2022

ANNUAL REVIEW

قطر للطاقة
QatarEnergy

Your energy transition partner

Contents

2022

ANNUAL **REVIEW**

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QatarEnergy

His Highness

Sheikh Tamim bin Hamad Al Thani

The Amir of the State of Qatar

His Highness

Sheikh Hamad bin Khalifa Al Thani

The Father Amir

His Highness

Sheikh Abdullah bin Hamad Al Thani

The Deputy Amir

About QatarEnergy

Profile

QatarEnergy is the national energy company of the State of Qatar. It is tasked with the primary responsibility of sustainably developing the country's oil and gas resources and in spearheading the continued growth of Qatar's energy industry.

Brief History

The history of QatarEnergy and Qatar's oil and gas industry can be traced back to the early 1930s, when geologists began conducting surveys in Qatar, following the discovery of oil in neighboring countries. The geological surveys and subsequent drilling activities eventually led to the discovery of the Dukhan oil field in 1939.

Further exploration and production activities, however, were suspended due to World War II, and it wasn't until 1947 that commercial production finally began in the Dukhan Field. Qatar then made its first-ever oil export with the shipment of 15,433 long tons of crude oil from Mesaieed Port to Europe on 31 December 1949.

As the development of the onshore Dukhan Field continued, further exploration activities soon discovered other oil and gas fields in the country's offshore areas. Qatar's first offshore field – the Idd El Shargi Field – was discovered in 1960, and it was followed by the discovery of the Maydan Mahzam Field in 1963 followed by the Bul Hanine and El Bunduq Fields in 1965.

Then came the historic discovery of the North Field in 1971 and the Al Shaheen Field in the mid-1970s. The North Field is the world's largest non-associated gas field. The Al Shaheen Field, on the other hand, has the distinction of being Qatar's largest oil field, and it currently produces up to 300,000 barrels of oil per day.

To effectively manage the country's oil and gas resources including those that would be discovered later, the Qatar General Petroleum Corporation, or QGPC, was established through Emiri Decree No. 10, which was issued on 4 July 1974. The main objective of the company was "to engage in all phases of the oil industry in Qatar and abroad." This includes the exploration, drilling and

production of oil and natural gas as well as the refining, transport, trading and export of these hydrocarbon substances and their by-products. QGPC was eventually renamed and rebranded as Qatar Petroleum, in January 2001. To reflect the company's understanding of global changes and its commitment to environmental protection and social sustainable development, in 2021 Qatar Petroleum rebranded and renamed itself to QatarEnergy.

Current Operations

Throughout the decades, QatarEnergy has remained true to its mandate of leading the development of Qatar's energy industry. Today, QatarEnergy's operations cover a wide range of upstream and downstream activities throughout the State of Qatar. From its headquarters in the capital Doha, QatarEnergy manages extensive operations in Dukhan along the western side of the Qatari peninsula, Ras Laffan in the north, Mesaieed in the south, as well as in Qatar's offshore areas including Halul Island in the northeast.

QatarEnergy is actively involved in the entire spectrum of the oil and gas value chain. It also supports the country's oil and gas and petrochemical industries through its industrial cities and through the activities of its many joint ventures and subsidiaries. Its companies and joint ventures supply major customers around the world with various types of products, including petrochemicals, liquefied natural gas (LNG), gas-to-liquid (GTL) products, helium, fertilizers, steel and aluminium.

A key factor in QatarEnergy's continued success is its close partnership with international oil companies in the implementation of many oil and gas projects, as well as in a growing number of exploration and production activities in regions like Latin America, Africa, and the Mediterranean. Furthermore, QatarEnergy has substantial global investments in LNG terminals, petrochemical projects, and refining facilities.

QatarEnergy's corporate strategy revolves around six major themes:

- Strengthen QatarEnergy's technical capabilities and operating model.
- Maximize upstream value to the State of Qatar.
- Create a large-scale value-adding international portfolio.
- Reinforce Qatar's LNG and global gas position.
- Maximize the added value of Qatar's downstream businesses.
- Promote energy efficiency and the optimum energy mix in Qatar.

For more information, please visit our website:

www.qatarenergy.qa

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The Deputy Amir
Chairman of the Board of Directors

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Vice Chairman, President and CEO

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Sheikh Khalid bin Khalifa bin Jassim Al Thani

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Member of the Board

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Member of the Board

Mr. Saeed Mubarak Al-Muhannadi

Member of the Board


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QatarEnergy

Executive Leadership Team

H.E. Saad Sherida Al-Kaabi
President and CEO

Ahmad Saif Al-Sulaiti
Executive VP - Operations

Khalid Mohammed Al-Hitmi
Executive VP - Subsurface Development and Exploration

Jassim Mohd Al-Marzouqi
Executive VP - Commercial and Business Development

Mohamed Salem Al-Marri
Executive VP - Projects, Engineering and Procurement Services

Abdulrahman Ahmad Al-Shaibi
Executive VP - Finance and Planning

Abdulaziz Mohammed Al-Mannai
Executive VP - Human Capital

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Executive VP - Industrial Cities

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Executive VP - Surface Development and Sustainability

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Executive VP - HSE and Business Services

Mohamed Essa Al-Mannai
General Counsel and Board Secretary

Ali Nasser Telfat
Corporate Manager, CEO Office

Ayoob Olia
Corporate Manager, Internal Audit

Saad Sherida Al-Kaabi

President and CEO

I am pleased to present QatarEnergy's Annual Review for 2022, a truly remarkable year filled with extraordinary accomplishments that have placed us firmly on the global LNG map, expanded our international footprint in oil and gas exploration and set significant milestones marking our sustainability efforts and environmental performance.

I would not hesitate in describing 2022 as "the year of the North Field". Throughout the year, QatarEnergy concluded a series of partnerships in the $28.75 billion North Field East (NFE) project, which will raise Qatar's LNG export capacity from the current 77 million tons per annum (MTPA) to 110 MTPA. These partnerships with industry leaders such as TotalEnergies, Shell, ExxonMobil, ConocoPhillips and Eni are all underpinned by the highest health, safety and environmental standards. We are delighted to have formed five joint venture companies with these partners that will own the NFE's four LNG mega trains with a combined total output of 32 MTPA. Three more partnerships were concluded with TotalEnergies, Shell and ConocoPhillips in three joint venture companies that will own two LNG mega trains in the North Field South (NFS) project with a combined output of 16 MTPA. Once completed, these projects will increase Qatar's LNG production to 126 MTPA by 2027.

We also signed two engineering, procurement and construction contracts for thirteen normally unmanned wellhead platform topsides.

In parallel, QatarEnergy signed a series of time-charter parties (TCP) for the long-term charter and operation of 60 LNG ships, constituting the first batch of TCPs awarded under a massive LNG shipping program which aims to serve our LNG growth projects and future fleet requirements.

I am proud to state that these significant achievements will shape Qatar's energy industry for decades to come as it ensures the optimal utilization of our natural resources and provides the world with the cleaner and more reliable energy it needs. The advanced environmental characteristics of the NFE and NFS projects, including significant carbon capture and sequestration capacity, underscore our unwavering dedication to power lives in every corner of the world for a better tomorrow for all.

In March of 2022, we were honored by His Highness Sheikh Tamim bin Hamad Al Thani, the Amir of the State of Qatar, who inaugurated the Barzan Gas Plant. This facility, a core element of Qatar's energy infrastructure, will produce and process natural gas from the North Field to serve the requirements of local power generation and water desalinization and provide hydrocarbon products for the local and international markets.

Our efforts to broaden QatarEnergy's international presence and expand LNG sales have been very successful. In 2022, we secured a 27-year sale and purchase agreement for the supply of 4 MTPA to the

Message from the President and CEO

People's Republic of China and two long-term LNG sale and purchase agreements for the delivery of up to 2 MTPA to Germany for at least 15 years.

2022 was also a year during which we continued our determined drive towards a cleaner and more sustainable future. In March, we launched our updated Sustainability Strategy, reaffirming our commitment, as a major energy producer, to the responsible production of clean and affordable energy to facilitate the energy transition. The updated strategy outlines multiple initiatives to reduce greenhouse gas emissions, featuring flagship projects including carbon capture and storage technology.

In line with that strategy and our plans for a responsible and realistic energy transition, we have initiated efforts to develop a carbon capture roadmap for Qatar's energy sector. This endeavor aims to explore the feasibility of developing a world-scale carbon sequestration hub at Ras Laffan Industrial City.

QatarEnergy has continued to pursue increased solar capacity and to eliminate routine flaring and limit fugitive methane emissions along the gas value chain. In August 2022, we announced the awarding of the EPC contract for the industrial cities' solar power project, which includes two large-scale photovoltaic solar power plants to be built in Mesaieed Industrial City and Ras Laffan Industrial City, with a combined capacity of 875 megawatts (MW).

On 18 October, His Highness Sheikh Tamim bin Hamad Al Thani, the Amir of the State of Qatar, inaugurated the Al-Kharsaah Solar PV Power Plant. As Qatar's first and one of the region's largest solar power plants, it possesses a total capacity of 800 MW, comprising more than 1,800,000 solar panels capable of providing the national grid with about 10% of peak electricity demand. Further solidifying our position in solar energy, QatarEnergy became the sole owner of Siraj Energy by acquiring the Qatar Electricity and Water Company's 49% interest, thus consolidating our position in delivering our sustainability strategy's mid-term target of generating five gigawatts (GW) of solar power by 2035.

Taking concrete steps to reduce the carbon intensity of our energy products, QatarEnergy initiated work on the construction of "Ammonia-7", the industry's largest blue ammonia plant with a capacity of 1.2 MTPA. This investment will help QatarEnergy deliver on its sustainability strategy as a major energy producer, providing cleaner energy to support the global energy transition.

On the international upstream level, QatarEnergy celebrated numerous announcements that helped expand its footprint in Africa and the Americas. These include two offshore oil discoveries in Namibia, a working interest in an exploration block offshore Egypt, two production sharing agreements and an oil discovery in Brazil, and an offshore parcel in Atlantic Canada.

Our downstream developments continued to take shape in 2022. QatarEnergy awarded the early site works contract for the Ras Laffan Petrochemical Project, the Middle East's largest ethane cracker. We also announced the final investment decision on the Golden Triangle Polymers Plant, an $8.5 billion world-scale integrated polymers facility in Texas, USA – QatarEnergy's largest international investment in the petrochemical sector.

> ***"I would not hesitate in describing 2022 as "the year of the North Field"."***

As the proud partner of the FIFA World Cup Qatar 2022™, we had the unique opportunity to be introduced to the world as Qatar's energy icon.

We are always indebted to the wise leadership and guidance of His Highness Sheikh Tamim bin Hamad Al Thani, the Amir of the State of Qatar, whose direction and support continues to inspire and motivate us in achieving remarkable successes.

I am grateful to the dedication and hard work of the QatarEnergy Executive Leadership Team, and to the unique commitment of all in our QatarEnergy family.

Saad Sherida Al-Kaabi
President and CEO

Key Figures For 2022

Qatar’s Hydrocarbon Reserves

As of 31 December 2022, Qatar’s confirmed hydrocarbon reserves amounted to approximately 384 billion barrels of oil equivalent. These reserves consisted of approximately 1,740.7 trillion standard cubic feet of natural gas, 2.65 billion barrels of crude oil and 71.40 billion barrels of condensate.

Production	2021	2022
Crude oil production from QatarEnergy-operated fields	289,019	293,924
	barrels per day	
Total oil production from QatarEnergy-operated and non-operated domestic fields	561,562	583,475
	barrels per day	
Natural gas Production	993	1,133
	billion btu per day	
Refinery Throughput	107,000	95,000
	barrels per day	

QatarEnergy operated assets only

HSE	2022
Lost time injury rate of employees & contractors	0.17 per 1 million working hours
Total recordable injury rate of employees & contractors	0.56 per 1 million working hours
Total greenhouse gas emissions	6.07 million tons of CO_2 equivalent
Flaring	13,040 mmscf
Total volume of waste generated	150,570 tons
Percentage of hazardous waste recycled	22.84%

QatarEnergy operated assets only

Financials

	2021	2022
Total assets (Year-end)	518.9	590.8
	billion QAR	
Total equity (Year-end)	435.9	503.4
	billion QAR	
Total Revenues	120.3	189.0
	billion QAR	
Total Expenses*	58.6	91.5
	billion QAR	
Net operating Profit	61.6	97.4
	billion QAR	
Share in profits of Jvs & associates	53.0	83.6
	billion QAR	
Tax Expenses	16.7	26.9
	billion QAR	
Total Net profit	97.9	154.6
	billion QAR	

*After adjusting other income and excluding finance charges/taxes

Upstream Operations

As a major player in the global energy industry, QatarEnergy is relentless in its efforts to develop the State of Qatar's energy resources, thus taking a key role in the country's unprecedented growth and in helping meet the world's rising energy requirements. QatarEnergy is committed to harnessing these resources in a sustainable manner, as it implements various upstream projects for the continued development of Qatar's onshore and offshore fields.

Onshore Operated Fields

Dukhan Field

Discovered in 1939, the Dukhan Field was Qatar's first oil and gas field, and remains its only onshore field. Located on the western side of the Qatar peninsula, the Dukhan Field measures 80 kilometers in length and eight kilometers in width. It is divided into the following four sectors from north to south: Khatiyah, Fahahil, Jaleha and Diyab.

The three main oil reservoirs of the Dukhan Field are the Upper Jurassic Arab C, Upper Jurassic Arab D and the Middle Jurassic Uwainat. It also has a gas reservoir, the Permian Khuff reservoir. Oil and gas produced from the field are transported by pipeline to Mesaieed for further processing. As of the end of 2022, there were 337 producing oil wells, 243 water injectors and 69 gas wells in the field.

Two major projects are currently being undertaken for the redevelopment of the Dukhan Field. The first is the Enhanced Water Flood (EWF) Project, which involves facility upgrades and an extensive infill drilling campaign (between 2016-2029) targeting the remaining oil in all three reservoirs (Arab C, Arab D and Uwainat).

The second major project is the CO_2 Water-Alternating-Gas (WAG) Pilot Project. CO_2 is an enhanced oil recovery (EOR) technique to improve recovery and enhance production beyond that achievable from the current water injection scheme. Simulation modelling results suggest that more than 160 million stock tank barrels

(MMSTB) of additional oil can be recovered from the field through a CO_2 WAG injection scheme.

Under the pilot project, 13 wells have been drilled targeting the Upper Arab C, Lower Arab C and Arab D reservoirs (six producers, three injectors and four observation wells). One gas disposal well is also planned to be drilled in 2025. The first CO_2 injection is expected in 2028 after completion of the CO_2 disposal facilities and the pilot duration will take place over a five-year period. The pilot project will confirm improved recovery from CO_2 injection, provide useful reservoir performance data for the full-sector implementation and help build operational experience.

A total of 47 wells were drilled across Dukhan Field in 2022, including CO_2 pilot wells and water wells. A total of 51 wells were worked over, either to enhance production and address well integrity issues or to plug and abandon. As of the end of the year, five drilling rigs and two workover rigs were in operation to meet well work requirements.

Throughout 2022, a robust, field-wide gas lift optimization and reservoir and waterflood management process continued to optimize the gas lift system and properly manage the waterflood in three reservoirs. This includes workflows to prioritize gas lift usage by wells and to optimally manage the production-injection balance based on real-time data from the field. After achieving positive results, the project will, starting in 2024, drill 25 new wells in the Arab D and Uwainat gas caps. The project also includes a planned life extension of the RasGas Facility, which processes the gas cap gas.

The Arab D gas cap continues to operate under a gas recycling mechanism to maximize liquid recovery from the gas cap. In support of plans to expand the area undergoing gas recycling, a pilot well was drilled in Arab D in 2020 and gas samples were acquired for the Uwainat gas cap in 2021 to help understand condensate yields and support expansion plans.

The Khuff reservoir continues to be managed as a strategic gas storage facility for the State of Qatar. Dukhan gas distribution stations receive and distribute Khuff Sweet Gas from an Acid Gas Removal Plant (AGRP) and Onshore Stripped Associated Gas to various internal and external consumers within Dukhan. In 2022, an additional well was drilled to help in fulfilling this requirement.

Dukhan Field characterization continued throughout 2022, with updates to the 3D Evergreen Structural Framework Modeling (ESFM) for the main reservoirs. The Dukhan 3D Prestack Depth Migration (PSDM) reprocessing project was extended to execute several seismic reservoir characterization (SRC) workflows on PSDM outputs and was completed in July 2022. This was followed by further geomodelling efforts to help build the next generation of geological models and reservoir simulation models.

Offshore Operated Fields

Maydan Mahzam Field

The Maydan Mahzam Field was discovered in October 1963 and started production in November 1965. The offshore field is located around 110 kilometers northeast of mainland Qatar and is about 16 kilometers southeast of Halul Island.

The field consists of a series of heterogeneous carbonate reservoirs. The Arab C and Arab D under-saturated reservoirs are the biggest contributors to total field production, accounting for as much as 89% of the field's total production by the end of 2022. It also has Mid-Jurassic reservoirs, which were put into production in the late 1980s, but most of their wells were shut-in for reservoir management in 2011 to preserve reservoir energy; however, a few wells are intermittently opened on production to meet gas export demands. The Permian Khuff reservoir was discovered there in 2012 with no active wells.

Maydan Mahzam produces crude oil along with associated gas that are channeled to the Production Station 2 (PS-2) complex, where the oil, gas and water separation process takes place. The crude oil is then sent to the Halul Terminal through a 14-inch pipeline for storage and subsequent export to international customers, while the associated gas is sent also by pipeline to Mesaieed for processing.

Since 2010, QatarEnergy has been working on a redevelopment program for the Maydan Mahzam field to maximize production. An internal viability study assessed the feasibility of developing the field's Mid-Jurassic reservoirs synergistically with the currently producing Arab reservoirs. Shell was awarded a contract in 2013 to review this viability study and to conduct a conceptual study on possible redevelopment scenarios.

Two concepts were eventually proposed in 2016, and in 2017 QatarEnergy management selected what is known as the 'Minimum CAPEX Concept'. It generally involves the re-use of the PS-2 complex, including a minimum upgrade to accommodate mainly Arab D production. It also includes the installation of one new wellhead platform as well as the drilling and re-drilling of potentially 30 wells.

The Maydan Mahzam Field Life Extension redevelopment project has the scope to drill 45 new wells targeting the Arab A, B, C and D reservoirs from available slots and additional slots within existing wellhead jackets. This is in addition to a new wellhead jacket, major facility and pipeline upgrades.

A pre-Front-End Engineering Design (FEED) study was launched in the first quarter of 2019. The project began a FEED study in early 2022 that is expected to last for 20 months.

Throughout 2022, reservoir management guidelines and practices were rigorously adhered to. That included voidage replacement monitoring and pressure maintenance for Arab and Mid-Jurassic producing reservoirs; developing and maturing opportunities to maximize recovery and optimize value; adhering to the zero-flare policy though gas flaring reductions efforts; and maintaining a healthy well stock through active collaborations with well integrity teams in planning proactive workovers to older wells and problem anticipated wells.

Bul Hanine Field

The Bul Hanine Field is an offshore field that was discovered in 1965 and started production in 1972. It is located about 120 kilometers east of the Qatari coastline with water depths ranging from 15-40 meters. The field covers an area of about 18 kilometers in length and nine kilometers in width. Bul Hanine is made up of a series of heterogeneous carbonate reservoirs. The field has two small gas reservoirs, called Arab A and Arab B, which have not been developed. On the other hand, Arab C is an important oil rim capped by rich gas that was put into production but was eventually shut-in for reservoir management. The same was done with the Mid-Jurassic reservoirs Araej Upper B and Uwainat. The field's Permian Khuff reservoir was discovered in 1974, while the Hamlah reservoir, which is of Triassic formation, was discovered in 2009.

The Mid-Jurassic reservoirs will continue production under a primary depletion drive. Future produced gas will be injected into the Mid-Jurassic reservoirs' gas cap. Fluid sampling in Arab C5 showed that the hydrogen sulfide (H_2S) content was similar to that of Arab D oil and much lower than the usual high value for the Arab C reservoir. A perforation, and possibly a short sidetrack, is planned so an extended well test for Arab C5 can assess the productivity and connected volume.

The Arab D under-saturated oil reservoir is the most developed and important in the Bul Hanine field, contributing over 88% of the field's current total production. Extracted oil and associated gas flow to the Production Station 3 (PS-3) complex, where the oil, gas and water are then separated. From there, the crude oil is sent by subsea pipeline to the Halul Terminal for storage and export, while the associated gas is sent to Mesaieed for processing into a wide range of refined products.

In line with its objectives to boost production and field lifetime, in May 2014, QatarEnergy announced the implementation of the Bul Hanine redevelopment project would happen in two stages.

Phase 1 involves drilling potentially 30 new wells, installing four new wellhead jackets, and connecting production hub platforms to the existing PS-3 complex. This phase completed the engineering, procurement, installation and commissioning (EPIC) stage, with the drilling campaign 20 completed in mid-2019 and all wells under production.

The Post Phase 1 Bul Hanine development project, now labeled as the 'Bul Hanine Field Life Extension' project, is under progress and all surface facilities requiring major station upgrades have been included in the scope of the Field Life Extension and major upgrade project. The scope of work and tender documents were completed and sent to potential bidders and a pre-FEED study was launched in the first quarter of 2019.

In the Field Life Extension Project, it is envisioned that gas produced from the Bul Hanine facilities (Arab C5, Arab D, Mid-Jurassic reservoirs and Hamlah) will be reinjected back in the gas caps in the Mid-Jurassic reservoirs. New dedicated co-mingled gas injectors will be needed to dispose of gas produced to the gas caps. Four new dedicated gas injectors, targeting the Mid-Jurassic reservoirs, are required to ensure all produced gas is reinjected. Additionally, these gas injectors will provide pressure support and sweep to the five existing oil producers located in the oil rims.

Idd El Shargi Field

The Idd El Shargi offshore field is located about 85 kilometers east of Doha and consists of the North Dome (ISND) and South Dome (ISSD) Fields. ISND was discovered in 1960 and started production in 1964, while the ISSD was discovered in 1961 and started production in 1999.

Occidental Petroleum Qatar Limited (OPQL) has operated both fields under a development and production sharing agreement (DPSA) signed in October 1994 for the ISND field and in December 1997 for the ISSD. On 7 October 2019, QatarEnergy assumed the management and operatorship of ISND and ISSD following the expiry of the development and production sharing agreements with OPQL.

Liquid produced from the Idd El Shargi field first goes to Production Station 1 for two-phase separation. The liquid phase is then transferred by pipeline to the Halul Terminal for dewatering, oil storage and export. Some of the produced gas is used for fuel at the station and the remainder is exported to Mesaieed. Produced water is disposed of by injection into disposal wells, supported by a wellhead jacket at Halul. All reservoirs at the Idd El Shargi field have been developed using horizontal production wells and water injection wells. The main reservoirs produced in the Idd El Shargi fields are Shauiba, Arab and Kharaib, in addition to minor reservoirs such as NahrUmr and Uwainat. Reservoir surveillance was maintained through various activities in addition to continuous improvements on the reservoir model.

QatarEnergy is implementing an Optimized Phase 5 Full Field Development Plan (FDP), which aims to increase recovery and sustain ISND's production capacity. The project includes installing four new 16-slots wellhead jackets with associated intrafield flowlines and umbilicals and upgrading a compressor.

In 2022, a new wellhead jacket, U-08C, was installed in the ISND field to allow for the 16 new development wells to be drilled – 10 oil producers and six water injectors. Drilling for these wells is expected to start in the first quarter of 2023. QatarEnergy has also implemented an initiative to help reduce flaring during shutdown periods in the field by injecting produced gas in the Nahr Umr reservoir. The Idd El Shargi gas injection project was planned and executed to reduce flaring in support of QatarEnergy's commitment towards a sustainable and cleaner environment. The gas re-injection capability has enabled the Idd El Shargi field to eliminate the short-term practice of flaring and sustain Idd El Shargi field oil production rates in the cases of temporary gas export disruption or reduction to the Mesaieed gas plant.

In 2022, other Idd El Shargi projects have also progressed, including Phase 5.2 FEED, which involves installing three additional wellhead jackets to a total of 48 wells; and efforts to improve the sustainability of the ISSD field. To effectively progress these projects, efforts are underway to update the reservoir simulation models used to forecast production for such projects. Updating the model will continue in 2023 and 2024.

Reservoir management and surveillance practices were strongly followed in the Idd El Shargi field to maintain base production throughout the year. Safety in relation to well integrity was also a main driver for some of the projects conducted in 2022.

Al Rayyan Field

The Al Rayyan Field was discovered in 1976, but production from the field only started 20 years later in November 1996. Located 50 kilometers north of the Qatar peninsula, the offshore field has been operated by various companies over the years, starting with the ARCO consortium in the 1990s, Anadarko in 2002, and then Occidental Petroleum (OXY) in 2007. After the expiry of the exploration and production sharing agreement (EPSA) with OXY in June 2017, QatarEnergy took over the operatorship of the field.

The Al Rayyan Field consists of two producing reservoirs, Arab A and Arab C, which are carbonate formations belonging to the Upper-Jurassic Qatar Formation. The Arab A reservoir is mainly limestone, while the Arab C reservoir is layered dolomite.

Current production from the field's 16 wells (seven in Arab A and nine in Arab C) is approximately 3,207 barrels per day (BPD). The oil produced from the Al Rayyan Field is processed at the Al Morjan platform, which is located at the center of the core field area. The crude oil is then stored in a floating storage and offloading (FSO) vessel and eventually exported from a single buoy mooring (SBM).

Non-Operated Fields

Al Shaheen Field

Discovered in the 1970s, Al Shaheen is the largest oil field in Qatar and one of most complex oil fields in the world. Located 80 kilometers north of Ras Laffan, it partly overlaps the giant North Field, with the Al Shaheen Field found at a shallower depth. Although the field was initially deemed commercially unviable, it is now the country's largest producing oil field, accounting for as much as 45% of Qatar's total oil production.

Production from the Al Shaheen Field started in 1994 and was operated by Maersk Oil during that time. Following the expiry of the EPSA contract with Maersk Oil in July 2017, the North Oil Company (NOC) – a joint venture between QatarEnergy (70%) and TotalEnergies (30%) – has taken over the operatorship of the field for the next 25 years.

The Al Shaheen Field produces from the Kharaib B, Shuaiba and Nahr Umr major reservoirs and the Upper Mauddud and Lower Khatiyah minor reservoirs. Waterflood is the main recovery mechanism for all the reservoirs. WAG is implemented at the B-Location Kharaib and Shuaiba reservoirs and will be implemented in other parts of the field in a future phase of development. A surfactant injection pilot is on-going in the Kharaib reservoir at G-Location.

In 2022, 94.4 million barrels of oil were produced from the Al Shaheen field. Al Shaheen crude is stored in two of the world's largest double hulled FSO vessels and exported from two SBMs.

To continuously improve the oil recovery rate, the Al Shaheen Field has undergone many phases of development since 1994. After taking over the operatorship of the field in 2017, NOC has implemented a phased approach to field development. Phase 1 involves the drilling of infill wells and utilizing the available slots in the field. In line with this, the company mobilized three jack-up rigs. As of the end of 2022, NOC had completed the drilling of a total of 108 development wells (56 in Phase 1 and 20 in Phase 2), and two water disposal and six appraisal wells.

Phase 2, also known as the Gallaf Project, involves the installation of five new wellhead platforms (three wellhead platforms in Phase 2.1 and two wellhead platforms Phase 2.2). The topside fabrications were completed and successfully installed in Q4 of 2020. First oil from Phase 2.1 was achieved in Q1 of 2021 from the DC and EG platforms.

A total of 34 new development wells and one appraisal well were drilled in 2022. Two platforms for Phase 2.2 (CE and EH) were also installed in during the year. Drilling started at the EH platform in June 2022 and first oil was achieved in September. A significant effort to unlock the field's potential is being put in place by debottlenecking surface facility constraints.

In 2021, Phase 2.3 was approved. It comprises two wellhead platforms and a central processing platform, which at the end of 2022 are under construction. Phase 2.3's first oil is targeted for the last quarter of 2024.

Also in 2021, the Block 5 Field Development Plan (FDP20) was submitted for review. The FDP outlines the Phase 3 development of Al Shaheen Field. One of the project's objectives is to increase the field's plateau production to more than 300,000 barrels of oil per day. Phase 3 is named 'Ru'ya,' and Batch 1 of development comprises nine new wellhead platforms, one central processing platform and one riser platform. First oil production from Ru'ya Batch 1 is planned for the third quarter of 2027.

Al Khalij Field

The Al Khalij Field was discovered in 1991 and commenced production in March 1997. This offshore field is located about 130 kilometers northeast of the Qatari coast and is approximately 40 kilometers northeast of Halul Island. The field has been operated by TotalEnergies since its discovery, and when the original 25-year EPSA contract signed in 1989 expired in early 2014, QatarEnergy and TotalEnergies formed a 60:40 joint venture to develop the oil field for another 25 years, with TotalEnergies Exploration and Production Gulf Limited (TEEPG) as the operator.

In 2022, 6.54 million barrels of oil were produced from the Al Khalij field. Oil from the field is transported by subsea pipeline to the Halul Terminal where it is processed and blended with production from other offshore fields and eventually sold as Qatar Marine Crude.

In line with efforts to sustain current production and increase oil recovery from the field, TEEPG has been implementing FDP16. It involves, among other activities, the drilling of new wells to improve the field's potential. In 2020, the drilling of one well of FDP16 was completed. TEEPG submitted FDP19 to QatarEnergy in the second quarter of 2019, and it was approved for Block 6 in July 2019. Under execution, FDP19 includes surface debottlenecking, drilling additional laterals and new wells, and the acid fracturing of two wells.

