



INTERVIEW

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What is the current production capacity of Qatar Petrochemical Company ("QAPCO"), and how is this broken down by product type?

QAPCO's current design production capacity of ethylene and low density polyethylene ("LDPE") is 720 kilo metric tonne per annum ("KMTPA") and 400 KMTPA respectively, though we are able to produce higher than the design with ethylene at about 800 KMTPA and LDPE 405-410 KMTPA.

What level of production has Qatofin's project reached since its start up last November? Have there been any commissioning challenges?

Qatofin's project was inaugurated on November 24, 2009 and started up production of low linear density polyethylene ("LLDPE"), with a designed capacity of 450,000 MTA.

Likewise the many new plants, we also initially have several commissioning challenges but were successful to manage the same in no time. Ethylene was provided by QAPCO for the start-up activities and we were successful in producing quality LLDPE production. The plant is ready for commercial production and waiting for ethylene from Ras Laffan Ethane Cracker ("RLOC"), which is under production start-up process.

When do you expect the start up of RLOC?

RLOC started up on March 31, 2010 and produces some amount of ethylene. Likewise any other new plant, we have initial issues that we hope to sort them out very soon. RLOC is expected to produce 1.3 million metric ton per annum ("MTPA") of ethylene, expandable to 1.6 million MTPA. 700,000 MTPA of the produced ethylene will be allocated to Q-Chem II and 600,000 MTPA to Qatofin.

When do you expect the start up of 300,000 t/y LDPE plant? Is it on track for 2011?

LDPE-3 project is now underway, and it is forecasted to be completed by end of 2011. After completion of this project, QAPCO's total LDPE production capacity will be increased up to 700 KTPA.

What is the estimated budget for Laffan ethane project, and have you managed to take advantage of a lower project build cost environment?

The total estimated budget allocated for Qatofin and RLOC is about US\$ 1.35 billion.

Where is your strongest customer base?

All customers around the world are important to QAPCO, however, our global marketing network is stretching to most strategic markets in the Middle East, Asia, Far East and Europe. QAPCO can now have faster access to over 4500 customers in about 85 countries worldwide.

QAPCO opened 26 self operated offices and 5 regional warehouses. The offices are located in four major cities in China and also in four cities in India Pakistan, Egypt, Syria, the UAE, Lebanon, Taiwan, Bangladesh, Jordan, Yemen, Thailand, Malaysia, Vietnam, Australia, Indonesia, Sri Lanka, Singapore and Philippine.

What do you see as the principal challenges facing the Middle Eastern downstream sector at large?

Though Middle East producers have the leverage in terms of feed-gas cost advantage as compared to other producers from other part of the world, however, there are several challenges facing the downstream sector in the Middle East, such as the availability of the ethane feedstock, environment related issues, logistics etc.

What new projects or milestones are looming on the horizon for 2010 – 2012?

Besides Qatofin and RLOC, we hope that LDPE-3 will be successfully starting up and operating at highest performance level.

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ABOUT QAPCO:

Incorporated in 1974 as a joint venture, Qatar Petrochemical Company Limited QSC (“QAPCO”) is currently owned by Industries Qatar QSC (“IQ”) [80%] and TOTAL Petrochemicals (France) [20%]. QAPCO has two joint ventures, Qatofin Company Limited QSC and Ras Laffan Olefins Cracker Company, and two associated companies, Qatar Vinyl Company Limited QSC and Qatar Plastic Products Company WLL.

QAPCO was established with the aim of utilising the associated and non-associated ethane gas from petroleum production. QAPCO is one of the leading producers of ethylene and variable grade low-density polyethylene (“LDPE”) [under the brand name “Lotrene”] in the Middle East, with sulphur being its by-product. The LDPE is marketed in over 75 countries, with the main markets being the Middle East, Far East, Africa and the Indian sub-continent. A substantial part of the ethylene produced is used in the LDPE production process, with the remainder being supplied to QAPCO’s associate, QVC, to meet its feed requirements. In 2009, QAPCO commenced production of linear low-density polyethylene (“LLDPE”).