

FOR IMMEDIATE RELEASE

Industries Qatar gives the go-ahead to QVC for a new PVC project and award of relevant EPC contract

Doha, Qatar, 3 April 2022 – The Board of Directors of Industries Qatar (“IQ” or “the Company”; QE ticker: IQCD) has approved the award of an Engineering, Procurement, Construction (EPC) contract for a new Polyvinyl Chloride (PVC) plant by its indirect joint venture; Qatar Vinyl Company (QVC), with a total contract value of USD 239 million.

QVC & the new PVC plant

QVC is a joint venture between Qatar Petrochemical Company (Qapco) with 31.9% stake, Mesaieed Petrochemical Holding Company (MPHC) with 55.2% stake and QatarEnergy with 12.9% stake. Qapco is a joint venture, wherein, IQ owns 80% of the shares.

The new PVC plant’s construction is expected to be completed by mid-2025. The plant targets a nameplate capacity of 350,000 metric tons per annum of Suspension PVC (S-PVC).

The new plant will be integrated with the existing QVC facilities, located at Mesaieed Industrial City, and will source feedstock (i.e., Vinyl Chloride Monomer (VCM)) from the existing facilities. The new plant will further maximize synergies on account of efficient water & power usage; existing supply chain capabilities; while assuring sustainable operations.

Strategic realizations of the new PVC project

Being the first PVC plant in the State of Qatar, the project aims to position Qatar as a new regional player in PVC production, while reinforcing the downstream value chain. The plant will not only boost private sector industrial investments, but also provides a home-grown source of PVC and expands the economic potential of local industries.

The new PVC plant aims to meet the growing demand in the PVC-consuming industries, such as the construction industry. PVC produced at the new plant is expected to meet the domestic market demand and provide opportunities to export internationally. PVC as a product, can be handled, stored & shipped safely and seamlessly; and could be coupled with other similar products produced in Qatar to provide opportunities for optimized logistical cost structures.

The launch of a new PVC plant, with IQ’s indirect ownership in QVC, will improve IQ’s strategic positioning in the downstream sector while enhancing its shareholder value. The project aims to create a competitive and sustainable PVC production facilities, that will further consolidate IQ’s industrial output, while building strength through operational excellence and responsible growth, and diversifying its reach to newer markets.

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About Industries Qatar (IQ)

Industries Qatar Q.P.S.C. was incorporated as a Qatari joint stock company on April 19, 2003. The business operations of the company comprise the direct holding of shares in the following subsidiary and joint venture companies: (i) Qatar Steel Company Q.P.S.C. ("QS"), a wholly-owned subsidiary, engaged in the manufacture and sale of steel billets and reinforcing bars; (ii) Qatar Petrochemical Company Limited QSC ("QAPCO"), a joint venture owned 80% by IQ, engaged in the production of ethylene, low-density polyethylene ("LDPE"), linear low-density polyethylene ("LLDPE") and sulphur; (iii) Qatar Fertiliser Company SAQ ("QAFCO"), a subsidiary 100% owned by IQ, engaged in the manufacture of ammonia and urea; and (iv) Qatar Fuel Additives Company Limited QSC ("QAFAC"), a joint venture owned 50% by IQ, engaged in the production of methanol and methyl-tertiary-butyl-ether ("MTBE").

The operations of the subsidiary and joint ventures remain independently managed by their respective management teams.

For more information about the announcement, email iq@gatarenergy.qa or visit www.iq.com.qa

DISCLAIMER

The companies in which Industries Qatar Q.P.S.C. directly and indirectly owns investments are separate entities. In this press release, "IQ" and "the Group" are sometimes used for convenience in reference to Industries Qatar Q.P.S.C.

This press release may contain forward-looking statements concerning the financial condition, results of operations and businesses of Industries Qatar Q.P.S.C. All statements other than statements of historical fact are deemed to be forward-looking statements, being statements of future expectations that are based on current expectations and assumptions, and involve known and unknown risks and uncertainties that could cause actual results, operations and business performance or events impacting the group to differ materially from those expressed or as may be inferred from these statements.

There are a number of factors that could affect the realization of these forward-looking statements such as: (a) price fluctuations in crude oil and natural gas, (b) changes in demand or market conditions for the group's products, (c) loss of market share and industry competition, (d) environmental risks and natural disasters, (e) changes in legislative, fiscal and regulatory conditions, (f) changes in economic and financial market conditions and (g) political risks. As such, results could differ substantially from those stated, or as may be inferred from the forward-looking statements contained herein. All forward-looking statements contained in this report are made as of the date of this document.

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