To maximize Qatar's upstream value, QatarEnergy requested TEEPG to build a long-term development plan and master development plan to shape a sustainable field. In November 2020, a development and fiscal agreement was signed for Block 6 with revision of the block limits to include the Block 6 Extension Area (previously part of the Block 8). The same contractual and fiscal agreement as Block 6 but with an additional production tax is applied to the extension area production.

Al Karkara and A-Structures

Al Karkara and A-Structures are offshore fields located about 90 kilometers to the east of Doha. They consist of three small fields: Al Karkara, which was discovered in 1988, and the A-Structures (A-North and A-South), which were discovered in 1971.
The fields were initially considered non-commercial until

the current operator, Qatar Petroleum Development Company Ltd. (QPD) – a joint venture between Cosmo Oil and Sojitz Corporation – proved their commercial viability in the late 1990s. QPD had been operating the Al Karkara and A-Structures fields under a DPSA that expired in December 2022. A new development and production agreement was signed with QPD on 23 December 2022.

The concession is the first in offshore Qatar to produce oil and gas from reservoirs with a high concentration of H_2S and to have zero flaring through the re-injection of sour gas into the A-North Field.

In 2022, the total oil production from the Al Karkara and A-Structures fields were 836 thousand barrels.

El Bunduq Field

The El Bunduq Field was discovered in 1965 and commenced production in 1975. This offshore field is located about 100 kilometers east of Doha, and it is equally owned by the State of Qatar and the Emirate of Abu Dhabi, as the oil field is found on their shared maritime border.

The El Bunduq Field has been operated since 1970 by Bunduq Company Limited, which is fully owned by United Petroleum Development Co Ltd. of Japan. Following the expiry of the previous concession agreement on 8 March 2018, QatarEnergy signed a new agreement with the Abu Dhabi Supreme Petroleum Council (on behalf of the Government of Abu Dhabi), Abu Dhabi National Oil Company (ADNOC), United Petroleum Development Co Ltd (Japan) and Bunduq Company Limited, for the continued development and operation of the field for another 20 years.

The latest FDP was approved during the concession renewal and involves the drilling of three new infills and one new gas injector. The oil extracted from the field is gathered at the central collector platform, routed to a production separator, and then sent to Abu Dhabi's Das Island for storage and export. The produced water, on the other hand, is treated and disposed into the Umm Er Radhuma formation via two dedicated disposal wells, while most of the associated gas is re-injected back into the reservoirs.

In 2022, the total oil production from the El Bunduq Field was 3.85 million barrels. The company is evaluating the remaining potential of the field for further development through future opportunity studies with ongoing static and dynamic model reconstruction.

Name of Field	Average oil production in 2021 (KBOPD)	Average gas production in 2021 (MMSCFD)	Average oil production in 2022 (KBOPD)	Average gas production in 2022 (MMSCFD)
QatarEnergy-Operated Fields				
Dukhan Field	173.954	220.8	176.076	223.4
Maydan Mahzam	18.022	33.8	16.142	35
Bul Hanine Field	40.853	27.6	37.565	38.5
Al Rayyan Field	3.760	-	3.207	-
Idd El Shargi Field	52.43	37.2	60.92	35.27
Non-Operated Fields				
Al Shaheen Field	247.6	164	258.8	174
Al Khalij Field	11.393	1.6	17.9	2.4
Al Karkara & A-Structures	2.464	8.1	2.3	8.2
El Bunduq Field	11.4	-	10.5	-

Halul Island

Roughly oval in shape and located around 80 kilometers northeast of the capital, Doha, Halul Island plays a highly important role in offshore production activities in the State of Qatar.

The small strategic island, which covers only about 1.5 square kilometers in area, serves as the storage and export terminal for Qatar Marine Crude produced from the Maydan Mahzam field, the Bul Hanine field, Al Khalij field, Idd El Shargi field and Al Karkara and A-Structures.

Halul Island has 10 large floating roof crude oil storage tanks with a total capacity for 4.7 million barrels. It is also equipped with crude oil-pumping facilities and laboratories for the analysis of crude oil samples. The different grades of crude oil from Qatar's offshore fields are first blended to conform to export specifications and then loaded onto tankers through two SBMs. The crude oil can be pumped at a maximum rate of 75,000 barrels per hour.

Other facilities in Halul Island include a heliport for transporting staff to and from Doha, and a harbor for supply boats and other support vessels. The island has enough accommodation for over 1600 QatarEnergy employees and contractor staff and is equipped with various types of recreational facilities, including a fitness center and a clubhouse with a swimming pool. The island also hosts a military base and imports power through two subsea composite cable feeds from Ras Laffan to the Halul substation, with six power generators maintained as a backup.

As QatarEnergy continues to develop Halul Island, efforts continue to protect the island's environment. For many years now, we have been working to protect the turtle nesting sites found there as well as the herd of gazelles, seabirds and other wildlife species living on the island. Moreover, to reduce freshwater consumption, about 100 cubic meters per day of treated sanitary wastewater from the wastewater treatment plant are used for landscaping to improve the greenery around the island. All generated solid wastes are also managed and incinerated in Halul.

North Field

Discovered in 1971, the North Field is the world’s largest single non-associated gas field. QatarEnergy appraisals have revealed that North Field's productive layers extend well into Ras Laffan in Qatar and that the field’s confirmed gas reserves exceed 1760 trillion cubic feet (TCF).

North Field Expansion Project

QatarEnergy is committed to further developing the potential of Qatar’s oil and gas industry, including North Field. The North Field expansion project, announced in 2017, significantly progressed in 2022. The initial plan was to build three new mega-LNG trains to produce an additional 23 MTPA of LNG, raising the State of Qatar’s LNG production capacity from the current 77 MTPA to 100 MTPA. However, in September 2018, a fourth LNG train was added to the plan, increasing the country’s LNG production capacity to 110 MTPA by 2027.

In 2022, QatarEnergy signed numerous North Field expansion project partnerships to advance developments towards that goal. In North Field East, the single largest project in LNG history, QatarEnergy announced it had selected TotatEnergies, Eni, ConocoPhillips, ExxonMobil and Shell as international partners.

In the North Field South expansion project, which comprises two LNG mega trains with a combined capacity of 16 MTPA, QatarEnergy announced the selection of TotalEnergies, Shell and ConocoPhillips as international partners.

QatarEnergy also awarded a major engineering, procurement, and construction contract for the North Field expansion project to a joint venture between Técnicas Reunidas S.A. and Wison Engineering for the expansion of the sulfur handling, storage and loading facilities within Ras Laffan Industrial City.

History was made for LNG and North Field East in 2022, when QatarEnergy entered into a 27-year sale and purchase agreement (SPA) – the longest ever – with the China Petroleum and Chemical Corporation (Sinopec) for the supply of 4 MTPA of LNG to the People's Republic of China, with volumes to be supplied from the field’s expansion project. Separately, another two long-term LNG SPAs were signed between QatarEnergy and ConocoPhillips affiliates for the delivery of up to 2 MTPA of LNG from Qatar to Germany.

North Field Alpha

The first commercial exploitation of the North Field began 20 years after its discovery. In 1991, QatarEnergy commissioned the North Field Alpha (NFA) complex, located about 80 kilometers northeast off the coast of Qatar. Often referred to as the Production Station 4 complex, NFA produces gas and condensate from the North Field from its 22 producing wells and three wellhead platforms (WHP-1, WHP-2 and WHP-3).

The gas and condensate are sent by separate pipelines to the Mesaieed NGL Complex and the QatarEnergy Refinery. The resulting processed and refined products are then either used as feedstock by power and petrochemical plants or sold to the local and export markets. Some of the gas volumes produced from the NFA project are re-injected into the country's strategic gas storage reservoir in the Dukhan Field.

In 2022, the average production achieved in NFA was 684 million standard cubic feet per day (MMSCFD) of gas and 25,715 barrels per day (BPD) of condensate.

The third platform, which is located about two kilometers away from the existing NFA complex, is currently on stream and WHP-2 well workover activities are ongoing with WHP-1 workover to follow later in 2023. WHP-3 currently compensates for the production loss at NFA, and once the workover operations are completed, production at NFA will then be spread over the three platforms. WHP-3 will also support the NFA production plateau for an extended period.

Other Gas Production Projects

In addition to the NFA complex, many other facilities operated by QatarEnergy's joint ventures are producing gas and condensate from the North Field. Among those are the North Field Bravo (NFB) and RasGas Alfa (RGA) complexes of Qatargas, which were commissioned in 1996 and 1999, respectively. NFB produces 1.6 billion standard cubic feet per day (BSCFD) of gas and 35.5 thousand barrels per day (KBPD) of condensate from a total of 26 wells, while RGA's production output is 1 BSCFD of gas and 28 KBPD of condensate from 15 wells.In addition to NFB and RGA production, Qatargas has 11 remotely operated wellhead platforms that produce up to 12.3 BSCFD of natural gas and 312.5 KBPD of condensate.

All the gas and associated condensate is sent by subsea pipelines to onshore facilities, where the North Field gas is then processed by 14 Qatargas LNG trains into LNG. The condensate, on the other hand, is processed by the Qatargas-operated Laffan Refinery 1 and 2 into naphtha, jet fuel, gasoil and liquefied petroleum gas (LPG).

Qatargas also operates the Al Khaleej Gas Project, which utilizes gas from the North Field to supply sales gas to power plants and other local industries. The first phase of the project, AKG-1, started commercial operations in November 2005 and produces up to 770 MMSCFD of sales gas. AKG-1 uses gas from several wellhead platforms in the Khuff Reservoir of the North Field. The second phase, AKG-2, was completed in December 2009 and produces up to 1,310 MMSCFD of sales gas. Two new wellhead platforms were among the extensive facilities built in the North Field to provide raw feedstock for the AKG-2 plant. Other products of the AKG Project include field and plant condensate, natural gas liquids and ethane.

Several new wells in Qatargas have been drilled, completed, and tested from existing WHP spare slots as part of the North Field Production Sustainability (NFPS) project. The project will support the North Field production plateau for an extended period.

Dolphin Energy Limited (DEL) utilizes a substantial amount of North Field gas. From its two offshore production platforms, the gas is sent by subsea pipelines to DEL's gas processing and compression plant in Ras Laffan, where the condensate, ethane, LPG and sulfur are stripped out. The resulting lean gas, amounting to 2 BSCFD, is then delivered to the United Arab Emirates through a 48-inch subsea pipeline. The delivery of gas from the first stream commenced in 2007, while the second stream began the following year.

The company has implemented the Reservoir Management Optimization Project (RMOP) to enhance production by drilling and completing four new horizontal wells and two deviated wells by means of better and more advanced completion technologies. In 2022, the average production achieved by DEL was 2.0 BSCFD of gas and 82.6 KBPD of condensate.

Other projects using gas from the North Field include Pearl GTL and Oryx GTL. The Pearl GTL which started production in 2011, is designed to produce 140,000 BPD of GTL products. Oryx GTL has been operating since 2006 and has the capacity to produce up to 32,400 BPD of GTL products, including GTL diesel and GTL naphtha. In 2022, the average production achieved by Pearl GTL was 1.5 BSCFD of gas and 57.36 KBPD of condensate.

In 2022, the average production from all North field projects was 20.98 BSCFD of gas and 619.79 KBPD of condensate. The cumulative production is 7.66 TCF of gas and 217.99 million barrels of condensate.

Being a vast natural resource that is of great significance to Qatar's overall economic development, the North Field will undoubtedly continue to play a prominent role in Qatar's oil and gas activities. In fact, a major new development in the field is now ongoing with the implementation of the North Field expansion projects comprising North Field East and North Field South projects. Once completed, these projects will increase Qatar's LNG production capacity from the current 77 MTPA to 126 MTPA by 2027, thus reinforcing Qatar's standing as the world's leading producer of LNG and a major player in the global gas industry.

Downstream Operations

QatarEnergy is focused on getting the most value out of Qatar's energy resources by engaging in a wide range of refining and petrochemicals activities and continuously developing the country's downstream sector.

The Refinery

One facility that has long been at the forefront of efforts to maximize added value from Qatar's oil and gas resources is QatarEnergy's Refinery in Mesaieed Industrial City (MIC).

Established in 1958, the refinery has a processing capacity of up to 127,000 BPD, with its feedstock consisting mainly of crude oil and condensate from the Dukhan Field as well as condensate from the North Field. The refinery processes these into a wide range of products.

Among the refinery's main products are gasoline, diesel, LPG, petrochemical naphtha (PCN), light gas oil (LGO) and jet A-1, which are then supplied to the local market to meet the increasing demand for these petroleum products. Some refined products, including naphtha, decant oil (DCO), gasoline and fuel oil are also exported to customers worldwide.

2022 Refinery Highlights

- Processed a total of 34.6 million barrels of feedstock (crude and condensate), which was 96.8% of business plan.
- Delivered continuous safety culture enhancements, achieving 18.9 million lost-time-injury-free hours and more than 1000 days without any Tier-1 or Tier-2 safety events. Furthermore, two major maintenance turnarounds were completed.
- Through key focus area programs, sustained an uninterrupted supply of petroleum products to satisfy local market demands, including during the critical FIFA World Cup Qatar 2022™.

Other Mesaieed Operations

At Mesaieed, QatarEnergy operates three facilities under its Mesaieed Operations. These are mid-stream operations. They provide the crucial link between various upstream hydrocarbon producers and downstream export operations, power plants and industries in Qatar. The prime focus is on sustained safe and uninterrupted operations and minimizing any interruption that may potentially cascade through multiple value chains and impact multiple industries in Qatar, causing adverse environmental and revenue impacts.

The three facilities under the Mesaieed Operations are the Natural Gas Liquids (NGL) Complex, the Gas Transmission and Distribution System (GDS) and the Mesaieed Terminal and Tank Farm (NGTT).

The facilities are certified for the ISO 9001 (Quality), ISO 14001 (Environment), ISO 45001 (Occupational Health & Safety) and ISO 22301 (Business Continuity) management systems; maintain zero flaring under normal operations; and have an exceptional record of over 98% plant availability and almost 100% reliability during operations.

Mesaieed NGL Complex

The Mesaieed NGL Complex is an integrated processing, storage and export complex linking multiple upstream and downstream entities in Qatar. It achieves this by processing natural gas liquids from the Fahahil Stripping Plant and the Arab D Gas Plant in the Dukhan Field, raw gas and liquids from the NFA platform in the offshore North Field and waste LPG/Pentane streams from Mesaieed industries. Furthermore, the associated gas from the offshore production stations in the Idd El Shargi, Bul Hanine and Maydan Mahzam fields are received, stabilized and delivered to the QatarEnergy joint venture petrochemical complex, Qatar Petrochemical Company (QAPCO), in Mesaieed.

In addition to a gas processing plant and three fractionation trains, the NGL Complex also operates a stand-alone storage and loading facility for the cryogenic and atmospheric storage and export of LPG and condensates.

The NGL Complex produces North Field sweet lean gas (NFLG), ethane-rich gas (ERG), propane and butane, paraffinic naphtha plant condensate (PNA), North Field stabilized condensate (NFC) and sulfur, which are then supplied as fuels and feedstocks to various power plants and industries across Qatar.

Fuel gas is supplied to more than 30 power plants and industrial facilities in Qatar, butane as feedstock is used by the Qatar Fuel Additives Company (QAFAC) methyl tert-butyl ether plant and as a product by the QatarEnergy Refinery for supplying the Qatar domestic market. As for ERG feedstock, it is supplied to petrochemical plants (QAPCO and Qatar Chemical Company) while condensates are supplied to the refinery for processing and product blending.

Surplus LPG, condensates and sulfur are exported while surplus sweet lean gas is compressed and transmitted cross-country to Dukhan for reinjection to maintain reservoir pressure.

2022 NGL Highlights

- Processed 730 MMSCFD gas, fractionated 9,000 metric tons per day (MTD) of raw NGL.
- Carried out timely due-diligence and mitigation to ensure uninterrupted operations and cyber security during the FIFA World Cup Qatar 2022™.
- Received approval for the new NGL-5 plant that would allow the sustaining of HSE compliant onshore and offshore crude oil production in the future. This would be achieved by processing the entire associated gas streams from the Dukhan onshore and the Idd El Shargi, Maydan Mahzam and Bul Hanine offshore fields. The new NGL-5 plant at Mesaieed is scheduled for commissioning in 2028–29.

Gas Transmission and Distribution System

The GDS under Mesaieed Operations operates the Qatar onshore hydrocarbon pipeline transmission and distribution network within the over-200 kilometers long, 600 meters wide Qatar National Pipeline corridor(s) – North-South and East-West. The corridors boast over 3,000 kms of pipelines, of varying sizes up to 36” in diameter, and over 70 distribution stations and fiscal metering skids across Qatar.

The GDS manages the supply chain and distribution of methane and ethane gas by coordinating with various QatarEnergy departments, JVs, the Qatar General Electricity and Water Corporation (Kahramaa) and other industries in Qatar to plan and ensure uninterrupted fuel and feedstock supplies to multiple power plants and industries across Qatar.

The GDS acts as QatarEnergy’s shutdown coordinator and prepares the multi-year integrated shutdown plan as well as the integrated production plan for all of QatarEnergy’s facilities. It focuses on aligning the supply and demand balance and optimal processing of multiple feedstocks in a number of plants to meet production, local fuel, feedstock, product delivery and export targets for hydrocarbon products.

GDS is also QatarEnergy’s focal point for managing interface with multiple state entities, including the Qatar Public Works Authority (Ashghal), the Ministry of Environment and Climate Change, Ooredoo, the Qatar Armed Forces, Qatar Rail, Kahramaa and the Private Engineering Office (PEO). The GDS also manages the company’s interface with JVs and other third parties and for processing road opening and land allocation requests outside MIC, Ras Laffan Industrial City (RLIC) and Dukhan Concession Area (DCA).

2022 GDS Highlights

- Delivered roughly 3,000 MMSCFD fuel gas to power plants and industries and about 10,000 MTD of ethane feedstock to petrochemical plants across Qatar.
- Developed and secured approval to implement a structured, network-wide flare protocol across the GDS network. The protocol, which incorporates action sequences and timelines for the network's various stakeholders, will enable the realization of higher economic value from integrated production planning and will minimize total aggregated flaring across multiple production facilities during any unplanned trip or outage.
- A GDS Master Plan study was initiated for the development of a robust strategy and philosophy to support the future expansion of the GDS network and identifying synergies and pipeline capacities for planned and potential volumes of fuel gas, ethane, crude oil, condensates, refined products, CO_2 and LPG supply network projects.

Mesaieed Terminal and Tank Farm

The NGTT under Mesaieed Operations commenced operations in 1949 with the construction of the first Qatar Land Crude (QLC) tank and the delivery of the very first QLC shipment from the State of Qatar.

The NGTT is the critical link in ensuring that the QLC produced at Dukhan is properly received and stored before delivery to the Mesaieed Refinery as feedstock and exporting the balance quantity as per the lifting plan agreed with QatarEnergy Marketing. The NGTT also receives, stores and exports refined naphtha (RNAP).

The operational focus is on maintaining optimum inventory and implementing zero-tolerance for product contamination. This avoids any disruption that may lead to a potential demurrage claim while providing the required buffer QLC feed stock as a business continuity measure to meet refinery crude oil requirements during any contingencies.

The tank farm and the terminal are located eight kilometers apart in Mesaieed and are linked by pipelines. The tank farm has atmospheric storage for QLC (15 tanks) and RNAP (two tanks) the terminal has a multi-product berth (MPB), a single point mooring and product fiscalization skids. The terminal provides both export (for QLC, RNAP and paraffinic naphtha) and import facilities (for refined products).

2022 NGTT Highlights

- Delivered 50,000 BPD of QLC to the refinery as feedstock and exported 110,000 BPD of QLC.
- Commenced import operations as part of the State of Qatar's long-term strategic plan to meet the rising

demand for refined products and mitigate against a single source of supply.

- Commissioned a new gasoline import pipeline and associated facilities at the Mesaieed MPB terminal and simultaneously imported gasoline through MPB and exported QLC through SPM from the Mesaieed terminal for the first time.
- Received approval for a new SPM to replace the existing old and off-spec one. Installation completion and operation commencement with the new SPM expected in 2025-26.

Other Local Downstream Activities

QatarEnergy is also involved in many other downstream operations through its various joint ventures and subsidiaries. These include the Laffan Refinery 1 (LR1) and 2 (LR2), which are both operated by Qatargas.

Located in RLIC, LR1 processes the associated condensate from natural gas production into refined products, including naphtha, jet fuel, gasoil and LPG. LR1 has a processing capacity of 160,600 barrels per stream day (BPSD) and can produce up to 81,000 BPSD of naphtha, 61,600 BPSD of jet fuel, 24,000 BPSD of gasoil, and 935 tons per day (TPD) of LPG. The shareholders of LR1 are QatarEnergy (51%), TotalEnergies (10%), ExxonMobil (10%), Cosmo (10%), Idemitsu (10%), Mitsui (4.5%) and Marubeni (4.5%).

LR2, which started commercial production in 2016, also processes the field condensate from Qatargas facilities into various products. LR2 has a processing capacity of 146,000 BPSD and it produces up to 72,000 BPSD of naphtha, 60,000 BPSD of jet fuel, 54,000 BPSD of low-sulfur diesel, as well as 660 TPD of butane and 160 TPD of propane. The shareholders of LR2 are QatarEnergy (84%), TotalEnergies (10%), Cosmo (2%), Idemitsu (2%), Mitsui (1%) and Marubeni (1%).

In June 2019, the Jet A1 pipeline from the Laffan Refinery to Hamad International Airport (HIA) was successfully commissioned, with all associated storage tanks, utilities, pumping, operational and control facilities. The project ensures a reliable supply of jet fuel to HIA beyond 2030.

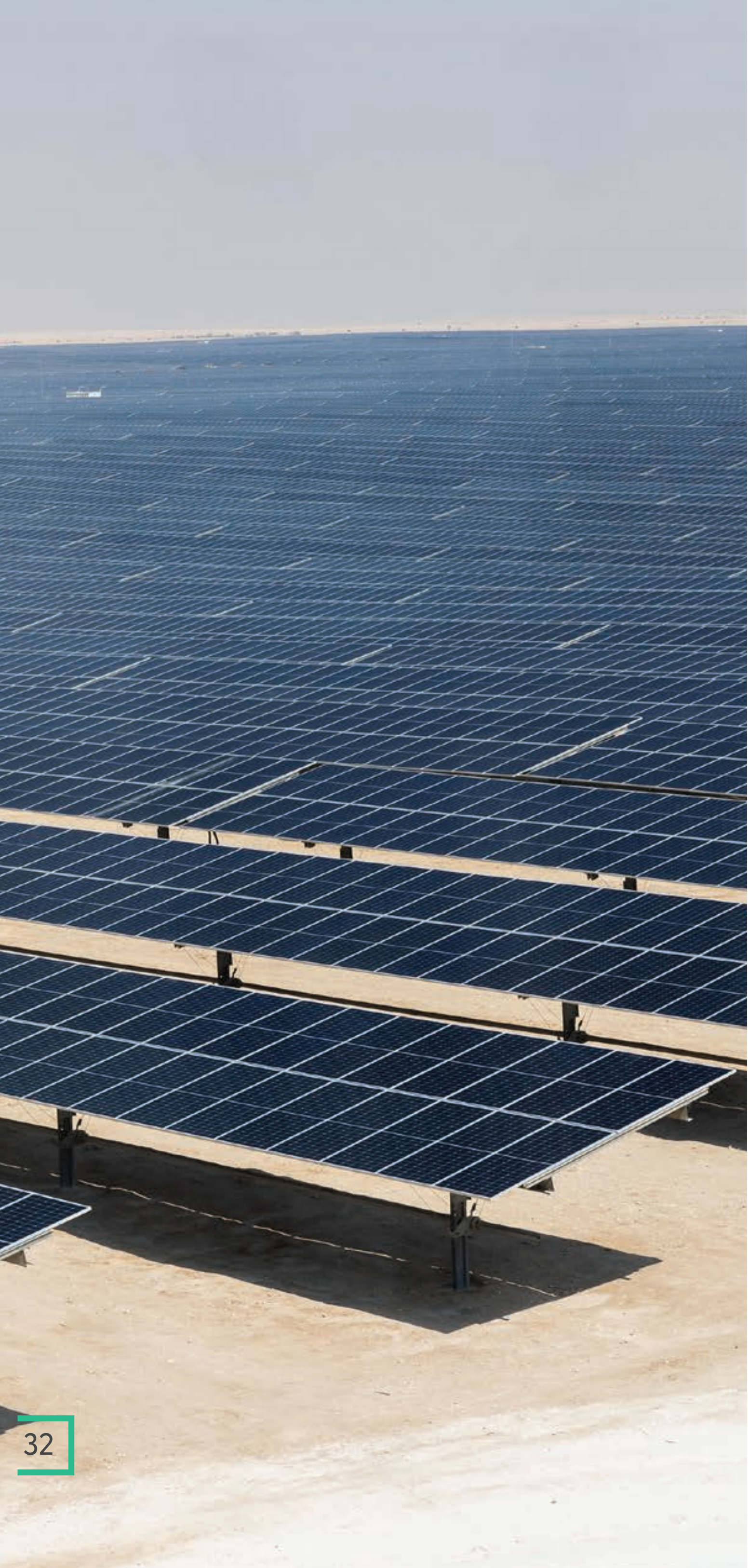
QatarEnergy continues to invest in Qatar's downstream sector and announced the selection of the Chevron Phillips Chemical Company LLC as its partner in a new world-scale petrochemicals complex to be developed and constructed in RLIC. The new complex will have an ethane cracker with a nameplate capacity of about 2 MTPA of ethylene, making it one of the largest in the world. The project, which is known as the Ras Laffan Petrochemicals Project (RLPP), will include two high-density polyethylene derivative units, which will raise Qatar's current polyethylene production capacity by 82% by 2026.

QatarEnergy continues to implement the Refined Products Supply Chain Project (RPSCP). The RPSCP portfolio will deliver improvements to the existing gasoline, diesel, LPG and jet fuel supply infrastructure to enhance both the supply resiliency and meet the forecast domestic market demand in a secure, safe and cost-effective manner.

QatarEnergy has and continues to pursue the portfolio with completion dates of the projects ranging from 2022 to 2028. The improved capacity to import refined products by ship and the upgrade of the existing emergency loading and distribution area were completed ahead of the FIFA World Cup 2022™.

The strategic refined products storage tanks and associated facilities are currently under construction and due for completion in 2025. The portfolio projects, which include the new distribution depot, the LPG bottling plant and jet pipeline infrastructure, are at various stages of execution. Once completed, the RPSCP portfolio will meet the projected domestic demand for refined petroleum products until 2050 while effectively enhancing the domestic supply chain capacity and resiliency.

Alternative Energy Developments



Beyond projects for natural gas and LNG, QatarEnergy is exploring and developing alternative energy sources and carriers to support the global energy transition, primarily solar energy and 'blue ammonia' – ammonia produced from natural gas utilizing carbon capture and storage (CCS).

The Al-Kharsaah Solar Photovoltaic (PV) Power Plant, inaugurated by His Highness Sheikh Tamim bin Hamad Al Thani, Amir of the State of Qatar on 18 October 2022, is Qatar's first and largest solar PV facility. With a total capacity of 800 MW, the 10-square kilometer facility includes more than 1.8 million solar panels, utilizing sun-tracking technology and panel-cleaning robotic arms. The facility provides the national grid with about 10% of its peak electricity demand.

On 13 August 2022, QatarEnergy awarded engineering, procurement and construction contracts for IC Solar, a solar power project for its industrial cities. The project consists of two large-scale PV solar power plants to be built in MIC and RLIC with capacities of 417 MW and 458 MW, respectively.

These projects support QatarEnergy's updated Sustainability Strategy, which re-emphasizes its commitment to the responsible production of clean and affordable energy. The strategy aims to increase Qatar's solar capacity to over five gigawatts (GW), reduce greenhouse gas emissions and capture over 11 million tons of CO_2 per year by 2035. It also seeks to further reduce the carbon intensity of QatarEnergy's LNG facilities.

Supporting the strategy, on 31 August 2022, QatarEnergy's affiliates, QatarEnergy Renewable Solutions and the Qatar Fertiliser Company (QAFCO) signed agreements for the construction of the Ammonia-7 Project – the industry's first world-scale and largest blue ammonia project. The project, located in Mesaieed Industrial City, will have the capacity to produce 1.2 million tons of blue ammonia per year and is expected to start operating in the first quarter of 2026. QatarEnergy Renewable Solutions – wholly owned by QatarEnergy – will develop and manage Ammonia-7's integrated facilities to capture and store about 1.5 MTPA of CO_2. It will also supply more than 35 MW of renewable electricity to the project from its under-construction solar PV power plant in Mesaieed Industrial City and develop and lead the process for certifying the product produced by the Ammonia-7 facility.

Solar Power

2035

5 GW

2024

1.675 GW

Al-Kharsaah	800 MW
Mesaieed	417 MW
Ras Laffan	458 MW

2022

800 MW
Al-Kharsaah online

Mesaieed and Ras Laffan projects launched

2020

Agreements signed to build Al-Kharsaah Solar Power Plant

Industrial Cities

QatarEnergy's Industrial Cities Directorate supports the development of Qatar's energy industry through three industrial cities: Ras Laffan Industrial City, Mesaieed Industrial City and Dukhan Concession Area.

Strategically located in different parts of the country, these industrial cities provide the land, infrastructure, facilities, utilities and ports required for the operations of QatarEnergy and its joint ventures. Furthermore, they deliver key services including fire and emergency response, environmental monitoring, healthcare and waste management.

