. The Board of Directors is pleased to submit through the agenda of its esteemed general assembly a recommendation for distribution of dividends of QR 90 million, at 30% of value of the nominal capital, i.e. at QR 3 per share. The future financial requirements for WOQOD's projects (which is estimated at QR 500 million), was taken into consideration in our dividend's distribution policy. After the completion of these projects, WOQOD will be a giant structure defying similar projects on regional level. These projects will generate more profit and increase shareholder's return.

Thanks and Appreciation

At the end, in my name and on behalf of the Board of Directors, I am pleased to seize this opportunity to express my best regards and thanks to H.H. the Emir of the State of Qatar, Sheikh Hamad Bin Khalifa Al Thani, for his continuous support and wise instructions for the comprehensive development process including the services sectors. I would also like to extend my gratitude and regards to H.H. the Heir Apparent, Sheikh Tamim Bin Hamad Al-Thani, H.H. the Prime Minister, Sheikh Abdullah Bin Khalifa Al-Thani for their continuous support of Qatar Fuel (WOQOD), which produced an important effect on the success and prosperity of the Company. Thank you also to the honorable shareholders for their confidence, faith and loyalty to our Company. We reiterate our commitment to persistently work hard to realize the shareholders' best interest and development of their investments as per methodical professional plans and studies and promising strategic vision and mission. Lastly, I take this occasion to extend thanks and appreciation to the management and employees of the company for their wholehearted devotion, loyalty and cooperation in the service of the company and fulfillment of its goals.

Abdullah Bin Hamad Al Attiyah
Chairman



Board of Directors' Report:
Company's Activities and Performance in the Fiscal Year 2005

The Honorable Shareholders.
Peace And God's Blessing Be Upon You All,

It is my privilege to present a comprehensive review of the company's activities, achievements, operations and financial results during the fiscal year ended 31st December 2005, as well as the completed projects, projects under considerations, its future plans and strategic vision.

First: Progress of the Company's Projects:

Major projects:

A. Petrol Stations Network Projects:

- The construction of the first petrol station (Missemir West) has been completed at a total cost of QR. 12.5 million. The station will be inaugurated and commissioned in April 2006. Construction works at Missemir East and Al- Asmakh, are progressing. These projects are expected to be completed and commissioned during 2006, when at least 4 petrol stations out of 50 will be completed. It is worth mentioning that the completion of the above projects has been delayed and interrupted due to reasons beyond our control. WOQOD, and in coordination with other related parties, has managed to overcome these obstacles and to resume work.
- Al- Nuaija petrol station is now in the process of construction tendering, while Al- Gharafa petrol station is in the stage of detailed design. The Dukhan petrol station is still on hold awaiting for confirmation from Qatar Petroleum to shift the electric cable of high voltage which passes over the site to another direction. Al-Rumailah Petrol Station is also on hold awaiting for the final plan from Urban and Development Department, which are still working on re-organizing this area.
- Concerning the commissioning of the stations, recruitment of adequate number of employees, technical staff and laborers is completed, and suitable furnished accommodation has been arranged for them, The Company is working hard to own a permanent accommodation for those technicians and laborers. A small villa has been rent to serve as a training center. In preparation for the commissioning, WOQOD has prepared and signed operating contracts with the suppliers of foodstuff, consumable goods and services (About 3000 products). These products will be traded at the convenient stores in these Petrol Stations. An electronic and modern Point of Sales System (POS) has been installed and will be managed by Gilbarco Italian Company.
- Aiming at providing a quality of services to our customers, increasing efficiency and generating profits, the following market research will be conducted with international specialized companies, to determine the needs and requirements of customers vis-a-vis the quality of services to be delivered at these Petrol Station. A comprehensive geographical study for all areas in Qatar in order to select suitable and strategic places for locating new Petrol Stations. Feasibility studies about monitoring WOQOD'S fleet, using the Radio Frequency Identification Technology. This will allow to control and monitor the movement of our tanks in any area within Qatar.

B. Bitumen Storage and Loading Facility:

WOQOD has awarded the Project of Engineering, Procurement, Installation and

Commissioning of Bitumen Storage and Loading Facilities at Mesaieed to an international company at an estimated cost of around QR14 million. The project should include a storage capacity of about 1800 MT, and a provision to another 15000 MT, Emulsion and cutback plant to produce tack and prime coats, and polymer Modified Bitumen plant which can be used in Airport and roads construction and maintenance. The Project is expected to start its operations in the first half of 2006.

C. HFO Bunkering Facility at Ras Laffan:

Construction for the project has started in March 2005, and expected to be completed after 18 months, and before the LNG shipment to U.S.A. and Europe. The project cost is estimated at QR 200 million.