Ras Laffan Industrial City (RLIC)

RLIC is located 80 kilometers north of Doha and serves as the hub for major industries processing natural gas from the North Field into high-value products such as LNG, GTL products, lean natural gas, refined petroleum products and other derivatives, including helium and sulfur.

QatarEnergy is currently executing LNG and petrochemicals expansion projects as well as a second solar project in RLIC.

Among the major companies operating in RLIC are Qatargas, Oryx GTL, Pearl GTL, Dolphin Energy Limited (DEL), the Ras Laffan Olefins Company (RLOC), Gasal, the Ras Laffan Power Company (RLPC), the Ras Girtas Power Company (RGPC), and the Qatar Power Company (QPower).

RLIC is also the base of the Erhama Bin Jaber Al Jalahma Shipyard, where ship repairs, maintenance and fabrication activities are carried out.

Ras Laffan Port serves as a world-class export facility for LNG and other products. Covering an area of around 56 square kilometers, the port currently has six LNG berths, seven liquid product berths, six dry cargo berths and one sulfur berth. It also has 14 offshore support vessel berths and two single point moorings offshore, making it an ideal site for supporting the activities of companies with operations in the North Field. The port is undergoing expansion to meet the export requirements of QatarEnergy's ongoing LNG and petrochemical projects. The Common Seawater Facility and Ras Laffan Port is currently being expanded to meet the requirements of the new LNG and petrochemical projects currently under construction.

Barzan Gas Plant

On 15 March 2022, the Barzan Gas Plant was inaugurated by His Highness Sheikh Tamim bin Hamad Al Thani, the Amir of the State of Qatar, at Ras Laffan Industrial City. Utilizing North Field gas, the plant can produce almost 1.4 billion standard cubic feet of sales gas per day for local power generation and water desalination; 2,000 tons of ethane per day as feedstock for the local petrochemicals industry; 1,500 TPD of LPG for export to international markets; 30,000 BPD of condensate for processing in the Laffan Refinery and export to international markets; and 3,500 TPD of sulfur for export to international markets. Qatargas operates the Barzan Gas Plant on behalf of its shareholders: QatarEnergy (93%) and ExxonMobil (7%).

Mesaieed Industrial City (MIC)

Located 40 kilometers south of Doha, MIC serves as the hub for industries producing petrochemicals, chemicals, fertilizers, natural gas liquids, refined petroleum products, steel, aluminium and many other products.

Major operators in MIC are QatarEnergy Refinery and natural gas liquids complexes, Qatar Fertilizer Company (QAFCO), Qatar Chemical Company (Q-Chem I), Qatar Chemical Company II (Q-Chem II), Qatar Petrochemical Company (QAPCO), Qatar Vinyl Company (QVC), Qatar Fuel Additives Company (QAFAC), Qatofin Company Limited (Qatofin), Gulf Formaldehyde Company (GFC), Qatar Melamine Company (QMC), Qatar Electricity and Water Company (QEWC), Qatar Aluminium Limited (Qatalum), Qatar Steel, Mesaieed Power Company (MPCL) and Umm Al Houl Power (UHP).

These companies produce a wide range of products, including urea, ammonia, high-density and medium-density polyethylene, gasoline, alpha olefins, low-density polyethylene, caustic soda, ethylene dichloride, vinyl chloride monomer, hydrochloric acid, methanol, methyl tertiary butyl ether, linear low-density polyethylene, linear alkyl benzene, aluminium and steel.

All products manufactured in MIC are shipped to customers worldwide through Mesaieed Port. Located in a natural bay and serving as Qatar's southern gateway, the port has 30 multiproduct berths and is capable of handling both general and bulk cargo on its commercial berths.
Apart from industrial plants, MIC includes a residential community which provides housing units for QatarEnergy and other companies' staff and their families. The community is equipped with many modern facilities including an international and government schools, sports and recreational centers, together with restaurants, supermarkets, banks and other business outlets offering various products and services to residents. QatarEnergy also operates a modern healthcare center in MIC to provide a full range of healthcare services to all residents.

Dukhan Concession Area (DCA)

Located 80 kilometers west of Doha, DCA is the hub of QatarEnergy's onshore oil and gas production activities. The beginnings of DCA can be traced back to the discovery of oil in the Dukhan Field in the late 1930s. Today, Qatar's only onshore field contributes up to 175,000 BPD of oil to the state's total crude oil production output.

The crude oil, condensate, natural gas liquids, and stripped associated gas from the Dukhan Field are transported by pipeline to MIC, where they are then processed or refined by downstream facilities. Most of the crude oil volumes are exported to customers worldwide through the Mesaieed Port.

DCA also includes the Dukhan Township, which accommodates about 5,000 people, consisting of QatarEnergy staff, their families and other residents. The township is equipped with many modern facilities, including an international school, sports clubs, a cinema, fitness and recreation centers, restaurants, supermarkets, banks and other business outlets offering products and services. QatarEnergy also operates a modern healthcare center in DCA to provide a full range of healthcare services to all residents.

Mesaieed Industrial City

Year Established	1949
Total Land Area	104 square kilometers
Number of Major Operating Companies	10

Ras Laffan Industrial City

Year Established	1996
Total Land Area	239 square kilometers
Number of Major Operating Companies	10

Dukhan Concession Area

Year Established	1939
Total Land Area	767 square kilometers
Number of Major Operating Companies	1

Tawteen - the Supply Chain Localization Program

Tawteen is the Supply Chain Localization initiative for the energy sector in Qatar, led by QatarEnergy's Industrial Cities Directorate.

Tawteen aims to support the Qatar National Vision 2030 by establishing a resilient and competitive supply chain in the energy sector, thus promoting the growth and diversification of Qatar's economy. Tawteen also aims to develop local industry, create jobs for qualified professionals, encourage the transfer of technology and build a knowledge-based economy.

Tawteen consists of three key programs:

1. In-Country Value (ICV) program, measures and incentivizes the suppliers to increase local content in the energy sector.
2. Investment Opportunities program, creates new feasible business opportunities for the local market based on the energy sector's demand.
3. Supplier Development program, aims to enhance the capabilities of the newly established local business opportunities and upskill their talent pool.

Tawteen key achievements in 2022:

- Contributed QAR 7.73 billion to the local economy, of which QAR 2.4 billion came from implementing the ICV program;
- Supported the Ministry of Finance in launching the Qatar In-Country Value policy (QICV) in July 2022;
- Announced 21 opportunities of which 11 were launched;
- Awarded a total of 51 investment opportunities with a total contract value of QAR 2.4 billion and total investments of QAR 0.9 billion from the initial opportunity list launch in 2019;
- Signed two additional memoranda of understanding with international companies; and
- 20 out of 51 Tawteen awarded investment opportunities were in operation, producing goods and services for end users.

In 2023-2024, Tawteen will seek to launch additional opportunities to reach its target of 100 investments.


Netherlands
Poland
Germany
Great Britain
Belgium
France
Romania
Portugal
Spain
Italy
Turkey
Greece
Gibraltar
Kuwait
Qatar
Egypt
China
Bangladesh
India
United Arab Emirates
Oman
Thailand
Malaysia
Singapore
Brazil
Argentina

Growing Global Reach

QatarEnergy is committed not only to continuously developing Qatar's oil and gas industry but also to contribute to the development of the global energy industry. This is clearly demonstrated in its expanding global exploration and production investments, as well as its investments in the global LNG industry.

QatarEnergy's business strategy contains top-down guidance with a focus on boosting reserve-replacement ratios and production levels, along with a strategic expansion to strengthen its overall market position. To serve this goal, QatarEnergy formed and implemented an Investment Committee to guide its efforts in this area and ensure maximum value to the State of Qatar is achieved.

International Operations

QatarEnergy has acquired interests in assets across the world. Most of these are upstream assets, undertaking exploration activities in offshore blocks, while some are producing assets, refineries, facilities and regasification terminals in locations as diverse as Belgium, Egypt, France, Italy, Singapore, the United Kingdom and the United States of America.

AMERICAS

Argentina

Neuquen Unconventional Basin

In December 2018, QatarEnergy acquired a 30% interest in two ExxonMobil affiliates in Argentina: ExxonMobil Argentina S.R.L (EMEA) and Mobil Argentina S.A (MASA). The two companies hold rights to seven exploration permits and exploitation licenses within the prolific Vaca Muerta unconventional shale oil and gas play in the Neuquen Basin, located in western Argentina. In 2022, EMEA and MASA achieved an average daily production of 4.5 thousand barrels of oil equivalent per day (KBOEPD) (QatarEnergy share).

Blocks CAN-107 and 109 North Argentina Basin Blocks MLO-113, 117 and 118 Malvinas Basin

Following successful awards during the first offshore licensing round, QatarEnergy was awarded two licenses in the Colorado basin with Shell as operator (QatarEnergy 40% working interest) and three licenses in the Malvinas basin with Exxon as operator (QatarEnergy has a 30% working interest).

2D and 3D seismic acquisition was completed on the Malvinas blocks during 2019 and 2020. Additional 3D seismic is planned on the Shell blocks for 2023.

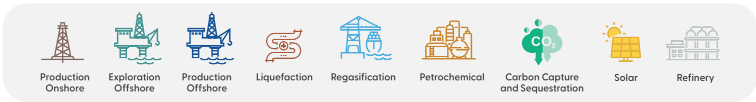
Brazil

Sépia

In December 2021, QatarEnergy (21%) in a consortium with TotalEnergies (28%), Petronas (21%) and Petrobras as operator (30%), was awarded the Sépia Surplus Production Sharing Contract (PSC), under the Second Transfer of Rights Surplus Bidding Round, by Brazil's National Agency of Petroleum, Natural Gas and Biofuels.

A production sharing contract was signed at the end of April 2022. The asset achieved an average gross daily oil production of 166 KBPD (QatarEnergy's share is 20.6 KBPD).

Our International **Footprint**



The Pedunculo exploration well was drilled in the PSC in 2022 and was announced as an oil discovery in October 2022.

BC-10

QatarEnergy has a 23% shareholding interest in the BC-10 deep water producing asset, while Shell (the operator) owns 50% and the Oil and Natural Gas Corporation (ONGC) of India holds the remaining 27%. In 2022, BC-10 achieved an average gross daily oil production of 23 KBPD (QatarEnergy's share was 5.4 KBPD).

Alto de Cabo Frio Oeste Block

QatarEnergy has a 25% participating interest in the Alto de Cabo Frio Oeste exploration block in the Santos basin, while Shell (the operator) owns 55% and the China National Offshore Oil Corporation (CNOOC) has a 20% interest. In 2019, the partners matured and drilled an exploration well, Vidigal-1.

Round 15, Round 16 and PSC5 Tita Blocks

QatarEnergy has variable participating interests in eight pre-salt exploration blocks in the Campos and Santos Basins. In the Campos CM-789 and CM-753 blocks, QatarEnergy has a 30% working interest along with ExxonMobil's (the operator) 40% and Petrobras's 30%. In the Santos SM-536, SM-647 and Tita blocks, QatarEnergy has a 36% working interest along with ExxonMobil's (the operator) 64%. The two well commitments, Opal-1 and Tita-1, were drilled respectively in the CM-789 and Tita blocks.

QatarEnergy holds a working interest of 25% in CM-659 and CM-713 (Shell operated) and a 40% working interest in the CM-541 (TotalEnergies operated) located in the deep-water Campos Basin. The three blocks were acquired through successful Round 16 bidding in Q3 of 2019. There are two well commitments in CM-541 – one of which was drilled by the Marolo-1 exploration well in 2022 – and one well commitment in CM-659.

Canada

In October 2021, QatarEnergy signed an agreement with ExxonMobil Canada to farm into an exploration license EL 1165 offshore the province of Newfoundland and Labrador in Canada. The Hampden K41 well was drilled in 2022.

In November, QatarEnergy announced a successful bid with ExxonMobil for Parcel 8 (EL 1169) of the Orphan Basin, offshore the province of Newfoundland and Labrador in Canada.

Guyana

Kanuku and Orinduik Blocks

QatarEnergy owns a 10% indirect working interest through a 40% shareholding interest in TOQAP (TotalEnergies affiliate) which directly holds 25% working interest in the Orinduik and Kanuku blocks offshore Guyana. Three wells have been drilled since QatarEnergy agreed the transaction with TotalEnergies. The Beebel-1 well was drilled in the Kanuku license in 2022.

Mexico

Blocks 3, 4, 6 and 7 Perdido Basin

QatarEnergy participated in the Mexico Exploration Bid Round 2.4 in 2018 and successfully won bids for Blocks 3, 4, 6 and 7 in the deep water Mexico Perdido Basin. The blocks are operated by Shell (60%), with QatarEnergy as a non-operating partner (40%). There are 3-5 well commitments in the blocks over the initial four-year exploration period.

During 2021, three of these commitments were drilled by Shell.

Block 24 Campeche Basin

QatarEnergy also won Block 24 in the Campeche deep salt basin, which is operated by Eni (65%) with QatarEnergy as a non-operating partner (35%). There is a single well commitment in the block in the initial four-year exploration period.

Blocks 15, 33 and 34 Campeche Basin

QatarEnergy finalized farm-in terms with TotalEnergies in 2020 for entry into three blocks: 15 (QatarEnergy 50%) and 33 (QatarEnergy 15%), both TotalEnergies operated; and 34 (BP operated, QatarEnergy 15%). This strengthens QatarEnergy's position in this maturing exploration basin in Mexico. Blocks 15 and 33 include one commitment well each. These wells are expected to spud in 2023 and 2024 or later.

Suriname

Blocks 6 and 8

In June 2021, a consortium including QatarEnergy (20%) has been awarded two offshore blocks in Suriname, under Production Sharing Contracts as part of the recent Suriname offshore bid round. The blocks are expected to be ratified in 2023.

United States of America

Golden Pass

On 26 October 2022, affiliates of QatarEnergy and ExxonMobil agreed to independently offtake and market their respective proportionate equity shares of LNG produced by the Golden Pass LNG Export Project located in Sabine Pass, Texas in the United States of America. Pursuant to the agreement, QatarEnergy Trading LLC, a wholly owned subsidiary of QatarEnergy, will offtake, transport and trade 70% of the LNG produced by Golden Pass LNG. The construction of Golden Pass LNG, which has a total production capacity of up to 18 million tons of LNG per annum, is well underway with first LNG production expected by the end of 2024.

EUROPE

Cyprus

Blocks 5 and 10

QatarEnergy has a 40% participating interest in Block 10, which is located offshore in southwest Cyprus, while ExxonMobil (the operator) holds a 60% interest. In 2019, the partners completed the drilling of two wildcat exploration wells back-to-back with no lost time injury. The Glaucus-1 well drilled at a water depth of 2063 meters was announced as a gas discovery in February 2019. The first appraisal well (Glaucus-2) was spudded in late December 2021.

In December 2021, a consortium comprising affiliates of QatarEnergy and ExxonMobil signed an exploration and production sharing contract for the offshore Block 5 located southwest of the island. The three-year agreement will end in December 2024. 3D seismic data was acquired across most of the block and is being interpreted and evaluated.

MIDDLE EAST AND NORTH AFRICA

Egypt

Blocks 3 and 4

In December 2021, QatarEnergy entered into agreements with Shell to acquire 17% working interests in two offshore exploration blocks (Blocks 3 & 4) in the Egyptian side of the Red Sea.

North Marakia Offshore Block

On 29 March 2022, QatarEnergy entered into an agreement with ExxonMobil to acquire a 40% working interest in the contractor's share of this exploration block in the Mediterranean Sea. An affiliate of ExxonMobil (operator) holds the remaining 60% working interest.

Morocco

Shallow Exploration Permit, Tarfaya Basin

QatarEnergy acquired a 30% working interest in this block in 2020 with ENI as Operator. Seismic reprocessing and studies are ongoing to identify future drilling targets.

Oman

Block 52

QatarEnergy has a 30% participating interest in offshore Block 52 in the Sultanate of Oman, while ENI (the operator) holds 55% and OQ has the remaining 15%. The first wildcat exploration commitment well was drilled in 2020, to target the clastic plays in the deep-water region. The second exploration phase was applied in August 2020, to secure the block for the next three years until December 2023. The second commitment well will drill in the shallow water before the end of the exploration phase.

SUB-SAHARAN AFRICA

Republic of Congo

TotalEnergies E&P Congo

QatarEnergy has a 15% shareholding interest in TotalEnergies E&P Congo (TEPC), which operates several producing offshore fields. The Moho Nord and Moho Phase 1 Bis deepwater projects entered in production in 2017/2018. In 2022, TEPC, the main operator in Congo, achieved a gross average daily liquid (oil and liquefied petroleum gas) production of 122 KBOEPD (QatarEnergy's share was 11.2 KBOEPD). The main activities included the planning and evaluation of drilling and completion of the Miocene and Albian reservoir in the Moho field. In 2024, four to seven wells will be drilled to add incremental reserves and production. An exploration well is also planned to be drilled in the Marine XX Block, deep offshore of Congo.

Kenya

Blocks L11A, L11B and L12 Lamu Basin

QatarEnergy acquired a 25% working interest across the L11A, L11B and L12 licenses in the offshore Lamu basin, Kenya, in 2019 with ENI as the operator. The first well, Mlima-1 was drilled in 2022.

Mozambique

Blocks A5-A and A5-B

QatarEnergy acquired a 10% participating interest in the Republic of Mozambique. The consortium is made up of affiliates of ExxonMobil (operator) with a 40% participating interest, Empresa Nacional de Hidrocarbonetos (ENH) with a 20% participating interest, Rosneft with a 20% participating interest, and ENI with a 10% participating interest.

QatarEnergy further acquired a 25.5% interest with ENI as operator in Block A5-A in 2020 to synergize with Block A5-B. An exploration well is planned in A5-A in 2023.

Namibia

Blocks 2912, 2913B and PEL-39, Orange Basin

QatarEnergy acquired a 28.33% and 30% working interest in the 2912 and 2913B deepwater licenses respectively, with TotalEnergies as the block operator. The first high impact exploration well in this promising basin is being readied for drilling.

In April 2021, QatarEnergy entered into an agreement with Shell to become a partner in two exploration blocks (2913A and 2914B) offshore the Republic of Namibia.

In February 2022, QatarEnergy announced an oil discovery with Shell in a deep-water exploration well drilled at Graff in the PEL-39 license located in the Orange Basin, Namibia. A follow-up well was also drilled at La Rona.

Later in February, QatarEnergy in conjunction with TotalEnergies, also announced a significant light oil and associated gas discovery in the Venus-1X prospectm located in block 2913B in the Orange Basin, offshore Namibia.

South Africa

Blocks 11B and 12B

QatarEnergy has a 25% participating interest in offshore Block 11B/12B in the Republic of South Africa, while TotalEnergies E&P South Africa (the operator) holds 45%, CNR International (South Africa) Limited holds 20% and Main Street 1549 Proprietary Limited holds the remaining 10%. The Brulpadda and Luiperd wells were consecutively drilled in 2018 and 2020, resulting in two gas condensate discoveries. With potential gas resources in the portfolio, a production right application was submitted to the Petroleum Agency of South Africa (PASA) on 5 September 2022. Various technical work stream, environmental and social assessment plans were conducted to support the application. In June 2021, the Gas Commercial Forum was formed by the joint venture to support joint marketing efforts for gas and condensate discovered in Block 11B/12B.

Blocks DWOB and OBD

QatarEnergy acquired participating interest in three exploration blocks from TotalEnergies in South Africa under which QatarEnergy hold a 30% participating interest in the DWOB block and a 29.17% participating interest in the OBD block.

NCUD

QatarEnergy signed a deal with Shell to farm into a single block offshore Orange Basin. QatarEnergy's participating interest is 45%.

During 2022, work continued in relation to acquiring participating interests in several blocks in Brazil, Canada, Egypt and Suriname. However, these deals were not completed as of 31 December 2022 and are therefore not recognized in the financial statements for the year ended 31 December 2022. Additionally, the Namibian discovery in 2022 will be included in the reserves reporting to be completed in 2023.

From Qatar to the World

QatarEnergy touches the lives of billions of people around the globe by delivering superior integrated products and services across the entire oil and gas value chain.

Qatar Petroleum for the Sale of Petroleum Products (QPSPP), which is wholly owned by the State of Qatar, markets and sells regulated petroleum products to customers outside the country. Its regulated products – as designated by the State of Qatar – include crude oil, condensates, LPG and refined petroleum products such as gasoline, gasoil and jet fuel.
QPSPP sells to customers around the world on behalf of producing entities in Qatar, which include QatarEnergy, Qatargas, Oryx GTL, Pearl GTL, Dolphin Energy Limited, North Oil Company, TotalEnergies E&P Qatar and Qatar Petroleum Development Co. Ltd. of Japan.

QPSPP has continued to collaborate closely with all producing entities and to deliver on its mandate to ensure the reliable and efficient off-take of regulated products while maximizing value in a transparent, cost-effective and equitable manner for all stakeholders. These are all in line with its commitment to supply Qatar's regulated products to the world safely, reliably and efficiently.

In 2022, QPSPP successfully managed and met all domestic demand requirements that necessitated product imports during the year.

Joint Ventures and Subsidiaries

The full extent of QatarEnergy's operations in the oil and gas industry can be gleaned not only from its comprehensive exploration and production activities but also from the wide range of activities of its numerous joint ventures, subsidiaries and other companies.

As of the end of 2022, QatarEnergy has tens of joint ventures, subsidiaries, associate companies and joint operations. Found not just in Qatar but in many other parts of the world, they cover the whole gamut of upstream, midstream and downstream operations in the oil and gas industry.

These ventures are involved in producing various types of products from crude oil and natural gas, GTL products, LNG, petrochemicals and refined petroleum products to aluminum, steel, fertilizers, plastics, industrial gases as well as water and electric power.

Many of QatarEnergy's joint ventures and subsidiaries are among the global leaders in their respective industry sector. For instance, Qatargas is the world's largest producer of LNG and has the world's second largest helium production facility. The Qatar Fertilizer Company (QAFCO) is one of the largest exporters of urea in the world, while the Qatar Petrochemical Company (QAPCO) is one of the world's largest producers of low-density polyethylene.

Notable international ventures include Golden Pass LNG, Golden Triangle, South Hook LNG, the Cyprus Block 10 discovery, the Namibia discoveries, the South Africa Block 11b/12b discovery and the Brazil Sépia producing asset.

The QatarEnergy People Agenda

In pursuit of its corporate mission, QatarEnergy acknowledges the critical role played by its people in turning its vision into reality. In view of this, we have established a People Agenda to guide our activities.

In 2022, we continued to progress on the delivery of the agenda, which consists of several initiatives and projects designed to bring the best out of our people. It focuses on three areas, each supporting the QatarEnergy Vision.

Growing Talent and Resourcing

This relates to building, connecting and aligning all elements of talent management. It covers aspects such as workforce and succession planning, talent acquisition, onboarding and offboarding, learning, as well as leadership and professional development. In 2022, a record number of new hires joined the company (581). We also continued the roll-out of grouping inter-related job roles into job families. By mapping the required professional competencies for each role, we can develop and implement learning solutions that enable employees to close competency gaps and improve their performance.

Driving Organizational Excellence

This is aimed at driving sustained performance within QatarEnergy, through fit-for-purpose policies, integrated processes and structure systems, in line with international standards. In 2022, we further improved our People Portal platform, enhancing access to services and information related to talent management, learning and development and human resources policies and procedures. The platform also serves as a central source for managing annual leave, allowances, accessing learning and benefits and documenting performance appraisals.

Enhancing Employee Wellbeing and Engagement

This focuses on enhancing our people's affiliation with QatarEnergy and their commitment to deliver our strategy and live our values every day. An initiative implemented under this focus area has been the extension of our Employee Assistance Program, which includes an anonymous helpline for all staff. As leadership is one of the most critical factors in enhancing Employee Engagement, we rolled-out individual and team coaching programs for our leaders. Additionally, we continued to focus on providing excellent healthcare benefits and value through our QatarEnergy privilege program, which offers special discounts on products and services at more than 90 local companies.

Qatarization Initiatives

We are fully committed to Qatarization and support the Qatar National Vision 2030 goal to develop "a capable and motivated workforce". Qatarization is an integral part of QatarEnergy's strategic workforce planning and a key element of its talent strategy. QatarEnergy's five-year workforce plan ensures that the right positions are available at the right time for Qatari talents. The plan emphasizes developing Qatari nationals for key positions in the company by applying competency-based training and development.

To promote Qatarization, QatarEnergy's Learning and Development Department manages the intake of most Qataris and coordinates core training through a variety of programs. Qataris join the company as either senior or junior staff, depending on their qualifications, as a direct hire or in a development capacity, where they receive a tailored development plan targeted for a future position.

QatarEnergy's approach to Qatarization focuses on attracting, recruiting and training Qatari high school and university students for positions in the corporation and in the energy industry in general. It provides scholarships to Qatari nationals and then guides their development by monitoring and supporting their academic performance and professional training. Furthermore, QatarEnergy facilitates the placement, career progression and professional growth of Qatari nationals and designs individual development plans for future leaders as part of the corporation's Leadership Development Framework.

With a leading talent management role in Qatar's energy industry, QatarEnergy is spearheading the implementation of the industry's Strategic Qatarization Plan. Aiming for high-quality Qatarization, the industry seeks to develop Qatari nationals to a standard comparable to their counterparts around the world.

In 2022, QatarEnergy and other companies within the energy sector continued to offer scholarships for academic and vocational programs to eligible Qatari students and employees, and enable them to pursue educational degrees, certificates and training programs in the fields of petroleum and other engineering disciplines and specialized programs. QatarEnergy also continued its internship program for its university students, providing them with essential work experience in their target departments.

QatarEnergy further improved its onboarding program, called Ta'sees. Targeting fresh graduates joining the corporation, Ta'sees focuses on enhancing behavioral and effectiveness skills and aims to raise new joiners' awareness of QatarEnergy's values. Ta'sees also provides information about the history of the oil and gas industry in Qatar, including QatarEnergy's extensive operations.

Employee Training in QatarEnergy	2021	2022
Total Number of Employees in QatarEnergy	8,404	8,574
Average Hours of Training Per Employee	23.97	21.20

2022 Highlights

January

03

QatarEnergy announced the awarding of a major engineering, procurement, construction and installation contract for the offshore scope of its North Field Expansion Project to McDermott Middle East Inc. The expansion project will increase the State of Qatar's LNG production capacity from 77 MTPA to 126 MTPA with first LNG expected in 2025.

February

04

QatarEnergy announced an oil discovery in a deep-water exploration well drilled in the PEL-39 license located in the Orange Basin, offshore Namibia. The consortium partners comprising QatarEnergy (45% interest), Shell (operator, 45% interest) and National Petroleum Corporation of Namibia (NAMCOR) (10% interest), concluded drilling operations of the Graff-1 well, establishing the presence of a working petroleum system with light oil. The partners will further explore and analyze data from the well to determine the reservoir's full size and recoverable resource potential.

24

QatarEnergy announced a significant light oil and associated gas discovery in the Venus-1X prospect located in block 2913B in the Orange Basin, offshore Namibia.

March

02

QatarEnergy signed a cooperation agreement with NAMCOR Exploration and Production (NAMCOR E&P), a subsidiary of NAMCOR.

The agreement provides the framework for cooperation between QatarEnergy and NAMCOR E&P to support and develop a sustainable upstream oil and gas sector in Namibia, including the provision of opportunities for the training and development of NAMCOR employees in industry-based skills.

07

QatarEnergy launched its updated Sustainability Strategy re-emphasizing its commitment, as a major energy producer, to the responsible production of clean and affordable energy to facilitate the energy transition. The strategy focuses on three priority areas: climate change and environmental action, responsible operations, and social and economic development.

15

His Highness Sheikh Tamim bin Hamad Al Thani, the Amir of the State of Qatar, inaugurated the Barzan Gas Plant in a ceremony at Ras Laffan Industrial City. The Barzan Gas Plant will produce and process natural gas from the North Field for local power generation and water desalinization. It will also produce associated hydrocarbon products for local refinery and petrochemical industries and export.

27

QatarEnergy joined FIFA as an Official Partner of the FIFA World Cup Qatar 2022™, held in Qatar from 21 November to 18 December 2022.

28

His Excellency Mr. Saad Sherida Al-Kaabi, Minister of Energy Affairs for the State of Qatar, President, and CEO of QatarEnergy, participated in a plenary session on the 'Energy Transition and Security Meeting Demand in a Volatile World' at the Doha Forum.

29

QatarEnergy entered into an agreement with ExxonMobil to acquire a working interest in an exploration block offshore Egypt. Under the terms of the agreement, QatarEnergy holds a 40% working interest in the contractor's share in the North Marakia Offshore Block in the Mediterranean Sea, while an affiliate of ExxonMobil (operator) holds the remaining 60% working interest.

30

QatarEnergy announced the launch of the Tawteen In-Country Value Digital Portal as part of Tawteen's efforts to enhance the localization of services and industries in Qatar's energy sector. The In-Country Value program gives a competitive advantage in the bidding process to suppliers and contractors who contribute more to the local economy.

April

04

Energy Intelligence named His Excellency Mr. Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs, President and CEO of QatarEnergy, as the Energy Executive of the Year for 2022. His Excellency was elected by the leaders of the world's top energy companies on the Energy Intelligence Top 100 rankings.

12

QatarEnergy signed a series of time-charter parties (TCPs) with a subsidiary of Mitsui O.S.K Lines for the long-term charter and operation of four LNG ships – the first batch of TCPs awarded under QatarEnergy's massive LNG shipping program.

28

Marked as the final major milestone to deliver its North Field East LNG Expansion Project, QatarEnergy announced the award of a major engineering, procurement and construction contract to a joint venture between Tecnicas Reunidas S.A. and Wison Engineering for the expansion of the sulfur handling, storage and loading facilities within Ras Laffan Industrial City.

28

A QatarEnergy consortium entered into a production sharing agreement with the Brazilian government related to surplus volume rights of the world class Sépia oil field in Brazil. Pursuant to the signed agreements, QatarEnergy holds a 21% interest along with its consortium partners Petrobras (30% and operator), TotalEnergies (28%), and Petronas (21%).

May

20

Qatar's Minister of State for Energy Affairs, His Excellency Saad Sherida Al-Kaabi, and Germany's Minister for Economic Affairs and Climate Action, Dr. Robert Habeck, signed a joint declaration of intent to further promote the cooperation between the two countries in the field of energy. The agreement is expected to develop into an energy partnership by building LNG trade relations and through the pursuit of climate action ambitions.

June

08

QatarEnergy and Chevron Phillips Chemical Company announced the awarding of an early site works contract for the Ras Laffan Petrochemical Project, marking the commencement of the project. Consolidated Contractors Company will prepare the site for the new facility within Ras Laffan Industrial City.

12

QatarEnergy announced that it has selected TotalEnergies as the first international partner in the North Field East expansion project, the single largest project in the history of the LNG industry. The announcement came at the conclusion of a competitive process that started in 2019.

19

QatarEnergy announced the selection of Eni as a partner in the North Field East expansion project.

20

QatarEnergy announced the selection of ConocoPhillips as a partner in the North Field East expansion project.

21

QatarEnergy announced the selection of ExxonMobil as a partner in the North Field East expansion project.

27

QatarEnergy joined the Aiming for Zero Methane Emissions Initiative, an industry-led initiative that strives to reach near zero methane emissions from operated oil and gas assets by 2030.

July

05

QatarEnergy announced the selection of Shell as a partner in the North Field East expansion project.

August

23

QatarEnergy announced the awarding of an engineering, procurement and construction contract for its industrial cities solar power project. This project includes two large scale photovoltaic solar power plants to be built in Mesaieed Industrial City and Ras Laffan Industrial City and is expected to start electricity production by the end of 2024.

31

QatarEnergy's affiliates, QatarEnergy Renewable Solutions and the Qatar Fertiliser Company signed agreements for the construction of the Ammonia-7 Project, the industry's first world-scale and largest blue ammonia project. The project will produce 1.2 MTPA of blue ammonia.

September

19

QatarEnergy held the inaugural CEO HSE Awards to recognize individuals and teams who have exceeded health, safety and environment requirements or expectations. The awards were presented by His Excellency Mr. Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs, the President and CEO of QatarEnergy, at a ceremony held at the QatarEnergy Headquarters

21

QatarEnergy signed a memorandum of understanding (MoU) with General Electric to collaborate on developing a carbon capture roadmap for the energy sector in Qatar. The MoU explores the feasibility of developing a world-scale carbon hub at Ras Laffan Industrial City.

24
QatarEnergy announced that it has selected TotalEnergies as the first international partner in the North Field South expansion project. The North Field South project, which comprises two LNG mega trains with a combined capacity of 16 MTPA, will raise Qatar's total LNG export capacity to 126 MTPA.

26
Speaking to ministers at the Asia Green Growth Partnership Ministerial Meeting, held virtually from Tokyo, His Excellency Mr. Saad Sherida Al-Kaabi, Minister of State for Energy Affairs, the President and CEO of QatarEnergy, warned that geopolitical and economic volatility in a post-COVID era is holding back progress in the battle against climate change.

29
His Excellency Mr. Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs, the President and CEO of QatarEnergy, participated in the 11th LNG Producer-Consumer Conference, hosted virtually from Japan. In his keynote speech, His Excellency emphasized the need for a fair and effective transition in which economic development and climate ambitions are balanced. His Excellency stated that "without a realistic stable path towards the reduction of our carbon footprint, we will become more vulnerable to extreme climate change events."

October

05
His Excellency Mr. Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs, the President and CEO of QatarEnergy, received the 2022 Energy Executive of the Year award, at the annual Energy Intelligence Forum in London.

06
His Excellency Mr. Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs, the President, and CEO of QatarEnergy, revealed that three new partners will be entering the North Field South project. His Excellency made the remarks during the Energy Intelligence Forum's Energy Executive of the Year Leadership Dialogue in London.

13
QatarEnergy announced the signing of a share sale and purchase agreement with the Qatar Electricity and Water Company to acquire its 49% interest in Siraj Energy and make Siraj Energy a wholly owned affiliate of QatarEnergy.

18
His Highness Sheikh Tamim bin Hamad Al Thani, Amir of the State of Qatar, inaugurated the Al-Kharsaah Solar PV Power Plant, the first in Qatar and one of the largest in terms of size and capacity in the region, with a total capacity of 800 MW. The special on-site ceremony at Al-Kharsaah was attended by His Excellency Sheikh Khalid

bin Khalifa Al Thani, the Prime Minister and Minister of Interior, and His Excellency Mr. Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs and the President and CEO of QatarEnergy.

23
QatarEnergy announced that it has selected Shell as its second international partner in the North Field South expansion project.

26
Affiliates of QatarEnergy and ExxonMobil agreed to independently offtake and market their respective proportionate equity shares of LNG produced by the Golden Pass LNG Export Project located in Sabine Pass, Texas in the United States of America. Pursuant to the agreement, QatarEnergy Trading LLC will offtake, transport, and trade 70% of the LNG produced by Golden Pass LNG. The construction of Golden Pass LNG, which has a total production capacity in excess of 18 MTPA, is expected to produce its first LNG by the end of 2024.

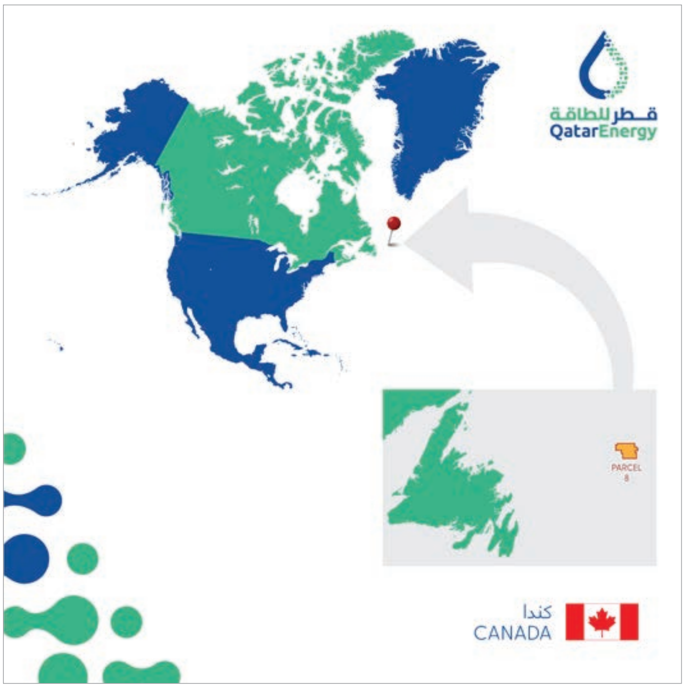
30
QatarEnergy announced that it has selected ConocoPhillips as its third and final international partner in the North Field South expansion project.

31
QatarEnergy announced an oil discovery in the 4-BRSA-1386D-RJS well in Brazil's world class Sépia oil field, located in the Santos Basin in water 2,000 meters deep off the coast of Rio de Janeiro.

November

03

QatarEnergy announced a successful bid for Parcel 8 of the Orphan Basin, offshore the province of Newfoundland and Labrador in Canada. The Parcel 8 winning bid by QatarEnergy (30% working interest) and ExxonMobil (operator, with a 70% working interest) was announced by the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) as part of the 2022 Newfoundland and Labrador Call for Bids (NL22-CFB01).



16

QatarEnergy and Chevron Phillips Chemical Company LLC announced a final investment decision on the Golden Triangle Polymers Plant, an $8.5 billion world-scale integrated polymers facility in the Texas Gulf Coast area in the United States of America. The plant will include an ethylene cracker unit with a capacity of 2.08 MTPA, making it the largest in the world, and two high-density polyethylene units with a combined capacity of 2 MTPA, also making them the largest derivatives units of their kind in the world. Construction of the plant began immediately, with an expected startup date in 2026.

21

QatarEnergy entered a 27-year sale and purchase agreement (SPA) with China Petroleum and Chemical Corporation (Sinopec) for the supply of four MTPA of LNG to the People's Republic of China. Under the terms of the SPA, the contracted LNG volumes will be supplied from QatarEnergy's North Field East LNG expansion project and will be delivered to Sinopec's receiving terminals in China.

29

QatarEnergy announced the signing of two long-term LNG sale and purchase agreements (SPAs) between QatarEnergy and ConocoPhillips affiliates for the delivery of up to two MTPA of LNG from Qatar to Germany. Pursuant to the two SPAs, a ConocoPhillips wholly owned subsidiary will purchase the agreed quantities to be delivered to a German LNG receiving terminal, with deliveries expected to start in 2026.

The LNG volumes will be sourced from joint ventures between QatarEnergy and ConocoPhillips that hold interests in Qatar's North Field East and North Field South projects.

December

19

QatarEnergy, in a consortium with TotalEnergies and Petronas, was awarded the Agua-Marinha production sharing contract (PSC), under the 1st Cycle Permanent Offer round, by Brazil's National Agency of Petroleum, Natural Gas and Biofuels (ANP). Under the terms of the PSC and associated agreements, QatarEnergy will hold a 20% working interest, alongside the operator Petrobras (30%), TotalEnergies (30%) and Petronas Petróleo Brasil Ltda. (20%).

22

QatarEnergy and Japan's Qatar Petroleum Development Company (QPD) have signed a new agreement for the continued development and production of the Al-Karkara and A-Structures oil fields, located in the territorial waters of the State of Qatar. This five-year agreement, which commenced on 23 December 2022, succeeds the development and production sharing agreement signed in December 1997. Under the new agreement, QPD will continue to act as the operator of the oil fields.

Financial Statements

QatarEnergy

Summary Consolidated Financial Statements
As at and for the year ended 31 December 2022

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Independent auditors' report on the summary consolidated financial statements of QatarEnergy

To the Supreme Council for Economic Affairs and Investment, State of Qatar

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2022, the summary consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of QatarEnergy for the year ended 31 December 2022.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, on the basis described in Note 2.1 of the summary consolidated financial statements.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards). Reading the summary consolidated financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and our report thereon.

The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 31 May 2023. That report also includes the communication of key audit matters.

Independent auditors' report on the summary consolidated financial statements of QatarEnergy (continued)

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements on the basis described in Note 2.1 of the summary consolidated financial statements.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements."

26 June 2023
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Qatar Auditors' Registry Number 251

QatarEnergy

Summary consolidated statement of financial position
As at 31 December 2022

QR '000

	Note	2022	2021
ASSETS			
Non-current assets			
Property, plant and equipment	5(a)	**212,707,577**	203,654,495
Right-of-use assets	5(b)	**5,332,085**	1,898,474
Investment property	5(c)	**894,976**	899,954
Intangible assets	6	**8,885,361**	7,870,283
Investments in associates	7	**6,225,877**	5,898,875
Investments in joint ventures	8	**143,811,802**	104,573,390
Other investments	9	**7,166,624**	7,271,640
Other non-current assets	10	**11,288,823**	26,974,076
		396,313,125	359,041,187
Current assets			
Inventories	12	**8,106,390**	5,354,552
Amounts due from Government of Qatar	13	**60,497,928**	48,056,749
Accounts receivables and prepayments	14	**30,832,493**	27,427,650
Other investments	9	**817,623**	767,877
Cash and cash equivalents	15	**94,195,986**	78,238,757
		194,450,420	159,845,585
TOTAL ASSETS		**590,763,545**	518,886,772

Continued on next page

The accompanying notes 1 to 43 are an integral part of these summary consolidated financial statements.

QatarEnergy

Summary consolidated statement of financial position
As at 31 December 2022 QR '000

Continued from previous page

	Note	2022	2021
EQUITY AND LIABILITIES			
Equity			
Capital	17	**100,000,000**	100,000,000
General reserve	18	**175,500,000**	175,500,000
Other reserves	19	**(456,392)**	(186,079)
Retained earnings		**190,497,509**	124,750,361
Equity attributable to owner of the Corporation		**465,541,117**	400,064,282
Non-controlling interests	38	**37,845,168**	35,849,595
Total equity		**503,386,285**	435,913,877
Non-current liabilities			
Loans and bonds	20	**47,960,691**	49,004,772
Employee benefits	21	**5,545,520**	4,342,503
Lease liabilities	22	**4,950,348**	1,632,927
Deferred income	23	**1,061,200**	1,095,695
Other non-current liabilities	24	**3,586,385**	2,119,354
		63,104,144	58,195,251
Current liabilities			
Loans and bonds	20	**1,655,607**	3,396,903
Accounts payables and accruals	25	**21,726,093**	20,730,177
Lease liabilities	22	**839,835**	599,158
Deferred income	23	**51,581**	51,406
		24,273,116	24,777,644
Total liabilities		**87,377,260**	82,972,895
TOTAL EQUITY AND LIABILITIES		**590,763,545**	518,886,772

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The accompanying notes 1 to 43 are an integral part of these summary consolidated financial statements.

QatarEnergy

Summary consolidated statement of profit or loss
For the year ended 31 December 2022 QR '000

	Note	2022	2021
Continuing operations			
Income			
Revenue	26	**188,954,028**	120,283,088
Other income	27	**7,181,183**	7,067,602
		196,135,211	127,350,690
Expenses			
Operating, selling and administrative expenses	28	**(86,057,281)**	(53,231,942)
Depreciation and amortization	29	**(13,632,336)**	(12,347,848)
Provision for expected credit losses on financial assets	30	**1,003,205**	(121,943)
		(98,686,412)	(65,701,733)
Net operating income		**97,448,799**	61,648,957
Share of profit of associates – net	7	**1,020,244**	645,828
Share of profit of joint ventures – net	8	**82,624,104**	52,386,028
Dividend and interest income		**2,300,366**	936,901
Finance charges	31	**(1,917,002)**	(1,023,485)
Net monetary loss arising from hyperinflation	2.2.6	**(11,412)**	-
Profit before tax		**181,465,099**	114,594,229
Taxes	32	**(26,905,935)**	(16,684,166)
Profit for the year from continuing operations		**154,559,164**	97,910,063
Discontinued operations			
Loss from discontinued operations	11	**-**	(18,783)
Profit for the year		**154,559,164**	97,891,280
Attributable to:			
Owner of the Corporation		**148,031,921**	92,084,450
Non-controlling interests	38	**6,527,243**	5,806,830
		154,559,164	97,891,280

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The accompanying notes 1 to 43 are an integral part of these summary consolidated financial statements.

QatarEnergy

Summary consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2022 QR '000

	Note	2022	2021
Profit for the year		**154,559,164**	97,891,280
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefits obligations	19(i)	**(1,256,209)**	(11,141)
Equity investments at FVOCI – net change in fair value	19(ii)	**212,811**	46,765
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedges – effective portion of changes in fair value	19(iii)	**746,870**	284,394
Foreign operations – foreign currency translation differences	19(iv)	**(243,550)**	(259,198)
Total other comprehensive income		**(540,078)**	60,820
Total comprehensive income for the year		**154,019,086**	97,952,100
Attributable to:			
Owner of the Corporation		**147,606,572**	92,065,901
Non-controlling interests		**6,412,514**	5,886,199
		154,019,086	97,952,100

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The accompanying notes 1 to 43 are an integral part of these summary consolidated financial statements.

Summary consolidated statement of changes in equity
For the year ended 31 December 2022

QR '000

	Equity attributable to owner of the Corporation						
	Capital	General reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total
At 1 January 2021	100,000,000	175,500,000	(166,101)	75,561,628	350,895,527	31,680,535	382,576,062
Profit for the year	-	-	-	92,084,450	92,084,450	5,806,830	97,891,280
Other comprehensive income for the year	-	-	(18,549)	-	(18,549)	79,369	60,820
Total comprehensive income for the year	-	-	(18,549)	92,084,450	92,065,901	5,886,199	97,952,100
Reclassification of fair value reserve on sale of investments at FVOCI	-	-	(1,535)	1,535	-	-	-
Transfer to Social Fund (Note 33)	-	-	-	(147,589)	(147,589)	(144,520)	(292,109)
Dividend (Note 40)	-	-	-	(42,687,628)	(42,687,628)	-	(42,687,628)
Dividend to non-controlling interests	-	-	-	-	-	(1,662,756)	(1,662,756)
Transfer to other reserves	-	-	59,590	(59,590)	-	-	-
Other movement during the year	-	-	(59,484)	(2,445)	(61,929)	90,137	28,208
At 31 December 2021 / 1 January 2022	100,000,000	175,500,000	(186,079)	124,750,361	400,064,282	35,849,595	435,913,877
Profit for the year	-	-	-	148,031,921	148,031,921	6,527,243	154,559,164
Other comprehensive income for the year	-	-	(425,349)	-	(425,349)	(114,729)	(540,078)
Total comprehensive income for the year	-	-	(425,349)	148,031,921	147,606,572	6,412,514	154,019,086
Reclassification of fair value reserve on sale of investments at FVOCI	-	-	(55,832)	55,832	-	(3,261)	(3,261)
Transfer to Social Fund (Note 33)	-	-	-	(154,186)	(154,186)	(157,749)	(311,935)
Dividend (Note 40)	-	-	-	(82,074,789)	(82,074,789)	-	(82,074,789)
Dividend to non-controlling interests	-	-	-	-	-	(4,314,792)	(4,314,792)
Transfer to other reserves	-	-	30,764	(30,764)	-	-	-
Effect of hyperinflation (Note 2.2.6)	-	-	-	7,646	7,646	68,818	76,464
Other movement during the year	-	-	180,104	(88,512)	91,592	(9,957)	81,635
At 31 December 2022	**100,000,000**	**175,500,000**	**(456,392)**	**190,497,509**	**465,541,117**	**37,845,168**	**503,386,285**

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The accompanying notes 1 to 43 are an integral part of these summary consolidated financial statements.

QatarEnergy

Summary consolidated statement of cash flows
For the year ended 31 December 2022 QR '000

	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**154,559,164**	97,891,280
Adjustments for:			
- Depreciation of property, plant and equipment	29	**12,372,104**	11,224,763
- Loss on disposal / derecognition of property, plant and equipment		**26,288**	85,177
- Write-off of property, plant and equipment	28	**784,755**	748,461
- Depreciation of right-of-use assets	29	**837,900**	679,381
- Write-off of right-of-use assets	28	**27**	-
- Depreciation of investment property	29	**16,454**	16,287
- Amortization of intangible assets and catalysts	29	**405,878**	427,417
- Write-off of intangible assets	28	**14,014**	-
- (Reversal of) / provision for expected credit losses on financial assets – net	30	**(1,003,205)**	121,943
- Provision for / (reversal of) impairment losses – net	28	**3,620**	(5,059)
- Provision for inventory obsolescence	28	**74,285**	53,588
- Provision for employee benefits – net	21	**433,072**	(636,770)
- Provision for decommissioning costs – net	24(a)	**(18,351)**	-
- Loss from discontinued operations	11	**-**	18,783
- Fair value gain on investment at fair value through profit or loss	9(b)	**(11,133)**	(20,806)
- Share of profit of associates – net	7	**(1,020,244)**	(645,828)
- Share of profit of joint ventures – net	8	**(82,624,104)**	(52,386,028)
- Provision for earn-out liability	28	**277,736**	-
- Dividend and interest income		**(2,300,366)**	(936,901)
- Net (gain) / loss on unrealised derivative financial instruments		**(599,806)**	733,169
- Deferred income		**(34,320)**	57,745
- Finance charges	31	**1,917,002**	1,023,485
- Taxes	32	**26,905,935**	16,684,166
- Net Monetary gain arising from hyperinflation	2.2	**11,412**	-
- Gain on derecognition of right-of-use assets	5(b)	**(1,611)**	(76,164)
		111,026,506	75,058,089
Working capital changes:			
- Inventories		**(1,692,248)**	(404,092)
- Amounts due from Government of Qatar		**(12,441,179)**	(10,253,179)
- Accounts receivables and prepayments		**1,321,387**	(9,351,950)
- Accounts payables and accruals		**(1,102,499)**	(508,066)
Cash generated from operations		**97,111,967**	54,540,802
Employee benefits paid	21	**(469,400)**	(411,302)
Finance charges paid		**(1,890,365)**	(375,779)
Taxes paid		**(28,574,061)**	(16,459,630)
Net cash from operating activities		**66,178,141**	37,294,091

Continued on next page

The accompanying notes 1 to 43 are an integral part of these summary consolidated financial statements.

QatarEnergy

Summary consolidated statement of cash flows
For the year ended 31 December 2022 QR '000

Continued from previous page

	Note	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(18,456,916)**	(18,281,150)
Proceeds from disposal of property, plant and equipment		**25,127**	27,605
Acquisition of investment Property	5(c)	**(148)**	-
Acquisition of intangible assets	6	**(19,108)**	(17,626)
Repayments from associates – net	7	**12,632**	85,733
Additions to investments in joint ventures – net		**(1,287,258)**	(2,317,169)
Dividend received from associates and joint ventures		**76,808,372**	45,548,746
Net cash movement of financial assets at FVOCI		**338,655**	(361,598)
Net cash movement of financial assets at amortised cost		**62,306**	(969,287)
Dividend and interest received from other investments		**1,713,341**	936,901
Additions to projects under development	10(b)	**(20,304,550)**	(15,945,869)
Net cash movement in other non-current assets		**(1,532,477)**	(668,580)
Net cash movement of financial assets at fair value through profit or loss	9(b)	**(52,459)**	(33,038)
Movement in term deposits and restricted cash		**2,798,856**	(5,021,240)
Net cash inflow on acquisition of assets	37	**1,748,762**	-
Net cash inflow on acquisition of subsidiaries		**-**	19,041
Proceeds from disposal of asset held for sale	11	**-**	55,374
Net cash from investing activities		**41,855,135**	3,057,843
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans and bonds		**106,288**	45,591,453
Repayment of loans		**(2,477,423)**	(437,855)
Payment of lease liabilities	22	**(764,980)**	(494,914)
Movement in other non-current liabilities		**285,196**	1,514
Dividend paid	40	**(82,074,789)**	(42,687,628)
Dividend paid to non-controlling interests		**(4,314,792)**	(1,662,756)
Payment of decommissioning liability	24(a)	**(40,833)**	-
Other movements in non-controlling interests		**-**	59,719
Net cash (used in) / from financing activities		**(89,281,333)**	369,533
Net increase in cash and cash equivalents		**18,751,943**	40,721,467
Effect of movements in exchange rates on cash held		**4,142**	7,488
Cash and cash equivalents at beginning of year		**64,615,421**	23,886,466
Cash and cash equivalents at end of year	15	**83,371,506**	64,615,421

During the year, the Group entered non-cash operating, investing and financing activities which are not reflected in the summary consolidated statement of cash flows (Note 41).

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The accompanying notes 1 to 43 are an integral part of these summary consolidated financial statements.

1. Legal status and principal activities

QatarEnergy (the "Corporation" or the "Parent") is a state-owned public corporation established in the State of Qatar by Emiri Decree Number 10 of 1974.

The principal activities of QatarEnergy, its subsidiaries, joint operations, joint ventures and associates are the exploration, production and sale of crude oil, natural gas and gas liquids and refined products, production and sale of petrochemicals, fuel additives, fertilisers, liquefied natural gas ("LNG") including trading thereof, steel, aluminium, chartering of helicopters, identifying solar power opportunities to develop, design, finance, build, install, own, operate and maintain solar power facilities, investing in industrial and international projects, underwriting insurance, vehicle inspection services, marine bunkering, bitumen, transportation of oil and gas and refined petroleum products and other services. The principal place of business of QatarEnergy is in the State of Qatar.

Pursuant to Law No. 5 of 2012, which was issued on 7 August 2012, the State of Qatar amended certain provisions of Decree No. 10 of 1974 and transferred the ownership in QatarEnergy from the Ministry of Economy of Finance to the Supreme Council for Economic Affairs and Investment ('SCEAI') effective 1 January 2012.

Pursuant to Decree Law No. 18 of 2021 which was issued on 10 October 2021, the State of Qatar amended certain provisions of the Decree No. 10 of 1974 and changed the name of the Corporation from "Qatar Petroleum" to "QatarEnergy".

On 12 July 2021, QatarEnergy issued USD Bonds which are listed on London and Taipei Stock Exchange. (Note 20 (b) (ii)).

These summary consolidated financial statements reflect the financial information of QatarEnergy and its subsidiaries, joint operations, joint ventures and associates (together referred to as the "Group").

These summary consolidated financial statements were approved by the Corporation's management on 26 June 2023.

2.1 Basis of preparation of the summary consolidated financial statements

These summary consolidated financial statements have been derived from the consolidated financial statements of QatarEnergy for the year ended 31 December 2022 (the "audited consolidated financial statements" or "consolidated financial statements"). These summary consolidated financial statements do not contain all information and disclosures available in the audited consolidated financial statements and should be read in conjunction with those audited consolidated financial statements. The audited consolidated financial statements of QatarEnergy are available upon request by contacting QatarEnergy.

The audited consolidated financial statements were issued on 31 May 2023. Accordingly, the audited consolidated financial statements and these summary consolidated financial statements do not reflect the effects of events that occurred subsequent to 31 May 2023.

The preparation of these summary consolidated financial statements requires management to determine the information that needs to be reflected in the summary consolidated financial statements so that they are consistent, in all material respects, with the audited consolidated financial statements.

These summary consolidated financial statements have been prepared by management using the following criteria:

- whether information in the summary consolidated financial statements is in agreement with the related information in the audited consolidated financial statements; and
- whether, in all material respects, the summary consolidated financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the audited consolidated financial statements.

These summary consolidated financial statements are presented in Qatari Riyal (QR) which is the Parent's functional currency. All values are rounded off to the nearest thousand, unless otherwise indicated.

2.2 Basis of preparation of the audited consolidated financial statements

2.2.1 Statement of compliance

The audited consolidated financial statements of the Group have been prepared in accordance with IFRS Standards as issued by International Accounting Standards Board (IFRS Standards).

Accounting policies (Note 3) have been consistently applied to all periods presented in the audited consolidated financial statements.

2.2.2 Basis of measurement

The audited consolidated financial statements are prepared using the historical cost basis except for:

i. Certain financial instruments that are measured at fair value.
ii. Parcels of land granted to QatarEnergy from the State of Qatar, which are measured at nominal value as Government Grant.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in their entirety, which are described as follows:

i. Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities;
ii. Level 2 inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
iii. Level 3 inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.2.3 Components of the Group

The Group includes the following subsidiaries, joint ventures, associates and joint operations at 31 December 2022:

Direct subsidiaries of QatarEnergy

Entity/Group	Shareholder	Country of incorporation	Principal activities	Equity holding 2022	Equity holding 2021
Industries Qatar Q.P.S.C. ("IQ")	QatarEnergy	Qatar	Holding company	51.00%	51.00%
QP Qatar Gas (3) Limited (Qatari Private Shareholding Company) ("QPQG3")	QatarEnergy	Qatar	Holding company	100.00%	100.00%
Qatar Petroleum International Limited (Qatari Private Shareholding Company) ("QPI")	QatarEnergy	Qatar	Investment in international projects across the energy value chain	100.00%	100.00%
Al Shaheen Holding Q.S.C. ("Al Shaheen")	QatarEnergy	Qatar	Holding company	100.00%	100.00%

2.2 Basis of preparation of the audited consolidated financial statements (continued)

2.2.3 Components of the Group (continued)

Direct subsidiaries of QatarEnergy (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	Equity holding 2022	Equity holding 2021
QP Qatar Gas (4) Limited (Qatari Private Shareholding Company) ("QPQG4")	QatarEnergy	Qatar	Holding company	100.00%	100.00%
Gulf International Services Q.P.S.C. ("GIS")	QatarEnergy	Qatar	Holding company invested in drilling, helicopter transportation, insurance and catering services	10.00%	10.00%
QP Ras Gas (3) Limited (Qatari Private Shareholding Company) ("QPRG3")	QatarEnergy	Qatar	Holding company	100.00%	100.00%
Mesaieed Petrochemical Holding Company Q.P.S.C. ("MPHC")	QatarEnergy	Qatar	Own and invest in Petrochemical projects	65.41%	65.43%
QP Oil & Gas Limited (Qatari Joint Stock Company) ("QPOG")	QatarEnergy	Qatar	Holding company	100.00%	100.00%
Seef Limited ("Seef")	QatarEnergy	Qatar	Production and sale of linear alkyl benzene, heavy alkyl benzene and other related products.	100.00%	100.00%
QatarEnergy Oil and Gas (2) ("QEOG2) (Formerly known as Zekreet Gasoline)	QatarEnergy	Qatar	Refinery facilities and production, loading and marketing of refined products.	100.00%	100.00%
QatarEnergy Oil and Gas (1) ("QEOG1") (Formerly known as Qatar Petroleum Oil and Gas Limited (1) (Qatari Private Shareholding Company))	QatarEnergy	Qatar	Holding company	100.00%	100.00%
Qatar Aluminium Manufacturing Company Q.P.S.C. ("QAMCO")	QatarEnergy	Qatar	Holding company invested in aluminium manufacturing	51.00%	51.00%
Qatar Fuel Company Q.P.S.C. ("Woqod")	QatarEnergy	Qatar	Sale, marketing and distribution of oil, gas and refined petroleum products, vehicle inspection services, marine bunkering, bitumen, transportation of oil and gas, vessel chartering and real estate services.	20.00%	20.00%
Siraj Energy Q.P.S.C. ("Siraj")	QatarEnergy	Qatar	Investment in renewable energy projects specializing solar energy as a provider and installer of solar panels with focus on solar energy research.	51.00%	51.00%

2.2 Basis of preparation of the audited consolidated financial statements (continued)

2.2.3 Components of the Group (continued)

Direct subsidiaries of QatarEnergy (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	Equity holding 2022	Equity holding 2021
Qatar Liquefied Gas Company Limited Q.P.J.S.C. ("QG1") *	QatarEnergy	Qatar	Production, marketing and transportation of LNG	100.00%	-

* QG1 was a joint venture as on 31 December 2021. Refer Note 37.