D. LPG Filling and Distribution Station:

The technical specifications and all other requirements and conditions of the project are finalized. The cost of the project is estimated at QR 150 million. A tender for the construction is expected to be announced during the second quarter of 2006.

E. Natural Gas Network:

The technical specifications and other requirements and conditions of the project were finalized by a specialized company on the month of Nov 2005. A tender for the construction is expected to be announced in March 2006 and the commissioning of the project is expected in December 2007. The network will exceed 35km and the total cost of the construction will be covered by Qatar Petroleum.

Second: Marketing Activities:

This represents all services and commercial activities, which WOQOD intends to innovate or manage or develop for either existing projects or coming ones. This includes the following:

A. LPG Bulk for Households and Business Units:

Pre-qualification documents for LPG contractors have been prepared. Four contractors (out of 14) were selected as qualified companies to deal with LPG bulk business. WOQOD is coordinating with the Civil Defense and Urban & Development Departments to ensure that international standards and measures for security and safety are met. Storage tanks for LPG bulk will be supplied by international company. For security reasons, these tanks will be distributed by WOQOD only.

B. Butane Gas Cylinders:

WOQOD is negotiating for taking over the bottling project from Qatar Petroleum. WOQOD has already imported cylinder's regulators and valves and waiting for receiving other parts related to this project.

C. LNG Supply to Industrial Firms:

The project was postponed until due time, when QP will be able to produce a sweet gas (free of H2S). WOQOD is considering an alternative solution for providing the industrial

area with LPG bulk, until the sweet gas, which is expected to be produced by 2008-2009, will be available for this area.

D. Lubricating Oil Project:

WOQOD is planning to produce lubricant oils carrying its brand names and distributed at its trademark. Different names such as "Osaj", "Huwait", "Samr", "Ghaf", and "Qorm" will be registered at the Ministry of Economy & Commerce in Qatar under WOQOD's trademark. Negotiations are underway for signing contracts with specialised firms for oil processing and agency's activities.

Third: Acquired Assets and Investments:

In addition to what has been mentioned about new assets and investment acquired by WOQOD, including petrol stations equipments, 6 new plots of land at vital areas, with reasonable measurements for construction of petrol station together with service utilities were registered on WOQOD's name in 2005. WOQOD is hoping for more plots of land in other places in the future.

• WOQOD Tower:

The tendering process for the Design & Engineering Consultancy for the WOQOD Tower is finalized. The signing ceremony of Engineering Consultancy & Site Supervision took place between Ramatre Project S.R.L of Italy and WOQOD took place on March 12,2006 . The Tower comprises 30 floors, and The its completion is expected by mid of year 2008.

- Concerning investment, WOQOD is still holding the 560,000 shares, with the Qatari Gas Transporting Company (Nakilat).
- The Total value, which WOQOD has paid during 2005 for assets acquisition, excluding QP contribution, has reached QR 60 million.

Fourth: Operations:

These activities include distributing petrol products, LPG, Bitumen and other related products. The following is a table summarizing major achievements in 2005 as compared to 2004.

A. Table (1) Distribution of Petroleum Products (per barrel)

Product	2005 Quantity p/b	2004 Quantity p/b	Change by Barrel	% Change (+ or -)
Diesel	7,159,164	4,445,308	2,713,856	+ 61
Jet-Fuel	3,511,376	2,631,650	879,726	+ 33
Kerosine	36,313	37,730	1,417	- 4
Super	2,579,589	2,332,234	247,355	+ 11
Premium	3,361,544	2,897,907	463,637	+ 16

B. LPG:

Total volume sales of LPG has increased from 8,429 m/t in 2004 to 10,224 m/t in 2005, with an increase of 21.2%.

C. Bitumen:

Unlike other products, Bitumen sales has declined from 31.120 tones in 2004 to 31,115 tones in 2005, a decrease of 23%. On the other hand, net profit for Bitumen sales increased by 20% in 2005 as compared to 2004, where it reached QR 3,889,000 million:

In the 2nd quarter of 2006, the Company is expected to operate number of marketing projects in petrol stations, Bitumen, LPG, and fueling ships, in which the company's activities are expected to increase.

D. Further Developments:

To fully address increasing demand on our products, and to keep pace with the accelerated economic, financial and social development which Qatar is witnessing today, and in order to satisfy the required security and safety measures, and the standard qualitative and measurements specifications, the company has taken the following steps:

1. Contracting to install and operate 2 storage tanks for Gasoline and Light Gaz Oil (LGO) at Doha Depot, at a total cost of QR 28.6 million.
2. Contracting to purchase 16 trucks and 16 trailers for carriage of petrol products, 2 fire engines, 12 pick-ups double cabine, one car for road service, 3 trucks for Butane gas carriage and one unit for heavy duty car wash.
3. Contracting to supply 100 ground storage tanks for petroleum products. About 40 tanks have been delivered to WOQOD in 2005 for leasing to end-users.
4. Contracting to purchase 320 storage tanks for LPG at different sizes. These tanks will be sold to customers of LPG bulk in 2006.
5. Construction is underway for the engineering and maintenance workshop at Doha Depot. Machinery and equipments for this workshop will be ordered.
6. Upgrading the actual fire-fighting system at Doha Depot.
7. Contracting to replace and update earthing and overfill devices at loading gantries.