Subsidiaries of QatarEnergy's subsidiaries (Indirect subsidiaries)

Entity/Group	Shareholder	Country of incorporation	Principal activities	Equity holding 2022	Equity holding 2021
Qatar Steel Company Q.P.S.C.	IQ	Qatar	Manufacturing of steel billets and reinforcing bars	51.00%	51.00%
Qatar Steel Company FZE (Dubai)	IQ	UAE	Production and sale of high-quality steel wire rod products	51.00%	51.00%
Qatar Steel Industrial Investment Company S.P.C. ("QSIIC") *	IQ	Qatar	Investment in steel industry	-	51.00%
Qatar Fertiliser Company P.S.C. ("QAFCO")	IQ	Qatar	Production and sales of urea and ammonia	51.00%	51.00%
Gulf Formaldehyde Company (P.Q.S.C.) ("GFC")	IQ	Qatar	Production and sales of urea formaldehyde concrete.	35.70%	35.70%
Qatar Melamine Company (P.Q.S.C.) ("QMC")	IQ	Qatar	Production and sale of Melamine	51.00%	51.00%
Qatar Terminal Limited ("QTL")	QPI	Qatar	Holding company	100.00%	100.00%
Qatar Petroleum Gas Trading Limited (QGII) (Qatari Private Shareholding Company) ("QPGT") *	QPI	Qatar	Holding company	-	100.00%
Qatar Petroleum LNG Services (QGII) Limited (Qatari Private Shareholding Company) ("QPLNG") *	QPI	Qatar	Holding company	-	100.00%
QP U.S. Holding Corporation Inc. ("QTLH")	QPI	USA	Holding company	100.00%	100.00%
QTL U.S. Terminal L.L.C. ("QTLT")	QPI	USA	Holding company	100.00%	100.00%
QPI Egypt Limited	QPI	Cayman Islands	Special purpose entity	100.00%	100.00%
QP Netherlands Holdings B.V. ("QPIH")	QPI	The Netherlands	Special purpose entity	100.00%	100.00%
QPI Upstream B.V.("QPIUBV")	QPI	The Netherlands	Special purpose entity	100.00%	100.00%
QPI Tamba B.V.	QPI	The Netherlands	Special purpose entity	100.00%	100.00%
QP Brazil Investments B.V. ("QPIBIV")	QPI	The Netherlands	Special purpose entity	100.00%	100.00%
QP Brazil Investments (2) B.V. ("QPIBIV 2")	QPI	The Netherlands	Special purpose entity	100.00%	100.00%
QPI Energy Canada Ltd ("QIECL")	QPI	Canada	Special purpose entity	100.00%	100.00%

* QSIIC, QPGT and QPLNG were liquidated during the year.

2.2 Basis of preparation of the audited consolidated financial statements (continued)

2.2.3 Components of the Group (continued)

Subsidiaries of QatarEnergy's subsidiaries (Indirect subsidiaries) (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2022	2021
Qatar Petroleum International Upstream Limited W.L.L. ("QPIU")	QPI	Qatar	Special purpose entity	100.00%	100.00%
Qatar Petroleum International Gas & Power W.L.L ("QPGP") *	QPI	Qatar	Special purpose entity	-	100.00%
QatarEnergy Renewable Solutions L.L.C. (Formerly known as Qatar Petroleum Marketing L.L.C.).	QPI	Qatar	Special purpose entity	100.00%	100.00%
QP Brasil Ltda	QPI	Brazil	Production and sale of crude oil and natural gas	100.00%	100.00%
Green Ocean LNG Limited	QPI	Bahamas	Special purpose entity	100.00%	100.00%
QatarEnergy Holdings (UK) Ltd (formerly 'Qatar Petroleum Holdings (UK) Ltd')	QPI	United Kingdom	Holding company	100.00%	100.00%
Wave LNG Solutions L.L.C. ("WLNG")	QPI	Qatar	Special purpose entity	100.00%	100.00%
QP Gulf of Mexico L.L.C.	QPI	USA	Special purpose entity	100.00%	100.00%
QP US Petrochemicals L.L.C.("QPUSP")	QPI	USA	Special purpose entity	100.00%	100.00%
Qatar Petroleum Argentina Holdings L.L.C. ("QPARG")	QPI	Qatar	Special purpose entity	100.00%	100.00%
Qatar Petroleum Africa Holdings LLC ("QPAH")	QPI	Qatar	Special purpose entity	100.00%	100.00%
Qatar Petroleum Mozambique Holdings L.L.C. ("QPMH")	QPI	Qatar	Special purpose entity	100.00%	100.00%
QP Exploration & Production Holdings L.L.C. ("QPEP")	QPI	Qatar	Holding company	100.00%	100.00%
Qatar Petroleum Mozambique, Limitada	QPI	Mozambique	Petroleum operations	100.00%	100.00%
QPI Mexico S.A. de C.V.	QPI	Mexico	Exploration and extraction of oil and gas	100.00%	100.00%
QP Oil & Gas SAU	QPI	Argentina	Exploration & extraction of oil and gas	100.00%	100.00%
QatarEnergy International Investments LLC (QFC)	QPI	Qatar	Holding company	100.00%	100.00%

* QPGP was liquidated during the year.

2.2 Basis of preparation of the audited consolidated financial statements (continued)

2.2.3 Components of the Group (continued)

Subsidiaries of QatarEnergy's subsidiaries (Indirect subsidiaries) (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding 2022	QatarEnergy's effective percentage holding 2021
Al Shaheen Distribution Ltd. Q.P.S.C. ("ASDC") *	Al Shaheen	Qatar	Sale and marketing of products	-	100.00%
Al Koot Insurance & Reinsurance Company P.J.S.C. ("Al Koot")	GIS	Qatar	Insurance services	10.00%	10.00%
Gulf Helicopters Company (Qatari Private Shareholding Company) ("GHC")	GIS	Qatar	Helicopter services	10.00%	10.00%
Amwaj Catering Services Limited (Qatari Private Shareholding Company) ("Amwaj")	GIS	Qatar	All types of Catering services and related services	10.00%	10.00%
Gulf Drilling International Ltd. (Qatari Private Shareholding Company) ("GDI")	GIS	Qatar	Drilling services	10.00%	10.00%
United Helicharters Private Limited.	GIS	India	Helicopter services	9.00%	9.00%
Al Maha Aviation Company	GIS	Libya	Aviation services	10.00%	10.00%
Redstar Havacilik Hizmetleri A.S. ("Redstar")	GIS	Turkey	Aviation services	10.00%	10.00%
Gulf Helicopters Investment & Leasing Company	GIS	Morocco	Helicopter services	10.00%	10.00%
WOQOD Vehicle Inspection Co. ("FAHES") W.L.L.	Woqod	Qatar	Vehicle inspection services	20.00%	20.00%
Qatar Jet Fuel Company W.L.L.	Woqod	Qatar	Supply of jet fuel	12.00%	12.00%
WOQOD Marine Services Co. W.L.L.	Woqod	Qatar	Chartering of marine vessels	20.00%	20.00%
WOQOD International Co. W.L.L.	Woqod	Qatar	Holding company for international business of Woqod	20.00%	20.00%
WOQOD Kingdom Co. W.L.L.	Woqod	KSA	Dormant entity	20.00%	20.00%
Ard Al Khaleej Real Estate W.L.L.	Woqod	Qatar	Owning and renting of real estates	20.00%	20.00%
Polaris Marine Services L.L.C.	Woqod	Oman	Chartering of marine vessels	20.00%	20.00%
Sidra Al Ghariya Shipping Company	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%

* ASDC was liquidated during the year.

2.2 Basis of preparation of the audited consolidated financial statements (continued)

2.2.3 Components of the Group (continued)

Subsidiaries of QatarEnergy's subsidiaries (Indirect subsidiaries) (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2022	2021
Sidra Al Wajbah Shipping Co.	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Ocean Marine Services Limited	Woqod	Republic of Liberia	Ship owners	-	20.00%
Sidra Al Ruwais Shipping Company	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Orbit Marine Services	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Sidra Al Rumeila Shipping Co.	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Sidra Messaied Shipping Co.	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Horizon Marine Services Limited	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Sidra Doha Shipping Company	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Sidra Al Khor Shipping Company	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
QatarEnergy Trading LLC	QEOG1	Qatar	Trading of liquified natural gas (LNG) and related ancillary activities	100.00%	100.00%
QatarEnergy Marine Holdings LLC*	QEOG1	Qatar	Holding company	100.00%	-
Qatar Energy Marine (1) LLC*	QEOG1	Qatar	LNG vessel owner	100.00%	-
Qatar Energy Marine (2) LLC*	QEOG1	Qatar	LNG vessel owner	100.00%	-
Qatar Energy Marine (3) LLC*	QEOG1	Qatar	LNG vessel owner	100.00%	-
Qatar Energy Marine (4) LLC*	QEOG1	Qatar	LNG vessel owner	100.00%	-
Qatar Energy Marine (5) LLC*	QEOG1	Qatar	LNG vessel owner	100.00%	-
Qatar Energy Marine (6) LLC*	QEOG1	Qatar	LNG vessel owner	100.00%	-
Qatar Energy Marine (7) LLC*	QEOG1	Qatar	LNG vessel owner	100.00%	-
Qatar Energy Marine (8) LLC*	QEOG1	Qatar	LNG vessel owner	100.00%	-
Qatar Energy Marine (9) LLC*	QEOG1	Qatar	LNG vessel owner	100.00%	-
Qatar Energy Marine (10) LLC*	QEOG1	Qatar	LNG vessel owner	100.00%	-

* These are newly incorporated companies during the year.

2.2 Basis of preparation of the audited consolidated financial statements (continued)

2.2.3 Components of the Group (continued)

Subsidiaries of QatarEnergy's subsidiaries (Indirect subsidiaries) (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2022	2021
Qatar Liquified Gas Company Limited (5) *	QEOG1	Qatar	Extraction of Natural Gas	-	100.00%
Qatar Liquified Gas Company Limited (6) *	QEOG1	Qatar	Extraction of Natural Gas	-	100.00%
Qatar Liquified Gas Company Limited (7) *	QEOG1	Qatar	Extraction of Natural Gas	-	100.00%
Qatar Liquified Gas Company Limited (8) *	QEOG1	Qatar	Extraction of Natural Gas	-	100.00%
Qatar Liquified Gas Company Limited (9) *	QEOG1	Qatar	Extraction of Natural Gas	-	100.00%

* These companies became joint ventures during the year.

Joint ventures of the Group

Entity/Group	Shareholder(s)	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2022	2021
Qatar Liquefied Gas Company Limited Q.P.J.S.C. (QG1) *	QatarEnergy	Qatar	Production, marketing and transportation of LNG	-	65.00%
Ras Laffan Liquefied Natural Gas Company Limited Q.P.J.S.C. (RG1)	QatarEnergy	Qatar	Production, liquefaction, shipping and marketing of LNG	63.00%	63.00%
Ras Laffan Liquefied Natural Gas Company Limited. (II) Q.P.J.S.C. (RG2)	QatarEnergy	Qatar	Production, liquefaction, shipping and marketing of LNG	67.05%	67.05%
RasGas Company Limited Q.P.J.S.C.	QatarEnergy	Qatar	Operating company	70.00%	70.00%
Qatex Limited	QatarEnergy	Qatar	Aviation fuel storage and transportation services	51.00%	51.00%
Oryx GTL Limited. (Oryx)	QatarEnergy	Qatar	Management operation and maintenance of Gas to Liquids complex	51.00%	51.00%
Qatar Liquefied Gas Company Limited (2) Q.P.J.S.C. (QG2)	QatarEnergy	Qatar	Production, marketing and transportation of LNG	67.50%	67.50%
Qatar Gas Operating Company Limited Q.P.J.S.C.	QatarEnergy	Qatar	Operating company	70.00%	70.00%

* QG1 is subsidiary from 1 January 2022.

2.2 Basis of preparation of the audited consolidated financial statements (continued)

2.2.3 Components of the Group (continued)

Joint ventures of the Group (continued)

Entity/Group	Shareholder(s)	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2022	2021
Laffan Refinery Company Limited Q.P.J.S.C. (LR1)	QatarEnergy	Qatar	Operation of refinery facilities and production and marketing of refined products	51.00%	51.00%
Barzan Gas Company Limited Q.P.J.S.C. (Barzan)	QatarEnergy	Qatar	Production, marketing and transportation of Petroleum products.	93.00%	93.00%
Qatar Vinyl Company Limited Q.P.J.S.C. (QVC)	QatarEnergy / MPHC / IQ	Qatar	Production and sale of Petrochemical products	62.02%	62.04%
Qatofin Company Limited Q.P.J.S.C.	QatarEnergy / IQ	Qatar	Production and Sales of Petrochemical products	25.97%	25.97%
Qatar Chemical Company Limited Q.P.J.S.C. (Q-chem)	QatarEnergy / MPHC	Qatar	Production and sale of Petrochemical products	34.05%	34.06%
Qatar Chemical Company II Limited Q.P.J.S.C. (Q-chem II)	QatarEnergy / MPHC	Qatar	Production and sale of Petrochemical products	34.05%	34.06%
Ras Laffan Olefins Company Limited. Q.P.J.S.C.	QatarEnergy / MPHC	Qatar	Operate and maintain Ethylene cracker plant	31.02%	31.02%
Laffan Refinery Company Limited 2 Q.P.J.S.C. (LR2)	QatarEnergy	Qatar	Operation of refinery facilities and production and marketing of refined products	84.00%	84.00%
Gasal Q.P.S.C.	QatarEnergy	Qatar	Manufacture and supply of industries gases	30.50%	30.50%
Qatar Petrochemical Company Q.P.J.S.C. (QAPCO)	IQ	Qatar	Production and sale of ethylene, polyethylene, hexane and other petrochemical products	40.80%	40.80%
Qatar Fuel Additives Company Limited Q.P.S.C. (QAFAC)	IQ	Qatar	Production and sale of Methyl-tertiary-butyl-ether (MBTE) and methanol	25.50%	25.50%
Qatar Liquefied Gas Company Limited. (3) (QG3)	QPQG3	Qatar	Production, marketing and transportation of LNG	68.50%	68.50%

2.2 Basis of preparation of the audited consolidated financial statements (continued)

2.2.3 Components of the Group (continued)

Joint ventures of the Group (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding 2022	2021
QPI & Shell Petrochemicals (Singapore) Pte. Ltd. (QSPS)	QPI	Singapore	Investment in petrochemical plants	49.00%	49.00%
South Hook Gas Company Ltd.	QPI	UK	Investment in gas marketing company	70.00%	70.00%
South Hook LNG Terminal Company Ltd. (SH LNG)	QPI	UK	LNG receiving and regasification	67.50%	67.50%
Adriatic LNG Terminal (ALNG)	QPI	Italy	LNG receiving and regasification	22.02%	22.02%
Arab Refining Company (ARC)	QPI	Egypt	Investment in refinery projects	38.11%	38.11%
Golden Pass LNG Terminal L.L.C. (GPLNG)	QPI	USA	LNG receiving and regasification	70.00%	70.00%
Golden Pass Pipeline L.L.C. (GPPL)	QPI	USA	Gas dispatching	70.00%	70.00%
ExxonMobil Exploration Argentina S.R.L. (EMEA)	QPI	Argentina	Petroleum operations	30.00%	30.00%
Mobil Argentina S.A. (MASA)	QPI	Argentina	Petroleum operations	30.00%	30.00%
Ocean LNG Ltd.	QPI	Bahamas	Marketing arm of Golden Pass outside U.S.	70.00%	70.00%
Marine LNG Solutions LLC	QPI	Qatar	Special purpose entity	50.00%	50.00%
TOQAP Guyana B.V.	QPI	Netherlands	Petroleum operations	40.00%	40.00%
Golden Triangle Polymers Company Holdings LLC	QPI	USA	Petrochemical operations	49.00%	-
Al Shaheen Baker Hughes Services (Formerly known as Al Shaheen GE Services Company)	Al Shaheen	Qatar	Repair of GE gas turbines, compressors and other related auxiliary services	50.00%	50.00%
Qatar Liquefied Gas Company Limited. (4) (QG4)	QPQG4	Qatar	Production, marketing and transportation of LNG	70.00%	70.00%
Gulf Med Aviation Services Limited	GIS	Malta	Helicopter services	4.90%	4.90%
Air Ocean Maroc	GIS	Morocco	Helicopter services	4.90%	4.90%
Gulf Drill L.L.C.	GIS	Qatar	Drilling services	5.00%	5.00%
Ras Laffan Liquefied Natural Gas Company Limited. (3) (RG3)	QPRG3	Qatar	Production, liquefaction, shipping and marketing of LNG	70.00%	70.00%

2.2 Basis of preparation of the audited consolidated financial statements (continued)

2.2.3 Components of the Group (continued)

Joint ventures of the Group (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2022	2021
North Oil Company Q.P.S.C.	QPOG	Qatar	Petroleum operations-exclusive rights	70.00%	70.00%
Qatar Aluminium Company Limited Q.P.J.S.C. (Qatalum)	QAMCO	Qatar	Production and sale of Aluminium products	25.50%	25.50%
Siraj (1) Q.P.S.C	Siraj	Qatar	Investment in renewable energy projects specializing solar energy as a provider and installer of solar panels with focus on solar energy research	60.00%	60.00%
Qatar Liquified Gas Company Limited (5) *	QEOG1	Qatar	Extraction of Natural Gas	100.00% **	-
Qatar Liquified Gas Company Limited (6) *	QEOG1	Qatar	Extraction of Natural Gas	75.00%	-
Qatar Liquified Gas Company Limited (7) *	QEOG1	Qatar	Extraction of Natural Gas	75.00%	-
Qatar Liquified Gas Company Limited (8) *	QEOG1	Qatar	Extraction of Natural Gas	75.00%	-
Qatar Liquified Gas Company Limited (9) *	QEOG1	Qatar	Extraction of Natural Gas	75.00%	-

* These companies were subsidiaries as on 31 December 2021.
** Refer Note 4.1 (xvii) for further details.

Associates of the Group

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2022	2021
Arab Maritime Petroleum Transport Company	QatarEnergy	Kuwait	Operates and charters a fleet of crude and petro product tankers	14.80%	14.80%
Arab Petroleum Investment Corporation	QatarEnergy	KSA	Participation in financing petroleum projects and industries	10.00%	10.00%
Arab Petroleum Services Company	QatarEnergy	Libya	Provision of petroleum services	10.00%	10.00%
Arab Petroleum Pipelines Company	QatarEnergy	Egypt	Operate pipelines to transfer petroleum	5.00%	5.00%
Ras Laffan Power Company Limited	QatarEnergy	Qatar	Production and supply of electricity and production of desalinated water	10.00%	10.00%

2.2 Basis of preparation of the audited consolidated financial statements (continued)

2.2.3 Components of the Group (continued)

Associates of the Group (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2022	2021
Mesaieed Power Company Limited Q.P.S.C.	QatarEnergy	Qatar	Production and supply of electricity	20.00%	20.00%
Ras Girtas Power Company	QatarEnergy	Qatar	Production and supply of electricity and production of desalinated water	15.00%	15.00%
Umm Al Houl Power Q.P.S.C.	QatarEnergy	Qatar	Production and supply of electricity and production of desalinated water	5.00%	5.00%
Qatar Metals Coating Company W.L.L.	IQ	Qatar	Production and sale of epoxy resin coated bars	25.50%	25.50%
Foulath Holding B.S.C.	IQ	Bahrain	Manufacture and sale of various sale products	12.75%	12.75%
SOLB Steel Company (SSC)	IQ	KSA	Manufacture and sale of steel products	15.83%	15.83%
TotalEnergies E&P Congo	QPI	Republic of Congo	Upstream exploration and production	15.00%	15.00%
Tamba B.V.	QPI	Netherlands	Operates and manages FPSO leases and Subsea leases	23.00%	23.00%
AKG Holding Limited.	QPRG3	Bahamas	Production and sale of gas	12.50%	12.50%

Joint operations of the Group

Entity/Group	Investor	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2022	2021
Qatar Gas Upstream (Unincorporated) *	QatarEnergy	Qatar	Production and marketing of Condensate	**-**	65.00%
Pearl GTL Project North Field (Unincorporated) **	QatarEnergy	Qatar	Developing of gas to liquid project in Ras Laffan	-	-
Dolphin Gas Project (Unincorporated) **	QatarEnergy	Qatar	Recover and export natural gas for export purpose.	-	-
Al Khaleej Gas Project (Unincorporated) **	QatarEnergy	Qatar	Enhanced gas utilization	-	-

* Qatar Gas Upstream was a joint operation which was merged into QG1 as on 1 January 2022.

** The Group's interest in these joint operations is based on contractual terms of production sharing arrangement which varies from time to time.

2.2 Basis of preparation of the audited consolidated financial statements (continued)

2.2.3 Components of the Group (continued)

Joint operations of the Group (continued)

Entity/Group	Investor	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding 2022	2021
BC-10 Concession	QPI	Brazil	Upstream exploration and production assets of Block BC-10	23.00%	23.00%
Offshore Block 10 & Block 5	QPI	Cyprus	Upstream exploration and production	40.00%	40.00%
Alto de Cabo Frio-Oeste block	QPI	Brazil	Upstream exploration and production	25.00%	25.00%
11B/12B Block	QPI	South Africa	Upstream exploration and production	25.00%	25.00%
Block 3,4,6,7	QPI	Mexico	Upstream exploration and production	40.00%	40.00%
Block 24	QPI	Mexico	Upstream exploration and production	35.00%	35.00%
Block 536 & 647	QPI	Brazil	Upstream exploration and production	36.00%	36.00%
Tita Block	QPI	Brazil	Upstream exploration and production	36.00%	36.00%
Block 789 & 753	QPI	Brazil	Upstream exploration and production	30.00%	30.00%
Block 541	QPI	Brazil	Upstream exploration and production	40.00%	40.00%
Block 659 & 713	QPI	Brazil	Upstream exploration and production	25.00%	25.00%
Block A5A	QPI	Mozambique	Upstream exploration and production	25.50%	25.50%
Block A5B	QPI	Mozambique	Upstream exploration and production	10.00%	10.00%
Block 52	QPI	Oman	Upstream exploration and production	30.00%	30.00%
Tarfaya Shallow Block	QPI	Morocco	Upstream exploration and production	30.00%	30.00%

2.2 Basis of preparation of the audited consolidated financial statements (continued)

2.2.3 Components of the Group (continued)

Joint operations of the Group (continued)

Entity/Group	Investor	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2022	2021
Block Z5C & Z5D*	QPI	Mozambique	Upstream exploration and production	-	10.00%
Block MLO113, Block MLO117 & Block MLO118	QPI	Argentina	Upstream exploration and production	30.00%	30.00%
Block CAN107& Block CAN109	QPI	Argentina	Upstream exploration and production	40.00%	40.00%
Block 2912	QPI	Namibia	Upstream exploration and production	28.33%	28.33%
Block 2913B	QPI	Namibia	Upstream exploration and production	30.00%	30.00%
Block CI-705 & Block CI-706 *	QPI	Cote d'Ivoire	Upstream exploration and production	-	45.00%
Block 48*	QPI	Angola	Upstream exploration and production	-	30.00%
Block L12, L11A & L11B	QPI	Kenya	Upstream exploration and production	25.00%	25.00%
Block EL 1162	QPI	Canada	Upstream exploration and production	40.00%	40.00%
Block EL 1165A *	QPI	Canada	Upstream exploration and production	-	40.00%
Block PEL 39 (2913A & (2914B)	QPI	Namibia	Upstream exploration and production	45.00%	45.00%
Block 15	QPI	Mexico	Upstream exploration and production	50.00%	50.00%
Block 33 & Block 34	QPI	Mexico	Upstream exploration and production	15.00%	15.00%
Blocks 3314 and 3315	QPI	South Africa	Upstream exploration and production	29.17%	29.17%

* During the year 2022, the Group had exited from the following blocks:

- Block Z5C & Z5D in Mozambique
- Block CI-705 in Cote d'Ivore (CI-706 in 2021)
- Block 48 in Angola
- Block EL 1165A in Canada

2.2 Basis of preparation of the audited consolidated financial statements (continued)

2.2.3 Components of the Group (continued)

Joint operations of the Group (continued)

Entity/Group	Investor	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2022	2021
DWOB Block	QPI	South Africa	Upstream exploration and production	30.00%	30.00%
Blocks 3013 and 3113	QPI	South Africa	Upstream exploration and production	45.00%	45.00%
Block SEPIA*	QPI	Brasil	Upstream exploration and production	21.00%	-
Al Khalij Block 6 Field	QPOG	Qatar	Petroleum operations-exclusive rights	60.00%	60.00%

* During the year, the Group acquired 21% holding in SEPIA block.

2.2.4 New amendments to standards adopted by the Group

During the current year, the Group adopted the below amended IFRS Standards that are effective for the financial year ended 31 December 2022:

- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

The adoption of above amended IFRS Standards did not have a significant impact on the Group's audited consolidated financial statements.

2.2.5 New and amended IFRS Standards not yet effective, but available for early adoption

The below new and amended IFRS Standards that are not yet effective but available for early adoption, have not been applied in preparing audited consolidated financial statements.

Effective for year beginning 1 January 2023	• IFRS 17 Insurance Contracts and amendments to IFRS 17 • Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) • Definition of Accounting Estimate (Amendments to IAS 8) • Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – (Amendments to IAS 12)
Effective for year beginning 1 January 2024	• Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) • Classification of liabilities as current or non-current (Amendments to IAS 1)
Effective date deferred indefinitely / available for optional adoption	• Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The Group does not expect that the adoption of the above new and amended IFRS Standards to have a significant impact on the Group's consolidated financial statements, except IFRS 17 'Insurance Contracts', that establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The standard is effective for annual periods beginning on or after 1 January 2023 with an earlier application is permitted. Refer Note 2.2.7.

2.2 Basis of preparation of the audited consolidated financial statements (continued)

2.2.6 IAS 29 – Financial Reporting in Hyperinflationary Economies

Classification of Turkey as a hyperinflationary economy

The Group has operations in Turkey through its indirect subsidiary. The functional currency of the subsidiary in Turkey is Turkish Lira.

From 1 April 2022, the Turkish economy has been considered hyperinflationary based on the characteristics established by International Accounting Standard 29, 'Financial Reporting in Hyperinflationary Economies' ('IAS 29'). This designation is determined following an assessment of a series of qualitative and quantitative circumstances, including the presence of a cumulative inflation rate of more than 100% over the previous three years.

IAS 29 requires that consolidated financial statements are stated in terms of the measuring unit current at the balance sheet date which requires restatement of non-monetary assets and liabilities to reflect the changes in the general purchasing power of the Turkish Lira.

The restatements were calculated by means of conversion factors derived from the consumer price indices. Such index as announced by Turkish Statistical Institute and conversion factors used to restate the balances are as follows:

Date	Index
31 December 2022	1128.45
31 December 2021	686.95

The basic principles applied in the accompanying consolidated financial statements, are summarized in the following paragraphs.

Adjustment for prior years

Adjustment of the historical carrying values of non-monetary assets and liabilities and the various items of equity from their date of acquisition or inclusion in the audited consolidated statement of financial position to the end of the reporting period to reflect the changes in purchasing power of the currency caused by inflation, according to the indices published by the Turkish Statistical Institute. The cumulative impact for previous years amounting to QR 76.46 million has been reflected through consolidated statement of changes in equity. Since Group's comparative amounts are presented in a stable currency, these comparative amounts are not restated.

Adjustment for current year

Monetary assets and liabilities, which are carried at amounts current at the date of consolidated statement of financial position, are not restated because they are already expressed in terms of the monetary unit current at the date of consolidated statement of financial position.

Non-monetary assets and liabilities, which are not carried at amounts current at the date of consolidated statement of financial position, and components of owners' equity are restated by applying the relevant conversion factors.

Net monetary loss arising from hyperinflation amounting to QR 11.41 million is recognized in the audited consolidated statement of profit or loss.
All items in the audited consolidated statement of profit or loss are restated by applying the conversion factors from the date on which the transaction originated except for those amounts deriving from non-monetary items, which are calculated based on the restated values of the related items.

The effect of application indices on the Group's net monetary position is included in the audited consolidated statement of profit or loss as monetary gain or loss.

All items in the statement of cash flows are expressed in a measuring unit current at the date of consolidated statement of financial position; they are therefore restated by applying the relevant conversion factors from the date on which the transaction originated.

2.2.7 IFRS 17 'Insurance Contracts'

The Group will apply IFRS 17 for the first time on 1 January 2023. This standard will bring significant changes to the accounting for insurance and reinsurance contracts however it is not expected to have a material impact on the Group's consolidated financial statements in the period of initial application based on the magnitude of the Group's insurance business to overall operations.

3. Significant accounting policies for preparation of the audited consolidated financial statements

3.1 Basis of consolidation and business combination

Basis of consolidation

The audited consolidated financial statements include the separate financial statements of QatarEnergy and the (consolidated) financial statements of the entities controlled by QatarEnergy (its "subsidiaries").

Specifically, the Group controls an investee if and only if the Group has:

a.) power over the investee;
b.) exposure, or rights, to variable returns from its involvement with the investee; and
c.) the ability to use its power over the investee to affect its returns.

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than a majority of voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

a.) the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
b.) potential voting rights held by the Group, other vote holders or other parties;
c.) rights arising from other contractual arrangement; and
d.) any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that the decision needs to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are fully consolidated from the date on which QatarEnergy obtains control and continue to be consolidated until the date when such control ceases.

Profit or loss and other comprehensive income of each component are attributed to the owner of QatarEnergy and the non-controlling interests (NCI). Total comprehensive income of the subsidiaries is attributed to the owner of QatarEnergy and to the NCI even if this results in the NCI having deficit balance.

The audited consolidated financial statements incorporate the Group's interest and its share of profits or losses from associates and joint ventures using the equity method of accounting. Joint operations are accounted for in the audited consolidated financial statements on the Group's share of each of the assets, liabilities, income and expenses of the joint operations and are combined with the similar items, line by line.

Where necessary, adjustments are made to the financial statements of subsidiaries, joint ventures, joint operations and associates to bring their accounting policies in line with those used by the Group.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated or reversed in full.

Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.1 Basis of consolidation and business combination (continued)

Business combination

Acquisitions of a business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognised in profit of loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair values, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured under the Group's accounting policies; and
- Assets (or disposal group) that are classified as held for sale in accordance with the Group's accounting policies.

Non-controlling interests that are present ownership interests and entitle holders to a proportionate share of the entity's net assets in the event of liquidation is initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of the measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are those adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not measured at subsequent reporting dates and subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with the Group's accounting policies, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the financial reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the 'measurement period', or additional assets or liabilities are recognised, to reflect the information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognised at that date.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.1 Basis of consolidation and business combination (continued)

Acquisition of assets (including any liabilities assumed) that do not constitute a business

If the Group acquires an asset or a group of assets (including any liabilities assumed) that does not constitute a business, then the transaction is outside the scope of IFRS 3 because it cannot meet the definition of a business combination. Such transactions are accounted for as asset acquisitions in which the cost of acquisition is generally allocated between the individual identifiable assets and liabilities in the group based on their relative fair values at the date of acquisition. They do not give rise to goodwill or a gain on a bargain purchase.

Assets acquired in an asset acquisition are recognised based on the cost of acquisition. The Group does not include variable payments in the cost of assets acquired.

The cost of an asset acquisition may comprise the following:

- cash or cash equivalent price at the date of acquisition;
- fair value of non-cash consideration (e.g., non-cash assets given up or liabilities assumed); and
- transaction costs directly attributable to the acquisition of the assets.

In cases where the sum of the individual fair values of the identifiable assets and liabilities differs from the transaction price, management allocates the cost of the group of assets between the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition, and then applies the initial measurement requirements in the applicable IFRS Standards to each identifiable asset acquired and liability assumed

In cases where the Group acquires assets by obtaining a controlling interest in an entity that does not constitute a business as defined in IFRS 3 in successive share purchases - i.e., a 'step acquisition', the previously held equity interest is included as part of the cost of the acquisition. The Group does not remeasure the previously held equity interest because IFRS 3 specifies a cost-based approach for an asset acquisition and under a cost-based approach the existing assets are generally not remeasured.

The Group has elected to expense the variable consideration to be paid for asset acquisition as and when it is incurred.

3.2 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the fair values of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date fair values of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating unit (CGU) (or groups of CGUs) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.3 Property, plant and equipment

Initial recognition

The cost of an item of property, plant and equipment is recognised as an asset if, and only if:

(a) It is probable that future economic benefits associated with the item will flow to the Group; and
(b) The cost of the item can be measured reliably.

However, items of property, plant and equipment may be acquired for safety or environmental reasons, for example to comply with environmental regulations. The acquisition of such items, although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment may be necessary to obtain future economic benefits from other assets or group of assets. Such items are also recognised as assets.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses, if any. The initial cost of an asset comprises:

(a) its purchase price or construction cost, including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.

(b) any costs directly attributable to bringing the asset into present location and condition, for example:
- cost of site preparation;
- initial delivery and handling cost;
- installation and assembly cost;
- cost of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced during the testing period; and
- professional fees associated with the acquisition of the property.

(c) the initial estimate of the cost of decommissioning, dismantling and removing the item and restoring the site on which it is located - wherever applicable and where a decommissioning obligation exists.

(d) for qualifying assets, where applicable, borrowing cost.

Spare parts and servicing equipment are carried as inventory and expensed when consumed. However, major spare parts and stand-by equipment qualifying as property, plant and equipment are recognised as property, plant and equipment.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset (as appropriate) only when it is probable that future economic benefits associated with the item of assets will flow to the Group and the cost of assets can be measured reliably, in consideration of the following provisions:

(i) Additions and extension

Cost incurred for additions and extension of an existing asset is capitalised when such cost results in increased efficiency, enhancement of benefits or life of the asset. In other cases, the cost incurred is expensed when incurred.

(ii) Replacements

Cost of replacement of an asset or part of an asset, where this asset/part is separately depreciated and is now replaced, and it is probable that future economic benefits associated with this asset/part will flow to the Group; the replacement costs are capitalized and depreciated as per depreciation policy used for that asset. The carrying amount of the old assets / parts that are replaced is written-off / derecognized.

Where this asset/part is not separately considered as a component and therefore not depreciated separately, the replacement cost is used to estimate the carrying amount of the replaced asset /part.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.3 Property, plant and equipment (continued)

Subsequent costs (continued)

(iii) Improvements / upgrades

Costs incurred for improvement / upgrade of an existing asset are capitalized if such costs result in an increased efficiency, enhancement of benefits, or extending the useful life of the asset.

(iv) Repairs, Refurbishment and Maintenance Cost

Costs incurred for routine and cyclical maintenance and repairs as well as day-to-day repairs and maintenance are expensed when incurred.

Some assets require major maintenance and refurbishment at regular intervals, which is often described as an overhaul or turnaround. Cost of an item of property, plant and equipment is recognised when future economic benefits are probable and the cost of the item can be measured reliably. Subsequently, when the costs are incurred in relation to such an item of property, plant and equipment, the nature of such costs needs to be determined:

(a) if the costs relate to the replacement of a part of the entire asset, then the carrying amount of the part that is replaced is derecognized and recognizes the cost of the replacement part;
(b) costs of day-to-day servicing costs (e.g., costs of labour and consumables and possibly the cost of small parts) should be expensed when incurred;
(C) when each major inspection, overhaul or turnaround is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Such costs are to be depreciated over the period until next inspection, overhaul or turnaround. Any remaining carrying amount of the cost of the previous inspection, overhaul or turnaround is derecognized. This occurs regardless of whether the cost of the previous inspection was identified in the transaction in which the item was acquired or constructed.

(v) Furnishing

In case of initial furnishing of new offices, clubs, medical centres or residential accommodation, the entire cost of furnishing is capitalized. Subsequent refurbishment / repair of furniture and fittings shall be in line with the policy above. Replacement is in line with the policy above.

(vi) Exchange

In case an asset is acquired in exchange for another asset (whether similar or dissimilar in nature), the cost will be measured at the fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognized:

(a) by its sale or disposal by other means, or
(b) when no future economic benefits are expected from its use, sale or disposal by other means.

The gain or loss arising from derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized (unless otherwise in the event of a sale and lease back). The gain or loss resulting from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. Gain / loss is classified as other income / expenses.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.3 Property, plant and equipment (continued)

Depreciation

Oil and gas properties are depreciated on a unit-of-production basis over the total proved developed reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, or common facility, in which case the straight-line method is used.

Other property, plant and equipment are generally depreciated on a straight-line basis over their estimated useful lives.

Shared infrastructure is depreciated using straight-line basis over the estimated useful lives of those assets.

Cost of major inspection, overhaul or turnaround which is capitalized is to be depreciated over the period until next inspection, overhaul or turnaround.

Land is not depreciated.

Residual value, useful life and methods of depreciation are reviewed at each reporting period, and, if expectations differ from previous estimate, any change is accounted/adjusted prospectively where appropriate.

The useful lives of the assets are as follows:

Oil and gas properties (UOP assets)	unit-of-production basis
Oil and gas properties (other than UOP assets)	10 to 40 years
Other property, plant and equipment (including port)	2 to 50 years

Depreciation begins when the asset is available for use.

Exploration and evaluation assets

Exploration and evaluation activities involve the search for hydrocarbon resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Initial recognition

Exploration and evaluation assets are measured at cost; expenditures associated to exploration and evaluation assets are those expenditures related to exploration and evaluation activities after obtaining the legal right to explore and before extracting the oil and gas resource, for example:

(a) acquisition of rights to explore;
(b) topographical, geological, geochemical and geophysical studies:
(c) exploratory drilling;
(d) trenching;
(e) sampling;
(f) activities in relation to evaluating the technical feasibility and commercial viability of extracting oil and gas resource; and
(g) the initial estimate of the cost of decommissioning, dismantling and removing the item and restoring the site on which it is located, wherever applicable and where a decommissioning obligation exists.

Pre-license costs are expensed in the period in which these are incurred. Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalized as exploration and evaluation assets until the drilling of the well is complete and the results have been evaluated.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.3 Property, plant and equipment (continued)

Exploration and evaluation assets (continued)

Classification

Exploration and evaluation assets are classified as tangible (e.g., drilling rigs) or intangible (e.g., drilling rights) according to the nature of the assets acquired and the classification is applied consistently. Tangible portion of the exploration and evaluation assets is presented as part of property, plant and equipment while intangible portion is presented as intangible assets in the audited consolidated statement of financial position.

Exploration and evaluation assets remain in a separate un-depreciable asset class in the property, plant and equipment and intangible assets until the status of success or failure is known.

Upon recognition of proved oil and / or gas resources and internal approval for development, the relevant exploration and evaluation assets are to be reclassified as oil and gas properties.

Measurement after initial recognition

Exploration and evaluation assets are stated at cost less impairment – if any. Exploration costs are accounted for using the successful efforts method of accounting. Under the successful efforts method, the exploration and evaluation costs are grouped on a field basis; those costs for successful projects remain as an asset only if the cost directly results in the development of proved reserves. Those costs for unsuccessful projects are immediately expensed and are recognized in profit or loss.

Accordingly, within the context of a successful efforts approach, only those costs that lead directly to the discovery, acquisition, or development of specific discrete oil and/or gas reserves are capitalized. If no potential commercial hydrocarbons are discovered, the exploration asset is written off as a dry well. If extractable hydrocarbons are found and subject to further appraisal activity (e.g., the drilling of additional wells), are likely to be capable of being commercially developed, the costs continue to be carried as exploration and evaluation assets while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons.

Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons are initially capitalized as exploration and evaluation assets. All such capitalized costs are subject to technical, commercial and management review as well as review for indicators of impairment at least once a year; this is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off to profit or loss.

When proved reserves of oil and/or natural gas are identified and development is sanctioned by management, the relevant capitalized expenditures are first assessed for impairment and (if required) any impairment loss is recognized. The remaining balance is transferred to oil and gas properties or intangible assets where appropriate. No depreciation is charged during the exploration and evaluation phase.

Development costs

Post evaluation phase and upon recognition of proved reserve, development costs including expenditures on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of production wells are capitalised within oil and gas properties.

Capital work-in-progress

Capital work-in-progress is initially recognised at cost, which includes cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use. Following the initial recognition; capital work-in-progress is carried at cost less impairment losses – if any. Capital work-in-progress is not depreciated or amortized.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.3 Property, plant and equipment (continued)

Capital work-in-progress (continued)

Capital work-in-progress will be transferred to respective classes of property, plant and equipment when the asset is ready for use as intended by the management.

3.4 Investment property

Investment property represents land and buildings that are occupied substantially for use by third parties and are held by the Group to earn rentals or capital appreciation. Changes in fair values are not recognised as the Group recognizes the investment property at cost model and carries at cost less accumulated depreciation and impairment loss, (if any).

Recognition and measurement

An investment property is recognised initially at cost of acquisition, including any transaction costs and is subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Depreciation

Depreciation is calculated on buildings only to write off the cost of items of investment property using the straight-line method over the estimated useful life of 40 years and is recognised in profit or loss.

Derecognition

An item of investment property is derecognized upon disposal or when no future economic benefits are expected from its use. Profits and losses on disposals of items of investment property are determined by comparing the proceeds from their disposal with their respective carrying amounts and are recognised in profit or loss.

3.5 Intangible assets

Assets like computer software, IT applications, license costs, field appraisal program and intellectual property (including appraisal wells) are classified as Intangible Assets if these are identifiable, non-monetary, controlled by the Group and it is probable that expected future economic benefits that are attributable to the asset will flow to the Group.

Measurement

Intangible assets are measured on initial recognition at cost. Following the initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. Amortisation of intangible assets is calculated on a straight-line basis over the estimated useful life of those assets. The periodic amortisation is recognized as amortisation expense in profit or loss. The amortisation period is reviewed at each reporting period and adjusted prospectively where appropriate.

Derecognition

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use of disposal.

Intangible assets majorly comprise of costs incurred on appraisal wells and computer software. These intangible assets are amortised over the useful life of 4 to 25 years.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.6 Catalysts

Catalysts (which comprise of chemicals and precious metals) acquired are measured on initial recognition at cost. Following initial recognition, catalysts are carried at cost less any accumulated amortisation and any accumulated impairment losses. The amortisation period is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on catalysts is recognised in profit or loss.

Catalysts with an estimated life of less than one year are recorded as inventory and expensed when used. Catalysts with an estimated life of more than one year are capitalised and are amortised on a straight-line basis over their useful life between 1 to 12 years.

3.7 Borrowing costs

Borrowing costs are interests and other costs that are incurred in connection with the borrowing of funds. Borrowing costs attributable to acquisition, construction or production of a qualifying assets are capitalized as part of the cost of the asset up to the date the asset is ready and able to be placed into service. The borrowing costs eligible for capitalisation are those costs that would have been avoided if the expenditure on the qualifying asset had not been made. Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended purpose.

Other borrowing costs are expensed in the period in which they are incurred. For the purpose of determining interest available for capitalisation, the costs related to these borrowings are reduced by any investment income realized on the temporary investment of funds from the borrowing. Costs associated with raising the financing are capitalized and amortised to expense as per the effective interest method.

3.8 Government grants

Government grants, including non-monetary grants, are recognised when there is a reasonable assurance that:

(a) The Group will comply with the conditions attaching to them - if any; and
(b) The grants will be received.

Non-monetary government grants such as land and other resources are recorded at nominal amount.

3.9 Investments in joint ventures and associates

Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Shareholders advances to joint ventures having the characteristics of equity financing are also included in investment in the audited consolidated statement of financial position.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investees but does not have control or joint control over those entities. Shareholders advances to associates having the characteristics of equity financing are also included in investment in the audited consolidated statement of financial position.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.9 Investments in joint ventures and associates (continued)

Equity method of accounting

The Group accounts for its investments in joint ventures and associates in its consolidated financial statements using the equity method of accounting.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received from equity accounted investees are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables for which settlement is neither planned nor expected to happen in foreseeable future, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its equity accounted investees are eliminated to the extent of the Group's interest in these entities. For presentation purpose, the Group has elected to eliminate the unrealised gains from the carrying value of its investment in joint ventures and share of profits from its investment in joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

3.10 Interests in joint operations

Joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligation for the liabilities, relating to the arrangement. The Group combines its share of each of the assets, liabilities, income and expenses of the joint operation with the similar items, line by line, in its consolidated financial statements. The joint operations are combined from the date of acquisition of joint control until the date on which the Group ceases to have joint control over these joint operations.

3.11 Assets classified as held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met.

Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.12 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of crude oil and refined products is the purchase cost (in case of crude oil purchased for refining purpose), the cost of refining, including the appropriate proportion of overheads based on normal operating capacity, determined on a weighted average basis.

Cost of purchase

The costs of purchase of inventories comprise the purchase price, import duties and other taxes, if any (other than those subsequently recoverable by the Group from the taxing authorities), and transport, handling and other cost directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Cost of conversion

The costs of conversion of inventories include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. Fixed production overheads are those indirect costs of production that remain relatively constant regardless of the volume of production, such as maintenance of refinery buildings and equipment, and the cost of refinery management and administration. Variable production overheads are those indirect costs of production that vary directly, or nearly directly, with the volume of production, such as indirect materials and indirect labour.

Other costs

Other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition.

Pipeline fill

Hydrocarbons, which are necessary to bring a pipeline into working order, are treated as a part of the related pipeline. This is on the basis that these are not held for sale or consumed in a production process but are necessary to the operation of a facility during more than one operating cycle, and their cost cannot be recouped through sale.

Net realisable value

Net realisable value refers to the net amount that the Group expects to realise from the sale of inventory in the ordinary course of business. It is based on the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.13 Foreign currency transactions and translation

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss or other comprehensive income depending on where the fair value is adjusted. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction and resulting foreign currency differences are recognised in profit or loss and presented within finance charges.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.13 Foreign currency transactions and translation (continued)

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated to Qatari Riyals at exchange rates at the reporting date. The income and expenses for each statement of consolidated profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions). Moreover, all resulting exchange differences are recognised in other comprehensive income. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

3.14 Financial instruments

Financial instruments – recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.14 Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets not held in qualifying hedge relationship. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest ("SPPI")

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Group considers:
– contingent events that would change the amount or timing of cash flows;
– terms that may adjust the contractual coupon rate, including variable-rate features;
– prepayment and extension features; and
– terms that limit the Group's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.14 Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Classification and subsequent measurement of financial liabilities

Financial liabilities (accounts payables, bonds, and derivative financial instruments) are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.14 Financial instruments (continued)

Derecognition (continued)

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Interest rate benchmark reform
When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, The Group updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis - i.e., the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applied the policies on accounting for modifications to the additional changes.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the audited consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, due from related parties, loan to related parties, short-term deposits and financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime ECL for trade receivables and lifetime ECL/12-months ECL for loans to related parties. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.14 Financial instruments (continued)

Impairment of financial assets (continued)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Derivative financial instruments and hedging

The Group uses derivative financial instruments to hedge its foreign currency and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at the end of reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

a) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
b) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; and
c) Hedges of a net investment in a foreign operation.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument’s fair value in offsetting the exposure to changes in the hedged item’s fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges that qualify for hedge accounting

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss as in finance costs. The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. the deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.14 Financial instruments (continued)

Derivative financial instruments and hedging (continued)

Cash flow hedges that qualify for hedge accounting (continued)

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains/(losses).

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss.

Dividend income

Dividend income is recognised when the Group's right to receive payment is established, which is earlier of when the Group receives the dividends or dividends are approved by the shareholders of the investee companies in the Annual General Assembly.

Interest income and expenses

Interest income and expense for all financial instruments except for those classified as held for trading or those measured or designated as at FVTPL are recognised as 'Interest income' and 'Finance charges', respectively, in profit or loss using the effective interest method. Interest on financial instruments measured as at FVTPL is included within the fair value movement during the period.

3.15 Impairment

Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset or cash-generating unit (CGU) may be impaired. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of the impairment testing, assets are grouped together into the smallest group of assets that independently generate cash inflow (i.e., the cash generating unit or "CGU").

Recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the asset is tested as part of a larger CGU to which it belongs. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount.

In calculating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU. In determining fair value less costs to sell, recent market transactions are taken into account.

Impairment losses of continuing operations are recognized in profit or loss in expense categories consistent with the function of the impaired asset.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.15 Impairment (continued)

Reversal of impairment loss

The Group assesses at each reporting date whether there is any indication that an impairment loss recognized in prior periods for an asset, may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated.

If the recoverable amount of that asset is higher than the carrying amount, the impairment loss recognized in prior periods are reversed to the extent that the reversal of impairment loss does not exceed the carrying amount of the asset that would have been determined had no impairment loss been recognized for that asset in prior year.

A reversal of an impairment loss for an asset is recognized in profit or loss.

3.16 Cash and cash equivalents

Cash and cash equivalents in the audited consolidated statement of financial position comprise cash at banks and in hand and short-term bank deposits.

For the purpose of the audited consolidated statement of cash flows, cash and cash equivalents consist of cash and bank deposits with short-term maturities, net of any outstanding bank overdrafts.

3.17 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.17 Leases (continued)

As a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term and included under operating, selling and administrative expenses.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other operating income'.

3.18 Social and sports contribution fund contribution

Some entities in the Group make contributions equivalents to 2.5% of the adjusted consolidated net profit relating to Qatar operations for the year into a state social and sports contribution fund for the support of sports, cultural, social and charitable activities in accordance with Law No. 13 of 2008. This is presented in the audited consolidated statement of changes in equity as an appropriation from consolidated profit.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.19 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

3.20 Provisions

Provisions are recognised when the group has an obligation (legal or constructive) arising from a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is recognized in profit or loss net of any reimbursement except in case of provision for dismantling and decommissioning which are capitalised in property, plant and equipment if the future economic benefits of the related assets will flow to the Group and will be depreciated in line with the respective class of property, plant and equipment. If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost. Changes in future cash flow estimates from revisions to the estimated timing or amount of undiscounted cash flows, changes in discount and growth rates are dealt prospectively and are recognized as a change in provision and related asset. Additional assets which arise due to further development/construction are recognized as additions or charges to the corresponding assets and decommissioning provision when they occur. The discount rate is reviewed at each reporting date and reflects current market assessments of the time value of money and the risks specific to the liability.

Onerous contracts

An onerous contract provision is recognised when the unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable cost under a contract is the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract. Before an onerous provision is recognised, the Group first recognises any impairment loss that has occurred on assets dedicated to that contract.

3.21 Revenue recognition

IFRS 15 "Revenue from Contracts with Customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers. It establishes a new five-step model that applies to revenue arising from contracts with customers.

Step 1: Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that create enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.21 Revenue recognition (continued)

Step 2: Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer that is distinct.

Step 3: Determine the transaction price: Transaction price is the amount of consideration to which the entity expects to be entitled to in exchange for transferring the promised goods and services to a customer, excluding amounts collected from third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the entity will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the entity expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue from contracts with customers is recognised when control of the products or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those products or services.

The Group recognises revenue from the following major sources:

Sale of petroleum and related products

Sale of petroleum and related products includes revenue earned by the Group through the export of regulated products and sale of petroleum and other products for local consumption. Revenue from sale of petroleum and related products is recognized at a point-in-time (when the control is transferred). Control of the petroleum and related products is determined to be transferred to the customer when the title of petroleum and related products passes to the customer, which typically takes place when product is physically transferred into a vessel, pipe or other delivery mechanism.

Sale of products produced as a result of underlying Production Sharing Agreements ("PSAs")

The Group, on behalf of the Government of State of Qatar, has entered into PSAs with Foreign Partners, to facilitate the exploration and production of the petroleum resources of the State of Qatar. Under the terms of the relevant PSAs, the Group is entitled to its participating share in the petroleum products. Revenue from products lifted as a result of PSAs is recognized at a point-in-time when the control of the products transfers from Group to the customers.

Provision of services and sale of non-petroleum products

The Group is engaged in provision of services, such as port services, seawater cooling facility, secondment services, lease, miscellaneous services. Revenue from sale of non-petroleum products and services is recognized at a point-in-time (when the control is transferred) or over time (as and when the control transfers).

Overlift / underlift of crude oil

Overlift or underlift of crude oil occurs when the volume of oil lifted by a partner in a joint arrangement from its participating interest in the production is in excess or short of the allocated amount. Transaction of overlift or underlift creates an obligation for the underlifter to the overlifter. The obligation would be satisfied and revenue recognized by the underlifter when the output is lifted by the overlifter only if:

- overlifter meets the definition of the customer; and
- transaction is not a non-monetary exchange between entities.

The overlifter recognizes revenue when it delivered the output that it actually lifted to its customers.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.21 Revenue recognition (continued)

The initial measurement of the overlift liability or underlift asset is at the market price of crude oil at the date of lifting. Subsequent measurement of overlift / underlift liabilities and assets depends on the settlement terms of the related operating agreements. If such terms allow for a cash settlement of the overlift / underlift balances between the parties, the balances are re-measured at fair value at reporting dates subsequent to initial recognition.

Sales of steel products

The Group manufactures and sells a range of steel products and by-products. Sales of goods are recognised when the Group has delivered products to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from sales is measured based on the price specified in the sales contracts, net of the estimated volume discounts and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases.

Sale of fertiliser goods

The Group manufactures and sells urea, ammonia and melamine products. Sales of goods are recognised when the Group has delivered products to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Terms of delivery to customers are specified in the offtake requirements for regulated products. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or possible return of goods.

Service and management charges

Service and management charges relate to management of operation of one of the Group's associates while agency commission relates to management of the marketing activities of the same associate. They are recognised in the accounting period in which the services are rendered.

Revenue from drilling services

The Group has generally had comprehensive agreements with customers to provide integrated services to operate a rig and drill a well. The Group is seen by the operators as the overseer of all services and are compensating the Group to provide that entire suite of services. In identifying performance obligations, IFRS 15 series guidance states that a contract may contain a single performance obligation composed of a series of distinct goods or services if:

a) each distinct good or service is substantially the same and would meet the criteria to be a performance obligation satisfied over time; and

b) each distinct good or service is measured using the same method as it relates to the satisfaction of the overall performance obligation.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.21 Revenue recognition (continued)

Revenue from drilling services (continued)

The Group determined that the delivery of day rate drilling services is within the scope of the series guidance as both criteria are met:

- each distinct increment of service (i.e., hour available to drill) that the Group promises to transfer represents a performance obligation that would meet the criteria for recognizing revenue over time; and
- the Group would use the same method for measuring progress toward satisfaction of the performance obligation for each distinct increment of service in the series.

Consideration for activities that are not distinct within the scope of contracts, such as mobilization, demobilization and upgrade/modification, and do not align with a distinct time increment within the contract term are allocated across the single performance obligation and are recognized over the expected recognition period in proportion to the passage of each hour available to drill.

Consideration for activities which align with a distinct time increment within the contract term is recognized in the period when the services are performed.

Drilling services are consumed as the services are performed and generally enhance a well site which the customer controls. Work performed on a well site does not create an asset with an alternative use to the contractor since the well/asset being worked on is owned by the customer. Therefore, the Group's measure of progress for a drilling contract is hours available to drill over the contracted duration. The unit of measure is representative of an output method as described in IFRS 15.

Helicopter transportation services revenue

The Group provides helicopter transportation services to its customers. As these services are provided "over time", revenue is recognized over time as the services are provided. Transfer of control of the service is assessed based on the service performed.

Revenue from insurance contracts

Premiums and reinsurance premiums are taken into income over the terms of the policies to which they relate. Gross insurance and reinsurance written premiums comprise the total premium receivable for the whole period of cover provided by contracts entered into during the accounting period. They are recognised on the date on which the policy commences.

Unearned premiums represent the portion of net premiums written relating to the unexpired period of coverage calculated at actual number of days method (daily pro-rata basis). The change in the provision for unearned premium is taken to profit or loss in order that revenue is recognised over the period of risk.

Catering, manpower, accommodation and housekeeping and other revenue

The Group provides catering, manpower, accommodation and cleaning services to customers. Length of the contract depends on the customers' requirement. Revenue is recognised over the period of contract based on the output. Revenue is recognised over time as the services are provided. Transfer of control of the service is assessed based on the service performed.

Revenue from function or event sales

Revenue is recognised point in time when the foods are delivered to the customers based on the rates agreed with the customer.

Revenue from air ambulance services, supply of spares, maintenance, repair operation services and Training services.

Revenue is recognized based on the actual services rendered and goods delivered based on the rates agreed with the customer.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.21 Revenue recognition (continued)

Revenue from vehicle inspection, transportation and distribution of refined petroleum products services

Revenue from such services is recongnised upon completion of services as the duration of services is generally short in nature.

Revenue from sale of Petrochemical products

The Group manufactures and sells a range of petrochemical products and by-products. Sales of goods are recognised when the control of the product has transferred upon completion of loading. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or possible return of goods.

Revenue from rig management services

Revenue is recognized over time as the customer obtains the control of management services. Customers obtain control when the management services as specified in the contract are being performed at the customer's premises. The Group recognizes revenue for rig management services over time as the rig management services are rendered. Revenue is recognized at an amount derived by considering the contractual daily rig maintenance fee and the number of days the rig management services was provided.

3.22 Insurance claims and expense recognition

Insurance claims

Insurance claims incurred consist of amounts payable to policyholders and third parties and related loss adjustment expenses, net of salvage and other recoveries and are charged to profit or loss as incurred.

Gross outstanding claims comprise the gross estimated cost of claims incurred but not settled at the end of the reporting period, whether reported or not. Provisions for reported claims, but not settled as at the end of the reporting period, are made on the individual case estimates. In addition, a provision based on a range of historical trends, empirical data and current assumptions is maintained for the cost of settling claims incurred but not reported at the end of the reporting period.

Reinsurers' share of claims

Reinsurers' share of claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

Liability adequacy test

At the end of each reporting period, the Group assesses whether its recognized insurance liabilities are adequate using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of estimated future claims flows, the entire deficiency is immediately recognized in profit or loss.

3.23 Reinsurance

The Group enters into agreements with other parties for reinsurance purposes, in order to minimize insurance risk exposure from large claims and to ensure the risk management policy of the Group, in the normal course of business for all of its business classes. Reinsurance contract assets represent balances due from reinsurance companies. Recoverable amounts are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contract.

Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

Premiums and claims on assumed reinsurance are recognised as income and expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsurance business.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.23 Reinsurance (continued)

Reinsurance assets are reviewed for impairment at the end of each reporting period or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurance companies. The impairment loss is recorded in the profit or loss.

Reinsurance contract liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the associated reinsurance contract. Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance.