Fifth: Administrative Development: Recruitment & Qatarization.

- The study to review and verify the organization chart, job scale and description and department's authorities has been completed. This will help in keeping harmony with the recent upgrading measures and development of the company. The study will be applicable during the first quarter of 2006.
- The ERP (Enterprise Resources Planning) system has been applied on most of administration department activities. Training sessions have been conducted for such purpose.
- WOQOD is planning to be connected with the E-government Network during 2006.
- The company kept on filling the required jobs. 164 out of 193 employees have been appointed. This represents about 88% of the total approved jobs for 2005.
- The company is proceeding to implement its Qatarization policy in order to provide job opportunities for Qataries. Up to the end-year 2005, 86 Qatari employees have been appointed. This represents 23% out of the total actual number. The company will continue its efforts to qatarize the jobs and to replace 50% of them by employment of qualified Qataris by the year 2008, in addition to provision of suitable training programs.

Sixth: Information technology (IT).

The following tasks have been accomplished during 2005:

- Designing, purchasing and operating of WOQOD Electronic Network.
- Contracting to supply, install and operate the Enterprise Resource Planning (ERP) which will help in providing good opportunities for optimum utilization of current resources, with a minimum of paper usage. A tender will be announced very soon for the application of "Fleet Management System", to control the movements of the company's carriers in Qatar.
- Two contracts for developing and maintaining Doha Depot's Operations (Fuel Facs) will be awarded during the first quarter of 2006.
- WOQOD has awarded the Retail Automation System which will be applied for all points of sales (POS) at WOQOD's petrol stations.
- The Data Doha Center Setup has been completed. The Microsoft license has been renewed for 2005. Four Intel Process Servers were purchased, along with other Del PCs. Other softwares and systems will be applied in 2006 in order to achieve the company's strategic objective of total quality management.
- Data center setup has been accomplished.

Seventh: Financial Activities:

As for the financial performance of the company, the year 2005 was another year of excellent achievement for WOQOD, and could be summarizes as follows:

- The total revenue for the financial year 2005 has reached QR 2,374,969,346 , as compared to QR 1,511,535,244 for 2004 , an increase of QR 863,434,102 or 57.12%.
- The cost of sales for 2005 was QR 2,052,971,056 against QR 1,331,498,578 for the year 2004, with an increase of QR 721,472,478 or 54.18%.
- The total value of assets has reached QR 1,651,499,422 in 2005 , as compared to QR 849,696,489 as compared to QR 849,696,489 for 2004, and increase of QR 801,529,933 or 94.3%.
- The net profit for the year (after deduction of depreciation and minority interest) has exceeded QR 223,478,520 in 2005, as compared to QR 90,402,218 in 2004, an increase of QR 133,076,302 in 2004 , or 147.2%.
- The earning per share for the year was QR 7.45 per share in 2005, as compared to QR 3.01 per share for 2004, an increase of QR 4.4 per share or 147.5%.
- Shareholder's equity for the company amounted to QR 843,375,305 in 2005, as compared to QR 446,554,932 for 2004, an increase of QR 396,820,373 or 89%.

The increase in profit despite the increase of the number of employees and operating expenses is due to the following :

1- Implementation of the Concession Decree Law and sale of diesel product in bulk.

2- Implementaion of the Concession Decree Law and performing the business of carriage and transport of petrol products activities.

3- Management of certain marine and non-marine petrol filling stations.

4- Increase in the demand for petroleum products spurred by the development recently witnessed by the country.

Finally, WOQOD is pleased to extend its lasting superlative gratitude to His Highness, Sheikh Hamad Bin Khalifa Al Thani, The Redeemed Emir of The State of Qatar and His Highness Heir Apparent Sheikh Tamim Bin Hamad Al Thani for their continuous support to WOQOD. Our gratitude is extended also to His Excellency, Mr. Abdullah Bin Hamad Al-Attiyah, The Second Deputy Premier, The Minister of Energy and Industry and The Chairman of the Board of Directors of WOQOD for his exquisite professional leadership, support and directives.

In addition, we extend our thanks and regards to the whole governmental, public and private establishments for their support and the employees of the company for all efforts extended.

Mohamed Turki Al-Sobai
Vice- Chairman and
Managing Director