3.24 Deferred acquisition costs (DAC)

DAC are amortised over the period in which the related revenues are earned. The reinsurers' share of deferred acquisition costs is amortised in the same manner as the underlying asset's derecognized is recorded in profit or loss, the deferred portion of the acquisition costs is included in the audited consolidated statement of financial position.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognised in profit or loss. DAC are included as part of the liability adequacy test for each reporting period.

DAC are derecognized when the related contracts are either settled or disposed off.

3.25 Insurance contract liabilities

Insurance contract liabilities include the provision for outstanding claims, provision for claims incurred but not reported and the provision for unearned premium. Insurance contact liabilities are recognized when contracts are entered into and premiums are charged. The provision for outstanding claims is recognized for claims reported but not settled and accounts for the liability for unpaid loss and loss adjustment expense amounts based on the management's and loss adjusters' best estimate.

The provision for claims incurred but not reported is calculated based on empirical data, historical trends and patterns and appropriate assumption with the application of widely acceptable actuarial techniques.

The provision for unearned premium represents the portion of premium which relates to risks that have not expired as the reporting date. The provision for unearned premium is calculated based on the insurance service pattern provided by the insurance contract and is recognized as income over the term of the contract.

The Group reviews the adequacy of the provision for unearned premium to cover costs associated with liability arising from unexpired risk at each reporting date. Where the provision is considered inadequate to cover future contractual obligations for unexpired risks, a provision for premium deficiency is established and recognized.

3.26 Capital

Capital is authorised and represented by Government of State of Qatar in accordance with Decree Law No.10 of 1974 (as amended by Law No.5 of 2012 and Law No. 18 of 2021).

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.27 Taxes and royalties

Taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable on the taxable income for the year and any adjustment to the tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount taxable temporary differences are insufficient to recognize a deferred tax asset in full, then the future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Royalties

The Group complies with all valid and applicable laws related to royalties issued by the Government of the State of Qatar. Royalties are payable to the Government of State of Qatar. Royalties are applied on export sale of crude oil, refined products and gas including condensate and recorded under operating, selling and administrative expenses. Royalties are deductible for tax calculation purpose.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.28 Dividend distribution

Dividends payable are recognised in the audited consolidated financial statements in the period in which these are approved by the Board of Directors. However, if these are approved after the reporting period but before the audited consolidated financial statements are authorised for issue, they are disclosed in the notes to the audited consolidated financial statements.

3.29 Post-employment benefit plans

Defined contribution plan

QatarEnergy and certain entities in the Group have a defined contribution plan for the Qatari national employees (who joined on or after 5 March 2003) and other GCC national employees. In case of Qatari employee, QatarEnergy and those entities contribute as pension, 10% of salary on behalf of the employee and the employee contributes 5%, and therefore a total 15% is remitted to the Government Pension Fund in accordance with the requirements of Law No 24 of 2002 (as amended) pertaining to Retirement and Pensions.

In case of other GCC nationals, QatarEnergy and other GCC employees contribute at specified rates which are then remitted to Government pension fund. Under this Law and QatarEnergy's policy, QatarEnergy and those entities do not have any legal or constructive obligation to pay future pension to those employees and hence QatarEnergy and those entities' obligations are limited to their contributions paid to Government Pension Fund which are expensed when due.

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognized in the audited consolidated statement of financial position in respect of defined benefit plans should be the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. When no deep market in such bonds exists, the market rates on government bonds are used.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised, when material, in the period in which they occur, directly in other comprehensive income. They are included in 'defined benefits obligations remeasurement reserve' within equity.

The Group maintains two defined benefit plans as follows:

Qatari pension scheme

QatarEnergy and certain entities in the Group provide a defined benefit plan for the Qatari national employees who retired before 5 March 2003. Under this plan, QatarEnergy and those entities pay a monthly pension to those employees until death. The defined benefit plan is valued at each reporting date by professionally qualified independent actuaries. The pension liability recognised in the audited consolidated statement of financial position represents the present value of the defined benefit obligation based on the actuarial valuations.

Employees' end of services benefits

Employees' end of services benefits represents terminal gratuities and are provided for services rendered in accordance with entitlements stipulated in the employees' contract, QatarEnergy policy and/or Qatar Labour Law number 14 of 2004. This plan is for Qatari and non-Qatari employees. The employees' end of services benefits liability is valued at each reporting date by professionally qualified independent actuaries. The employees' end of services benefits liability recognised in the audited consolidated statement of financial position represents the present value of the employees' end of services benefits obligation based on the actuarial valuations.

3. Significant accounting policies for preparation of the audited consolidated financial statements (continued)

3.30 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available (Note 39).

3.31 Events after the reporting date

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the audited consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the audited consolidated financial statements, when they are material.

4. Critical judgments and key sources of estimation uncertainty in preparation of the audited consolidated financial statements

In preparing the audited consolidated financial statements, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations, that management has made in the process of preparation of the audited consolidated financial statements and that have the most significant effect on the amounts recognised in the audited consolidated financial statements:

(i) Classification of investments in subsidiaries

The Group has classified its investments in Qatar Fuel Company ("Woqod") and Gulf International Services ("GIS") as subsidiaries. By virtue of the powers under the terms of the incorporation documents of these entities, the Group is in a position to exercise control over the relevant activities of these entities. Accordingly, the Group has classified these investments as investments in subsidiaries.

(ii) Assumptions to determine the carrying amount of the defined benefit obligation

The Group's defined benefit obligation (under Qatari pension scheme and employees end of service benefits) is based on the following:

- Discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant judgment is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the bonds, quality of the bonds and the identification of outliners which are excluded.

- Pension / salary increase rate reflects the management's view on long term pension / salary increases.

- Post retirement mortality is based on best estimate of the future life expectancy of pensioners and their dependent. Management intends to keep the mortality assumption under review to take account of new research or scheme experience where credible.

- Turnover rate reflects the management's view on employee's turnover.

- Retirement life of both males and females has been assumed to be 60 years.

4. Critical judgments and key sources of estimation uncertainty in preparation of the audited consolidated financial statements (continued)

4.1 Critical judgments in applying accounting policies (continued)

(iii) Exploration and evaluation expenditure

The Group's accounting policy for exploration and evaluation expenditure results in certain items of expenditure being capitalized for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalized the expenditure under the policy, a judgment is made that recovery of the expenditure is unlikely, the relevant capitalized amount will be written-off to profit or loss.

(iv) Development costs

Development activities commence after project sanctioning by the appropriate level of management. Judgment is applied by the management in determining when a project is economically viable. In exercising this judgment, management is required to make certain estimates and assumptions similar to those described above for capitalized exploration and evaluation expenditure. Any such estimates and assumptions may change as new information becomes available. If, after having commenced development activity, a judgment is made that a development asset is impaired, the appropriate amount will be written-off to profit or loss.

(v) Decommissioning liabilities

The Group has recognized certain provisions for the future costs of decommissioning as outlined in Note 24(a). Based on management's current assessment, a provision has been made in the audited consolidated financial statements. The amount of the provision recognized is the present values of the estimated future expenditures. Actual costs are uncertain, and estimates can vary as a result of changes in the scope of the project, advancement in technology and the relevant laws and regulations.

Further, management has assessed that no other decommissioning liabilities exist as at the reporting date since there is no legal or constructive obligation on the Group with respect to decommissioning, except for those recognized in the audited consolidated financial statements.

(vi) Revenue recognition

Satisfaction of Performance Obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue. For sale of goods and rendering of services, revenue is recognized by the Group at a point in time when the control is transferred to the customer and over time when the customer is consuming the benefits as and when the control is being transferred.

Determination of transaction price

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement, the Group assesses the impact of any variable consideration in the contract, due to true up adjustments, discounts and bonus payments. In determining the impact of variable consideration, the Group uses the "expected-value" method whereby the transaction price is determined by reference to a sum of probability weighted amounts.

4. Critical judgments and key sources of estimation uncertainty in preparation of the audited consolidated financial statements (continued)

4.1 Critical judgments in applying accounting policies (continued)

(vi) Revenue recognition (continued)

Allocate the transaction price to the performance obligations in the contract

The Group is required to allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation. For contracts that have more than one performance obligation, the Group is required to allocate the transaction price between the identified performance obligations under the contracts on a relative separate selling price basis. In determining the stand-alone selling price of each performance obligation, if it is not directly observable, the Group estimates it considering all information (including market conditions, entity-specific factors and information about the customer or class of customer) that is reasonably available to the Group.

(vii) PSAs entered on behalf of the Government

QatarEnergy is a party to the Production sharing agreements ("PSAs") agreements with the contractors as the representative of the Government of State of Qatar. The Group has determined that it is acting as the principal in relation to these agreements and accordingly, all the assets, rights and obligations arising from these agreements are assessed by the Group and accounted for in the audited consolidated financial statements.

QatarEnergy has determined that it has full control over the operations of some PSAs ("Full Controlled Operations") while some PSAs are jointly controlled by QatarEnergy with foreign partners ("Joint Operations") under the terms of PSAs. Under Full Controlled Operations, full revenue, expenses, assets and liabilities of the operations are recorded in the audited consolidated financial statements.

(viii) Taxes paid on behalf

The Group has various fiscal regimes and arrangements whereby income tax is being assumed, paid and discharge by QatarEnergy on behalf of the contractors and joint venture partners to the tax authorities. These taxes are calculated based on the PSA and other agreements with the contractors and joint venture partners. These taxes represent the cost of revenue for the PSA transaction. Accordingly, the Group is accounting for these taxes as an operating expense.

(ix) Taxes on crude oil, refined products, gas and condensates

Management believes that the Group is liable to pay taxes to the State of Qatar on export income of certain products based on the communications received from the Government and the established past practises of the Group notwithstanding any provisions in the general income tax law. In calculating the tax expense, management is required to make certain estimates and assumptions related to the products that would be subject to taxes as well as the allowable expenses to be deducted from the revenue of such products.

(x) Transactions with Government of Qatar

QatarEnergy enters into various transactions with Government of Qatar. These transactions are entered with Ministry of Finance ("MOF") where MOF acts on behalf of Government of Qatar. Since QatarEnergy is a state-owned public corporation, the management, depending on the nature of the transaction, considers transactions with MOF as either the transaction with Government or the representative of the shareholder.

4. Critical judgments and key sources of estimation uncertainty in preparation of the audited consolidated financial statements (continued)

4.1 Critical judgments in applying accounting policies (continued)

(xi) Classification of cash flow hedge

Classification of cash flow hedge is identified based on exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

(xii) Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the audited consolidated financial statements continue to be prepared on a going concern basis.

(xiii) Tax

Tax matters of the Group's certain subsidiaries, associates and joint ventures are governed by the Joint Venture Agreements ("JVA"). Any tax clauses agreed under a joint venture agreement ("JVA") and approved by MOF / The General Tax Authority ("GTA") will take precedence over the Qatar tax law.

It has been agreed by the parties to certain joint venture agreements, that each party is responsible for its own tax and therefore, the foreign shareholder's share of profits is adjusted for 100% of the tax payable to GTA.

In addition, a Memorandum of Understanding (MoU) was concluded on 4 February 2020 between QatarEnergy, Qatar Electricity and Water Company Q.P.S.C. ("QEWC"), GTA and MOF, where MOF agreed to bear tax on behalf of the listed entities mentioned in the MoU. According to MoU, certain subsidiaries and joint ventures make payments to GTA for the taxes due on the share of foreign shareholders and make payments to the listed company in amounts equal to assumed tax on the listed company's share.

When it is virtually certain that the foreign shareholders of the Group's joint ventures compensate the venture for their share of the results in the respective joint ventures, a tax indemnity is recognised as a tax reimbursement asset in the financial statements of the joint ventures.

The management of the Group assessed that no further tax liability exists on the Group beyond what is recorded and remitted to GTA.

(***xiv) Lease liabilities***

Management assesses whether contracts entered by the Group for renting various assets contain a lease. The lease identification, including whether or not the Group has contracted to substantially all the economic benefits of the underlying asset, may require significant judgement. Establishing the lease term may also present challenges where a contract has an indefinite term or is subject to auto renewal or there are renewal options that are unclear if they will be exercised at the option date. The extension of the lease term significantly influences the value of the lease liability and the related right-of-use asset and arriving at a conclusion sometimes requires significant judgement calls. Furthermore, once the lease term is established, management needs to estimate the future cash flows payable over the lease term and discount them using the incremental borrowing rate that a lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. That also requires significant judgment and affects both the lease liability and the fair value of the underlying asset.

4. Critical judgments and key sources of estimation uncertainty in preparation of the audited consolidated financial statements (continued)

4.1 Critical judgments in applying accounting policies (continued)

(xv) Classification of loans to equity accounted investees

The Group has provided interest-bearing loans to associates and joint ventures. The proceeds of the loans are used by the associate for general working capital requirements and by the joint venture to lend it to its joint venture. Management has assessed that these loans are financial assets as the intention in providing the loan is to recover the full amount of loan in accordance with the terms of the agreement. Management presents portion of the loan as current based on the projected cash flows of associates/joint ventures or contractual repayments for the next 12 months after the reporting period.

(xvi) Classification of projects under development

This represents cash advances made by the Group on various projects under development. The Group has classified these cash advances as other non-current assets as these assets are not held for use in the Group's own operations. The economic benefits from these assets can be derived through various ways and the final decision in terms of structuring of operations of these projects will be determined upon completion of relevant projects.

(xvii) Transfer of ownership in QG5

The Group has made an assessment for its investment in QG5 where the Group is deemed to have a participating interest of 75% and remaining 25% participating interest is deemed transferred to TotalEnergies EP Qatar in line with acknowledgement signed between the Group (through its wholly owned subsidiary QatarEnergy Oil and Gas Limited (1)) and TotalEnergies EP Qatar as per the joint venture agreement between the Group and TotalEnergies EP Qatar ('QG5 JVA'). Despite the fact that the Group was legal owner of 100% of the issued share capital of QG5 as of 31 December 2022, investment in QG5 has been classified as joint venture due to below reasons:

- QG5 is part of overall North Field project and QatarEnergy has publicly announced its joint venture partner in QG5;
- QG5's Joint Venture Agreement ("JVA") was signed between the Group and TotalEnergies EP Qatar on 26 May 2022; and
- The Share Sale and Purchase Agreement ("SSPA") is signed by the Group and TotalEnergies EP Qatar. SSPA is approved by three departments/branches of Government of the State of Qatar on 28 December 2022 (namely Ministry of Labour, General Tax Authority and Ministry of Commerce and Industry), however, it is pending approval of one department (namely Ministry of Justice) which was later approved on 4 January 2023. Management considers that the approval from fourth department is a legal formality which was also completed on 4 January 2023 in line with acknowledgement signed between the Group and TotalEnergies EP Qatar as per Article 2.5(c). Accordingly, in substance, QG5 is classified as a joint venture effective 28 December 2022.

(xviii) Acquisition of interest in QG1

The Group entered into an End of Term Agreement with other partners of Qatar Gas Upstream ('QG1 Upstream', a joint operation until 31 December 2021) and shareholders of Qatar Liquefied Gas Company Limited ('QG1 Downstream' or 'QG1', a joint venture until 31 December 2021), which is effective from 1 January 2022. By virtue of End of Term Agreement, QG1 Upstream DPSA and QG1 Downstream JVA stand expired as of 31 December 2021 and the Group has obtained control over QG1 Upstream and QG1 Downstream respectively, with effect from 1 January 2022. The operations of QG1 Upstream were merged with the operations of QG1 Downstream as of 1 January 2022 and QG1 Downstream has become wholly owned subsidiary of QatarEnergy.

4. Critical judgments and key sources of estimation uncertainty in preparation of the audited consolidated financial statements (continued)

4.1 Critical judgments in applying accounting policies (continued)

Management has performed an assessment of this acquisition from a market participant's perspective based on the facts and conditions on the date of acquisition. As per the assessment, two main components “License to operate the facilities” and “management agreement for the operation and maintenance of facilities” are expired on 31 December 2021 for QG1 Upstream and “License to operate the facilities” is expired for QG1 Downstream. Finally, management has determined based on the state and conditions as of acquisition date, even if any market participant would be capable of acquiring these assets and integrating these into its own business to create outputs, the acquired set is not a business because it is not relevant whether or not a market participant would be able to replace missing processes elements. Accordingly, it is concluded that the acquired set of assets is not a business.

(xix) Acquisition of interest in oil and gas fields / blocks

The Group entered into a production sharing agreement, where the group shared ownership in a number of oil and gas fields / blocks in various countries with other partners.

Management conducted an assessment of the transaction, based on IFRS 3, to determine whether the transaction is a business combination or an asset acquisition and concluded that the transaction is an asset acquisition, as agreement does not comprise the acquisition of workforce, processes, systems among others.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(i) Estimation of oil and gas reserves

Proved Reserves are those quantities of Petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from known reservoirs and under defined technical and commercial conditions. If deterministic methods are used, the term “reasonable certainty” is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. The Group estimates its reserves and resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, volume of the reservoir, quality of the hydrocarbon fluid and suitable production techniques and recovery rates. Reserves are determined using estimates of oil and gas in place, recovery factors and future commodity prices.

The Group forecasts reserves based on technical assessment and economic limit test, in addition to and with respect to end of remaining useful life of each asset facility. Future development costs are estimated using assumptions as to the number of wells required to produce the reserves, the cost of such wells and associated production facilities, and other capital costs. Within the inclusion of future development, the Group considers commerciality of the projected reserve profiles in their assessment. Reserves are most sensitive in these assets to end of field life facilities limitations that the Group has forecast on each asset. With capital investment, the Group fully expects that these dates will be extended and provide added value, but this has not been considered in the forecast of the Proved Reserves. Reserves are also very sensitive to continued development / investment, operational limitations, and price volatility. The long-term Brent oil price assumption used in the estimation of commercial reserves is per management’s forecast. The carrying amount of oil and gas properties at 31 December 2022 amounted to QR 35,547 million (2021: QR 32,814 million).

As the economic assumptions used may change and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change. Such changes may impact the Group’s reported consolidated financial position and results, which include:

- The carrying value of exploration and evaluation assets, oil and gas properties and licenses included in intangible assets;
- Depreciation and amortisation charges in profit or loss may change where such charges are determined using the UOP method, or where the useful life of the related assets change.

4. Critical judgments and key sources of estimation uncertainty in preparation of the audited consolidated financial statements (continued)

4.2 Key sources of estimation uncertainty (continued)

(ii) Impairment of non-financial assets

Impairment assessment is an area involving management judgment, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. For the purpose of the impairment testing, assets are grouped together into CGU. In calculating value in use, certain assumptions are required to be made in respect of highly uncertain matters including the estimated future cash flows that are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU.

The Group's management tests annually whether there are any indicators that non-financial assets (other than inventory) may be impaired in accordance with accounting policies stated in Note 3 to the audited consolidated financial statements. If indication exists, the recoverable amount of the asset or a CGU is determined based on the higher of fair value less costs to sell or value-in-use method which uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates.

In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of:

- growth in earnings before interest, tax, depreciation and amortisation ("EBITDA"), calculated as adjusted operating profit before depreciation and amortisation;
- long term growth rates; and
- the selection of discount rates to reflect the risks involved.

The Group prepares detailed long-term plans for its investments which are reflected in the financial models of these investments. These plans are reviewed and approved by the Group's management and are subsequently used as the basis for its impairment reviews. In estimating the value in use, the Group uses financial models which are regularly reviewed and updated over the operating period of the investment. As part of the review process, management challenges and reassess the validity of the underlying assumptions of these financial models. During the year, the Group has reassessed the impairment on its investments in Laffan Refinery Company Limited (2) ("LR2"), Laffan Refinery Company Limited ("LR1") and Qatar Vinyl Company Limited ("QVC"). As a result, the Group considers that (further) impairment is not required for these investments.

Further, the Group has recognised impairment loss of QR 3.62 million (2021: reversal of QR 5.06 million) on its non-financial assets (Note 28(iii)). Management considered that there are no indicators for impairment identified against remaining non-financial assets.

(iii) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined upon a consideration of the expected usage of the asset, physical wear and tear and technical or commercial obsolescence. In case of assets depreciated at unit of production basis, an estimate is made on the future expected hydrocarbon production throughout the remaining life of the asset.

The life of each item, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation/amortisation will be impacted to the extent that actual production in the future is different from current forecast production based on total proved reserves, or future capital expenditure estimates change. Changes to proved reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- The effect on proved reserves of differences between actual commodity prices and commodity price assumptions; and
- Unforeseen operational issues.

4. Critical judgments and key sources of estimation uncertainty in preparation of the audited consolidated financial statements (continued)

4.2 Key sources of estimation uncertainty (continued)

(iv) Useful lives of intangible assets

The Group's management determines the estimated useful lives of its intangible assets for calculating amortization. This estimate is determined upon a consideration of the expected usage of the intangible asset and technical or commercial obsolescence.

(v) Impairment of project preliminary and pre-incorporation expenses

Project preliminary and pre-incorporation expenses are incurred by the Group in respect of a prospective subsidiary/joint venture companies in which the Group has or intends to acquire interest in. On a regular basis, the Group management performs assessment and reviews the recoverability and feasibility of these projects.

(vi) Fair value measurements

The Group's investments in financial assets at FVOCI, financial assets at FVTPL and foreign currency swaps are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent available.

(vii) Provision for inventories

Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value ("NRV"). NRV for crude oil, gas and refined products is calculated based on their estimated selling prices in the ordinary course of business less the estimated costs to sell. Provision for obsolescence for maintenance and other materials is based on inventory type and ageing.

(viii) Financial instruments

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Significant increase in credit risk

The Group monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Group monitors all financial assets and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized.

4. Critical judgments and key sources of estimation uncertainty in preparation of the audited consolidated financial statements (continued)

4.2 Key sources of estimation uncertainty (continued)

(viii) Financial instruments (continued)

Significant increase in credit risk (continued)

In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

(ix) Provision for outstanding insurance claims

Considerable judgment by management is required in the estimation of amounts due to policy holders and third parties arising from claims made under insurance contracts. Such estimates are necessarily based on significant assumptions about several factors involving varying, and possible significant, degrees of judgment and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities. In particular, estimates have to be made both for the expected ultimate cost of claims reported at the end of the reporting period and for the expected ultimate cost of claims incurred but not yet reported (IBNR) at the end of the reporting period. The primary technique adopted by management in estimating the cost of notified and IBNR claims, is that of using past claim settlement trends and loss ratios to predict future claims settlement trends with support of external activities for certain line of business.

Claims requiring court or arbitration decisions are estimated individually. Independent loss adjusters normally estimate property claims. Management reviews its provisions for claims incurred, and claims incurred but not reported (IBNR), on a half-yearly basis.

(x) Unearned premiums

The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognized when contracts are entered into and premiums are charged and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract. Unearned premiums are calculated on a daily pro rata basis.

4. Critical judgments and key sources of estimation uncertainty in preparation of the audited consolidated financial statements (continued)

4.2 Key sources of estimation uncertainty (continued)

(xi) Abandonment of wells and decommissioning of area

The Group has recognized certain provisions for the future costs of decommissioning as outlined in Note 24(a). Based on management's current assessment, a provision has been made in the audited consolidated financial statements. The amount of the provision recognized is the present values of the estimated future expenditures. The estimation of the future expenditures has been prepared in accordance with good international petroleum practices and is based on current local conditions and requirements, including legal requirements, technology, price levels, etc. for the respective facility generally within the typical range of a Class (3 to 4), Study, and Feasibility estimate. Actual costs are uncertain, and estimates can vary as a result of changes in the scope of the project, advancement in technology and the relevant laws and regulations. In addition to these factors, the present values of these estimated future expenditures are also impacted by the estimation of the useful lives of the facilities and estimate of discount and inflation rates. The inflation and discount rates used in the determination of the decommissioning liability ranges from 2% - 3.5% (2021: 2%) and 3.5% - 8% (2021: 3.5% - 8%) respectively.

Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2022

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5(a). Property, plant and equipment

	Oil and gas assets	Other property, plant and equipment	Exploration and evaluation assets	Capital work-in-progress	Total
Cost:					
At 1 January 2021	78,235,198	216,110,276	7,497,733	25,612,966	327,456,173
Additions	941,032	8,636,907	1,942,452	6,781,254	18,301,645
Acquisitions through business combinations	-	-	-	411	411
Reclassification / transfers (Note ii)	4,374,738	439,572	(3,855,326)	(5,049,985)	(4,091,001)
Effect of foreign currency translation	-	(201,304)	(30,584)	(849)	(232,737)
Derecognition / disposal (Note iii)	(115,553)	(1,323,326)	(22,789)	(395,980)	(1,857,648)
At 31 December 2021	83,435,415	223,662,125	5,531,486	26,947,817	339,576,843
Additions	4,803,270	4,021,786	2,384,999	8,376,423	19,586,478
Asset acquisition (Note 37)	16,643,968	497,969	-	27,704	17,169,641
Reclassification / transfers (Note ii)	2,108,182	11,416,083	(1,163,134)	(9,538,728)	2,822,403
Effect of foreign currency translation	7,439	(29,779)	23,910	(581)	989
Derecognition / disposal (Note iii)	(31,857)	(1,016,482)	(481,100)	(314,952)	(1,844,391)
Effect of hyperinflation	-	86,346	-	2,443	88,789
At 31 December 2022	**106,966,417**	**238,638,048**	**6,296,161**	**25,500,126**	**377,400,752**
Accumulated depreciation:					
At 1 January 2021	47,270,057	78,500,349	-	-	125,770,406
Reclassification / transfers (Note ii)	(177,953)	130,936	-	-	(47,017)
Charge for the year (Note 29)	3,635,199	7,589,564	-	-	11,224,763
Impairment for the year (Note iv)	-	220	-	-	220
Effect of foreign currency translation	-	(130,992)	-	-	(130,992)
Derecognition / disposal (Note iii)	(106,195)	(788,837)	-	-	(895,032)
At 31 December 2021	50,621,108	85,301,240	-	-	135,922,348
Reclassification / transfers (Note ii)	445,001	(445,001)	-	-	-
Asset acquisition (Note 37)	16,643,968	497,969	-	-	17,141,937
Charge for the year (Note 29)	3,600,163	8,771,941	-	-	12,372,104
Impairment for the year (Note iv)	-	2,285	-	-	2,285
Effect of foreign currency translation	81,390	623	-	-	82,013
Derecognition / disposal (Note iii)	(30,636)	(815,355)	-	-	(845,991)
Effect of hyperinflation	-	18,479	-	-	18,479
At 31 December 2022	**71,360,994**	**93,332,181**	**-**	**-**	**164,693,175**
Net carrying amount:					
At 31 December 2022	**35,605,423**	**145,305,867**	**6,296,161**	**25,500,126**	**212,707,577**
At 31 December 2021	32,814,307	138,360,885	5,531,486	26,947,817	203,654,495

As at and for the year ended 31 December 2022 QR '000

5(a). Property, plant and equipment (continued)

Notes:

(i) Included in property, plant and equipment is the Group's share of property, plant and equipment from its joint operations amounting to QR 86,342 million (2021: QR 82,123 million). This consists of QR 13,737 million (2021: QR 14,123 million) for oil and gas assets, QR 66,667 million (2021: QR 64,204 million) for other property, plant and equipment), QR 4,899 million (2021: QR 3,674 million) for exploration and evaluation assets and QR 1,039 million (2021: QR 122 million) for capital work-in-progress.

(ii) In 2022, out of the net balance of QR 2,822 million (2021: QR 4,044 million), an amount of QR 1,296 million (2021: QR 4,033 million) pertains to the transfer to intangible assets (Note 6), QR 13 million (2021: QR 11 million) pertains to the transfer to investment property (Note 5(c)), QR 4,068 million (2021: Nil) pertains to the transfer from other non-current assets (project under development) (Note 10(b)) and QR 63 million (2021: Nil) pertains to transfer from related party.

(iii) Out of the total amount derecognized during the year, the Group has written-off assets aggregating to QR 785 million (2021: QR 748 million) (Note 28).

(iv) During the year, the Group has recorded an impairment of QR 2.28 million (2021: QR 0.22 million) against property, plant and equipment (Note 28(iii)).

5(b). Right-of-use assets

	Land & buildings	Vehicles and mobile equipment	Vessels	Others	Total
Costs:					
At 1 January 2021	1,725,530	224,069	2,708,133	156,619	4,814,351
Additions (Note 22)	41,325	90,355	272,479	59,633	463,792
Lease modifications and other movements (i)	(1,405,822)	(60,573)	-	61,709	(1,404,686)
Effect of foreign currency translation	-	-	-	(7,003)	(7,003)
At 31 December 2021	361,033	253,851	2,980,612	270,958	3,866,454
Additions (Note 22)	192,802	1,338	2,338,436	1,181,945	3,714,521
Asset acquisitions (Note 37)	-	-	4,681,399	-	4,681,399
Lease modifications and other movements (i)	(119,063)	(88,231)	(5,021,765)	(35,273)	(5,264,332)
Effect of foreign currency translation	-	-	-	(19,860)	(19,860)
At 31 December 2022	**434,772**	**166,958**	**4,978,682**	**1,397,770**	**6,978,182**
Accumulated depreciation:					
At 1 January 2021	755,669	164,479	1,078,282	53,810	2,052,240
Depreciation for the year (ii)	164,315	45,239	419,127	50,700	679,381
Lease modifications and other movements (i)	(763,620)	(45,231)	-	45,830	(763,021)
Effect of foreign currency translation	-	-	-	(620)	(620)
At 31 December 2021	156,364	164,487	1,497,409	149,720	1,967,980
Depreciation for the year (ii)	129,686	42,908	651,024	69,189	892,807
Asset acquisitions (Note 37)	-	-	4,046,246	-	4,046,246
Lease modifications and other movements (i)	(111,955)	(88,204)	(5,028,189)	(32,568)	(5,260,916)
Effect of foreign currency translation	-	-	-	(20)	(20)
At 31 December 2022	**174,095**	**119,191**	**1,166,490**	**186,321**	**1,646,097**
Net carrying amount:					
At 31 December 2022	**260,677**	**47,767**	**3,812,192**	**1,211,449**	**5,332,085**
At 31 December 2021	204,669	89,364	1,483,203	121,238	1,898,474

As at and for the year ended 31 December 2022 QR '000

5(b). Right-of-use assets (continued)

(i) This includes write-off of right-of-use assets amounting to QR 0.03 million (2021: Nil) and lease modifications which resulted in derecognition of right-of-use assets and lease liabilities of QR 3.39 million (2021: QR 641.67 million) and QR 5 million (2021: QR 717.83 million) respectively. The resulting gain of QR 1.61 million (2021: QR 76.16 million) has been recognized in other income.

(ii) Depreciation of right-of-use assets for the year is allocated as set out below:

	2022	2021
Capitalised under property, plant and equipment	**54,907**	-
Charged to profit or loss (Note 29)	**837,900**	679,381
	892,807	679,381

(iii) Included in right-of-use assets is the Group's share of QR 1,193.44 million (2021: QR 106.56 million) from its joint operations.

5(c). Investment property

	2022	2021
Costs:		
At 1 January	**1,086,379**	1,076,454
Transfers (Note 5(a) ii)	**12,663**	11,200
Additions	**148**	-
Impairment charges for the year (Note 28(iii))	**(1,335)**	(1,275)
At 31 December	**1,097,855**	1,086,379
Accumulated depreciation:		
At 1 January	**186,425**	170,138
Charge for the year (Note 29)	**16,454**	16,287
At 31 December	**202,879**	186,425
Net carrying amount:		
At 31 December	**894,976**	899,954

Investment property is carried at cost less accumulated depreciation and impairment losses, if any. Investment property is held to earn rentals and capital appreciation. The Group has earned QR 146.96 million (2021: QR 138.36 million) from rentals of investment property during the year.

The fair value of the investment properly as at 31 December 2022 was QR 1,706 million (2021: QR 1,620 million) based on a valuation carried out using the income earning approach. Under this approach, a property's fair value is estimated based on the capitalization of the net operating income of the relevant property using the market yield.

The fair value was determined by independent external property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The fair value measurement for the investment property has been categorized as a Level 3 fair value based on the above inputs on the valuation technique used.

As at and for the year ended 31 December 2022 QR '000

6. Intangible assets

	Software (Note i)	Data acquisition – cost for appraisal wells (Note ii)	Other intangible assets (Note iii)	Total
Costs:				
At 1 January 2021	905,906	2,536,625	3,669,173	7,111,704
Additions	2,735	-	14,891	17,626
Transfer from / (to) property, plant and equipment (Note 5(a) ii)	158,838	4,108,894	(193,032)	4,074,700
Effect of foreign currency translation	-	-	(197,499)	(197,499)
Other adjustments	-	-	55,792	55,792
At 31 December 2021	1,067,479	6,645,519	3,349,325	11,062,323
Additions	3,684	-	15,424	19,108
Derecognition / disposal	(393)	-	(17,086)	(17,479)
Transfer from / (to) property, plant and equipment (Note 5(a) ii)	132,398	1,163,134	962	1,296,494
Other adjustments	-	-	75,599	75,599
Effect of foreign currency translation	-	-	146,115	146,115
At 31 December 2022	**1,203,168**	**7,808,653**	**3,570,339**	**12,582,160**
Accumulated amortization:				
At 1 January 2021	770,919	1,877,006	35,331	2,683,256
Charge for the year (Note 29)	139,530	234,881	36,665	411,076
Transfer from property, plant and equipment (Note 5(a) ii)	37,647	-	4,269	41,916
Other adjustments	-	-	55,792	55,792
At 31 December 2021	948,096	2,111,887	132,057	3,192,040
Charge for the year (Note 29)	119,295	257,839	3,678	380,812
Derecognition / disposal	(393)	-	(3,072)	(3,465)
Other adjustments	-	-	127,412	127,412
At 31 December 2022	**1,066,998**	**2,369,726**	**260,075**	**3,696,799**
Net carrying amount:				
At 31 December 2022	**136,170**	**5,438,927**	**3,310,264**	**8,885,361**
At 31 December 2021	119,383	4,533,632	3,217,268	7,870,283

i. This represents computer software which is not an integral part of hardware and is amortised over the useful life of 4 to 5 years.

ii. These are internally generated intangible assets with a finite useful life.

iii. These include licenses in offshore blocks in various countries amounting to QR 3,263 million (2021: QR 3,131 million) through the Group's joint operations.

iv. Out of the total amount derecognized during the year, the Group has derecognised the capitalized costs associated with the exploration blocks amounting to QR 14.01 million due to the relinquishment of blocks in different jurisdictions. (Note 28).

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7. Investments in associates

	At 1 January	Disposal - net	Share in profit - net	Dividends	Other adjustments	At 31 December
2022	**5,898,875**	**(12,632)**	**1,020,244**	**(1,159,472)**	**478,862**	**6,225,877**
2021	5,424,310	(85,733)	645,828	(206,513)	120,983	5,898,875

8. Investments in joint ventures

	At 1 January	Additions - net	Share in profit - net	Dividends	Other adjustments	At 31 December
2022	**104,573,390**	**1,093,452**	**82,624,104**	**(75,648,900)**	**31,169,756**	**143,811,802**
2021	96,071,628	2,333,043	52,386,028	(45,342,233)	(875,076)	104,573,390

As at and for the year ended 31 December 2022 QR '000

9. Other investments

	2022	2021
Non-current assets		
Financial assets at FVOCI (Note a)	**4,929,526**	4,972,236
Financial assets at amortised cost	**2,237,098**	2,299,404
	7,166,624	7,271,640
Current assets		
Financial assets at FVTPL (Note b)	**817,623**	767,877

a. Financial assets at FVOCI

The carrying amounts of the Group's financial assets at FVOCI are as follows:

	2022	2021
Quoted equity instruments	**4,627,455**	4,559,273
Quoted debt instruments	**278,346**	355,859
Quoted managed funds	**22,222**	55,601
Unquoted equity instruments	**1,503**	1,503
	4,929,526	4,972,236

The movement during the year was as follows:

	2022	2021
As at 1 January	**4,972,236**	4,740,613
Additions during the year	**1,733,537**	1,386,496
Disposals during the year	**(2,085,790)**	(1,024,898)
Fair value changes during the year	**198,926**	41,894
Other adjustments	**110,617**	(171,869)
As at 31 December	**4,929,526**	4,972,236

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the Group has elected to designate these investments in equity instruments at FVOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

b. Financial assets at FVTPL

These represent financial assets which are acquired and incurred principally for the purpose of selling or repurchasing in the near term or to take advantage of short-term market movements. Details are as follows:

	2022	2021
Quoted equity instruments	**690,995**	638,764
Quoted debt instruments	**123,043**	125,528
Unquoted equity instruments	**3,585**	3,585
	817,623	767,877

As at and for the year ended 31 December 2022 QR '000

9. Other investments (continued)

b. Financial assets at FVTPL (continued)

The movement during the year was as follows:

	2022	2021
As at 1 January	**767,877**	706,391
Acquisition during the year	**302,937**	194,746
Disposals during the year	**(250,478)**	(161,708)
Net movement in fair value during the year (Note 27)	**11,133**	20,806
Other adjustments	**(13,846)**	7,642
As at 31 December	**817,623**	767,877

10. Other non-current assets

	2022	2021
Loans and advances to related parties (Note 16(a))	**1,290,022**	348,331
Lease receivables (Note a)	**2,127,554**	1,673,839
Projects under development (Note b)	**3,903,831**	22,324,360
Catalysts	**203,232**	213,719
Deferred tax asset (Note c and Note 32)	**771,566**	559,319
Recoverable injected gas (Note d)	**2,668,848**	1,809,331
Capital advances (Note e)	**192,371**	-
Other non-current assets	**131,399**	45,177
	11,288,823	26,974,076

a. Lease receivables

These lease receivables relate to plots of land in Ras Laffan leased out under operating leases to various parties by the Group based on non-cancellable lease agreements for a term ranging from 10 to 40 years. Lease payments received under these operating leases are recognized on a straight-line-basis over the lease term resulting in long term lease receivables. This also includes receivable from a finance lease arrangement for five vessels.

	2022	2021
Not later than one year	**61,956**	24,534
Later than one year and not later than five years	**375,613**	217,338
Later than five years	**1,751,941**	1,456,501
	2,189,510	1,698,373

	2022	2021
Classified as below:		
Non-current asset	**2,127,554**	1,673,839
Current asset (Note 14)	**61,956**	24,534
	2,189,510	1,698,373

b. Projects under development

Projects under development represent cash advances made by the Group to meet project expenses that will subsequently be capitalized.

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10. Other non-current assets (continued)

b. Projects under development (continued)

The movement of projects under development during the year was as follows:

	2022	2021
As at 1 January	**22,324,360**	6,515,465
Project costs paid during the year	**20,304,550**	15,945,869
Transfer from other current assets	**-**	224,926
Transfer to property, plant and equipment (Note 5(a)(ii))	**(4,067,712)**	-
Transfer to investment in joint ventures	**(34,657,367)**	(361,900)
As at 31 December	**3,903,831**	22,324,360

c. Deferred tax asset

Deferred tax asset represents asset recognized on carried forward tax losses of QR 298.20 million (2021: QR 399.32 million) and other deductible temporary differences of QR 473.37 million (2021: QR 160 million) and pertains to overseas subsidiaries of the Group.

d. Recoverable injected gas

This represents amounts incurred on the excess quantities of gas injected in Khuff reservoir which have been produced internally or purchased from third parties. Management assessed that these injected quantities of gas can be extractable in long term future. Accordingly, the cost incurred on injected quantities of gas has been capitalized to the extent of extractable gas quantities.

e. Advances

The Group has entered into an EPCC contract for the construction of the QAFCO plant VII (Ammonia VII) project on 31 August 2022. The all-inclusive lump sum EPCC contract price is USD 469.91 million and Euro 548.68 million. The Group has paid an amount of QR 192.37 million as of 31 December 2022 for this project.

11. Discontinued operations

In 2017, the Group has classified its investment in a joint venture as held for sale as the management decided to dispose the investment which was disposed-off in 2021.

On 6th July 2021, the Group sold the investment to a third party at a price of QR 55.37 million and the loss on disposal amounting to QR 18.78 million (representing the difference between sale proceeds of QR 55.37 million and carrying value of QR 74.16 million) was recognized in profit or loss.

12. Inventories

	2022	2021
Crude oil, gas and refined products	**2,356,969**	1,227,141
Steel and other related products	**577,827**	385,737
Maintenance and other materials	**5,928,358**	4,428,005
	8,863,154	6,040,883
Less: Provision for obsolescence	**(756,764)**	(686,331)
	8,106,390	5,354,552

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12. Inventories (continued)

Movement in the provision for obsolescence was as follows:

	2022	2021
As at 1 January	**686,331**	583,684
Provision during the year (Note 28)	**74,285**	53,588
Adjustment	**(3,852)**	49,059
As at 31 December	**756,764**	686,331

13. Amounts due from Government of Qatar

Represents the outstanding balances receivable from the Ministry of Finance of the Government of Qatar at the year end. None of the balances with the Ministry of Finance at the end of the reporting period are past due and taking into account the current credit ratings of the Ministry, the Group's management has assessed that there is no impairment, and hence has not recorded any loss allowances on these balances.

Balance and transactions with the Ministry of Finance have been disclosed in Note 16 (e).

14. Accounts receivables and prepayments

	2022	2021
Due from related parties (Note 16(b))	**7,795,241**	10,461,934
Trade and insurance receivables (Note a)	**14,459,201**	11,970,244
Reinsurance contract assets (Note c)	**1,091,277**	757,382
Loans to employees (Note b)	**508,054**	473,980
Advances to vendors	**441,330**	1,374,602
Prepayments and other debit balances	**351,239**	153,130
Contract assets (Note e)	**1,157,427**	1,099,885
Loans and advances to related parties (Note 16(a))	**392,819**	633,261
Accrued interest (Note f)	**259,524**	154,496
Other receivables	**4,957,849**	645,486
Derivative financial assets (Note d)	**1,496**	312,123
Lease receivables (Note 10(a))	**61,956**	24,534
	31,477,413	28,061,057
Less: Loss allowance (i)	**(644,920)**	(633,407)
	30,832,493	27,427,650

(i) The breakup of loss allowance is as follows.

	2022	2021
Trade and insurance receivables (Note 14(a))	**510,248**	484,324
Accrued interest (Note 14(f))	**24,768**	24,768
Due from related parties (Note 16(b))	**66,665**	81,250
Loans to employees (Note 14(b))	**43,003**	43,003
Contract assets (Note 14(e))	**236**	62
	644,920	633,407

a. Trade and insurance receivables

	2022	2021
Trade and insurance receivables	**14,459,201**	11,970,244
Loss allowance	**(510,248)**	(484,324)
	13,948,953	11,485,920

The average credit period on sales of goods is thirty (30) days to ninety (90) days. No interest is charged on the trade receivables due. The Group does not hold any collateral over these balances.

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14. Accounts receivable and prepayments (continued)

a. Trade and insurance receivables (continued)

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. During the year, the Group has recognised a loss allowance of QR 26 million (2021: QR 131) million against trade receivables (Note 30).

The Group writes off a trade/insurance receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The following table details the risk profile of trade/insurance receivables based on the Group's provision matrix. As QatarEnergy's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Trade/insurance receivables – days past due					
31 December 2022	**Not past due**	**0 – 30 days**	**30 – 60 days**	**60 – 120 days**	**> 120 days**	**Total**
Gross carrying amount	10,957,006	834,358	246,414	457,185	1,964,238	14,459,201

	Trade/insurance receivables – days past due					
31 December 2021	Not past due	0 – 30 days	30 – 60 days	60 – 120 days	> 120 days	Total
Gross carrying amount	7,971,494	1,217,821	638,957	825,850	1,617,414	12,271,536

As at the reporting date, the expected credit loss rate ranged from 0% - 9.9% (2021: 0% - 11.60%) resulting in a lifetime ECL of QR 535 million (2021: QR 509 million).

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the requirements set out in IFRS 9.

	2022	2021
As at 1 January	**509,092**	369,550
Expected credit loss allowance remeasured during the year (Note 30)	**25,924**	131,275
Adjustments	**-**	8,267
As at 31 December	**535,016**	509,092

b. Loans to employees

	2022	2021
Loans to employees	**508,054**	473,980
Loss allowance	**(43,003)**	(43,003)
	465,051	430,977

The following table shows the movement in lifetime ECL that has been recognised for loans to employees in accordance with the requirements set out in IFRS 9.

	2022	2021
As at 1 January	**43,003**	42,643
ECL recognised during the year (Note 30)	**-**	360
As at 31 December	**43,003**	43,003

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14. Accounts receivable and prepayments (continued)

c. Reinsurance contract (assets) and liabilities

Reinsurance share of outstanding claims are as follows:

	2022			2021		
	Gross	**Reinsurance Share**	**Net**	Gross	Reinsurance Share	Net
As at 1 January						
Reported claims	551,848	(366,093)	185,755	586,352	(424,312)	162,040
Unearned premiums	256,625	(144,546)	112,079	267,688	(154,208)	113,480
IBNR and other technical reserves	406,102	(246,743)	159,359	374,612	(227,610)	147,002
	1,214,575	(757,382)	457,193	1,228,652	(806,130)	422,522
Movement during the year:						
Reported claims	175,791	(184,031)	(8,240)	(34,504)	58,219	23,715
Unearned premiums	233,677	(123,152)	110,525	(11,063)	9,662	(1,401)
IBNR and other technical reserves	43,966	(26,712)	17,254	31,490	(19,133)	12,357
	453,434	(333,895)	119,539	(14,077)	48,748	34,671
As at 31 December						
Reported claims	727,639	(550,124)	177,515	551,848	(366,093)	185,755
Unearned premiums	490,302	(267,698)	222,604	256,625	(144,546)	112,079
IBNR and other technical reserves	450,068	(273,455)	176,613	406,102	(246,743)	159,359
	1,668,009	**(1,091,277)**	**576,732**	1,214,575	(757,382)	457,193

d. Derivative financial assets and liabilities

The Group maintains active trading positions in a variety of derivatives. The contracts are entered into for risk management purposes. The contracts are classified as held for trading and are recognized at fair value with changes in fair value recognized in profit and loss.

Exchange traded derivatives are valued using closing prices provided by the exchange as of the reporting date. These derivatives are categorized within level 1 of the fair value hierarchy. Over the counter (OTC) derivative financial instruments are generally valued using readily available information in the public markets and quotations provided by brokers and price index developers. These quotes are corroborated with market data and are categorized within level 2 of the fair value hierarchy.

Financial OTC instruments are valued using industry standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and contractual prices for the underlying instruments, as well as other relevant economic factors. The degree to which these inputs are observable in the forward markets determines whether the option is categorized within level 2 or level 3 of the fair value hierarchy. All of the derivative financial instruments of the Group are with third parties.

	2022	2021
Derivatives held for trading		
Derivative financial assets	**1,496**	312,123
Derivative financial liabilities (Note 25)	**134,858**	1,045,281

e. Contract assets

	2022	2021
Contract assets	**1,157,427**	1,099,885
Loss allowance	**(236)**	(62)
	1,157,191	1,099,823

The following table shows the movement in lifetime ECL that has been recognised for contract assets in accordance with the requirements set out in IFRS 9:

	2022	2021
As at 1 January	**62**	-
Expected credit loss allowance recognized during the year (Note 30)	**174**	62
As at 31 December	**236**	62

As at and for the year ended 31 December 2022 QR '000

14. Accounts receivable and prepayments (continued)

f. Accrued interest

	2022	2021
Accrued interest	**259,524**	154,496
Loss allowance	**(24,768)**	(24,768)
	234,756	129,728

15. Cash and cash equivalents

	2022	2021
Cash at banks and on hand	**40,457,482**	29,877,818
Short-term deposits	**53,740,033**	48,362,468
Total cash and bank balances	**94,197,515**	78,240,286
Less: Loss allowance (Note ii)	**(1,529)**	(1,529)
Cash and bank balances as per summary consolidated statement of financial position	**94,195,986**	78,238,757
Less: Term deposits maturing after ninety (90) days	**(10,227,653)**	(13,112,331)
Less: Restricted cash (Note i)	**(598,356)**	(512,534)
Add: Loss allowance	**1,529**	1,529
Cash and cash equivalents as per summary consolidated statement of cash flows	**83,371,506**	64,615,421

i. As at 31 December 2022, certain cash balances and deposits amounting to QR 598 million (2021: QR 513 million) have been set aside for meeting the other liabilities and commitments.

ii. The group recognised additional loss allowance against bank balances amounting to Nil (2021: loss allowance of QR 0.53 million) (Note 30).

Cash at banks earns interest at floating rates based on daily bank deposit rates. Term deposits are made for varying periods between one day and six months depending on the immediate cash requirements of the respective Group entities at average interest rates of 1.25% to 6.32% (2021: 0.1% to 2.66%).

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, the management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting period are past due and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group has assessed and recorded minimal impairment on these balances.

16. Related party balances and transactions

Related parties represent associated companies, the shareholder, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties.

(a) Loans and advances to related parties

	2022	2021
Joint ventures of the Group		
Total gross receivable	**3,233,778**	3,543,625
Less: Loss allowance	**(1,550,937)**	(2,562,033)
Net receivable	**1,682,841**	981,592

	2022	2021
Classified as below:		
Non-current asset (Note 10)	**1,290,022**	348,331
Current asset (Note 14)	**392,819**	633,261
	1,682,841	981,592

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16. Related party balances and transactions (continued)

(b) Due from related parties

	2022	2021
Total gross amount due (Note 14)	**7,795,241**	10,461,934
Loss allowance	**(66,665)**	(81,250)
Net amount due	**7,728,576**	10,380,684

Due from related parties are unsecured and non-interest bearing. These are collectible within the Group's normal credit term.

For the purpose of impairment assessment, the loss allowance is measured at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on due from related parties are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

As at the reporting date, the expected credit loss rate ranged from 0.1% - 5.4% (2021: 0.01% - 4.94%).

The following table shows the movement in lifetime ECL that has been recognised for due from related parties in accordance with the requirements set out in IFRS 9.

	2022	2021
As at 1 January	**81,250**	88,881
ECL reversed during the year (Note 30)	**(14,585)**	(7,631)
As at 31 December	**66,665**	81,250

(c) Due to related parties

	2022	2021
Due to related parties (Note 25)	**7,757,516**	6,571,983

i. This includes amounts received from the joint ventures under 'Acceptable Credit Support' agreement. This non-interest-bearing amount is repayable within three to fifteen business days upon demand.

ii. Due to related parties are unsecured and non-interest bearing. These are payable within the normal terms and operations of the Group.

(d) Related party transactions

	2022	2021
Operating income	**25,772,367**	27,455,580
Purchases	**21,367,256**	11,773,463
Dividends received from joint ventures (Note 8)	**75,648,900**	45,342,233
Dividends received from associates (Note 7)	**1,159,472**	206,513

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16. Related party balances and transactions (continued)

(e) Balance and transactions with the Ministry of Finance (where MOF acts on behalf of Government of Qatar)

	2022	2021
Balance at 1 January	**48,056,749**	37,803,570
Movement for the year	**12,441,179**	10,253,179
Balance at 31 December	**60,497,928**	48,056,749

Movement mainly includes cash transfers on account of: (i) royalties payable by QatarEnergy; (ii) taxes payable by QatarEnergy; (iii) royalties payable by QatarEnergy's joint ventures (iv) dividends payable by QatarEnergy. In addition, there are monthly payments made by customers in respect of revenues derived from the export of crude oil and other regulated products where QatarEnergy is the producing entity, and such payments are made directly to the Ministry of Finance. Any overpayment or underpayment is recorded as amounts due from or due to Ministry of Finance.

(f) Key management personnel's remuneration

The remuneration of the directors of the Group and other key management personnel in the Group entities is set out below:

	2022	2021
Remuneration and other benefits	**129,400**	124,354

(g) Government related entities

QatarEnergy is owned by the Supreme Council for Economic Affairs and Investment of the State of Qatar ("Government") and accordingly all government related entities i.e., the entities which are under the control, joint control or significant influence of the Government are related parties of the Group. The Group has claimed the partial exemption available under IAS 24 for not disclosing related party balances and transactions with Government related entities. For the year ended 31 December 2022, 29% (2021: 31%) of total sales are made to two government-related entities, other than those which are disclosed in Note 16(d). Further, 28% (2021: 39%) out of trade receivables are related to two government-related entities, other than those which are disclosed in Note 16(b). Management has determined that all other transactions and balances with Government related entities (other than those disclosed above) are not significant individually or collectively.

17. Capital

	2022	2021
Authorised and fully paid capital	**100,000,000**	100,000,000

The capital of the Corporation is assigned as per Article 6 of the Decree No. 10 of 1974 (as amended by Law No. 5 of 2012 and Law No.18 of 2021) which is wholly owned by SCEAI.

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18. General reserve

As per Article 8 of the Decree No. 10 of 1974 (as amended by Law No. 5 of 2012 and Law No.18 of 2021), the Corporation shall have a general reserve in which 50% of the net profit will be transferred until the balance in general reserve is equal to the capital. Any subsequent transfer to general reserve will be subject to the approval of Board of Directors and SCEAI. In 2020, the Board of Directors in its meeting held on 21 April 2020 approved an additional transfer of QR 75,500 million to general reserve from retained earnings.

19. Other reserves

This account includes the following:

	2022	2021
Employee benefit reserve (i)	**(1,935,829)**	(699,668)
Fair value reserve (ii)	**2,735,239**	2,344,589
Hedging reserve (iii)	**(970)**	(715,157)
Foreign currency translation reserve (iv)	**(1,955,663)**	(1,785,912)
Legal and other reserves from subsidiaries	**700,831**	670,069
	(456,392)	(186,079)

(i) Employee benefit reserve

	2022	2021
At 1 January	**(699,668)**	(687,567)
Share of movement in employee benefits reserve during the year:		
From the Parent and subsidiaries	**(1,239,345)**	(17,127)
From Joint ventures	**(16,864)**	(1,658)
From Associates	**-**	7,644
	(1,256,209)	(11,141)
Share attributable to non-controlling interests	**20,048**	(960)
At 31 December	**(1,935,829)**	(699,668)

(ii) Fair value reserve

	2022	2021
At 1 January	**2,344,589**	2,448,180
Share of movement in fair value reserve during the year:		
From the Parent and subsidiaries	**200,100**	41,933
From associates	**12,711**	4,832
	212,811	46,765
Share attributable to non-controlling interests	**133,949**	(89,337)
Other movements during the year	**43,890**	(61,019)
At 31 December	**2,735,239**	2,344,589

(iii) Hedging reserve

	2022	2021
At 1 January	**(715,157)**	(983,369)
Share of movement in hedging reserve during the year:		
From the Parent and subsidiaries	**127,939**	86,524
From Joint ventures	**137,088**	63,513
From associates	**481,843**	134,357
	746,870	284,394
Share attributable to non-controlling interests	**(53,250)**	(16,182)
Other movements during the year	**20,567**	-
At 31 December	**(970)**	(715,157)

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19. Other reserves (continued)

(iv) Foreign currency translation reserve

	2022	2021
At 1 January	**(1,785,912)**	(1,553,824)
Share of movement in foreign currency translation reserve during the year:		
From the Parent and subsidiaries	**(29,007)**	(70,286)
From Joint ventures	**(214,543)**	(188,912)
	(243,550)	(259,198)
Share attributable to non-controlling interests	**13,982**	27,110
Other movements during the year	**59,817**	-
At 31 December	**(1,955,663)**	(1,785,912)

20. Loans and bonds

This account includes the following:

	Current		Non-current	
	2022	2021	**2022**	2021
Interest bearing loans (Note a)	1,655,607	632,703	2,633,625	3,692,705
Bonds (Note b)	-	2,764,200	45,327,066	45,312,067
	1,655,607	3,396,903	**47,960,691**	49,004,772

(a) Interest bearing loans

	2022	2021
Loans related to drilling segment (i)	**4,284,082**	4,284,082
Loans related to aviation segment (ii)	**10,010**	27,632
Syndicated Murabaha facility (iii)	**-**	19,413
	4,294,092	4,331,127
Less: unamortized finance cost associated with raising finance	**(4,860)**	(5,719)
	4,289,232	4,325,408

i.) These borrowings are related to the Group's subsidiary, Gulf Drilling International (Qatari Private Shareholding Company) ("GDI"). GDI has entered into various borrowing arrangements with different banks. All facilities bear interest at the rates varying between 3 months LIBOR plus 1.35% - 2.70% (2021: LIBOR plus 1.35% - 2.70%). Most of these loans are to be repaid in quarterly installments. The loans obtained by GDI are unsecured.

Further, loan balances of GDI also consist of a Master Murabaha facility agreement of US$ 925 million with a local Islamic Bank. The proceeds of the facility were utilized on general corporate purposes and the settlement or refinancing of various outstanding loan facilities. The loan is unsecured and has an effective interest of LIBOR plus 2.70%, and repayable in lump sum upon maturity in January 2024. GDI has drawn down USD 693.9 million from this facility as of 31 December 2022 (2021: USD 693.9 million).

In April 2021, GDI has obtained a Murabaha facility of USD 45.45 million from an Islamic Bank to finance the general working capital requirements. The facility carries interest at Qatar Central Banks Money Market Lending rate plus 0.6% subject to a minimum of 3% per annum and is secured by way of assignment over the revenue proceeds from two rigs. The facility is repayable upon its maturity i.e., in one year from the date of drawdown, with an option to renew the facility for a period of one year, subject to mutual agreement between GDI and the bank. GDI has fully drawn down this facility as of 31 December 2022.

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20. Loans and bonds (continued)

(a) Interest bearing loans (continued)

ii.) These borrowings are related to the Group's subsidiary, Gulf Helicopters Company (Qatari Private Shareholding Company) ("GHC"). GHC has entered into various borrowing arrangements with different banks. All facilities bear interest at the rates varying between 3 months LIBOR plus 1.35% - 2.75% (2021: LIBOR plus 1.35% - 2.75%). The loans are to be repaid in quarterly installments. The loans obtained are unsecured and do not have any financial covenants.

In April 2021, GHC obtained a loan of USD 4 million from a bank in Turkey to finance the purchase of a helicopter. The effective interest rate is six months LIBOR plus 0.9% and the facility is repayable upon its maturity i.e., in one year from the date of drawdown. During the year, the loan has been repaid in full.

The loans are unsecured and do not have any financial covenants.

iii.) On 20 April 2014, the Group obtained syndicated Murabaha facility of USD 80 million from a local Islamic Bank to finance the acquisition of the additional 30% shares of GDI. The effective profit rate is 6 months LIBOR plus 1.45% (2021: LIBOR plus 1.45%). The loan is repayable in 15 semi-annual instalments commencing from April 2015 and is unsecured. This loan has been repaid during the year.

(b) Bonds

	2022	2021
JPY Bonds (i)	**-**	2,764,200
USD Bonds (ii)	**45,327,066**	45,312,067
	45,327,066	48,076,267

i.) On 17 August 2012, the Group had issued a bond amounting to JPY 85 billion through a private placement. The bond bears interest at a fixed rate of 1.14% per annum payable semi-annually in arrears in February and August. The bond is direct, unconditional, unsecured and unsubordinated and ranks equally with other outstanding unsecured and unsubordinated indebtedness of the Group. During the year, JPY bond was matured and repaid in full.

The Group's exposure to JPY from the bond was swapped to USD at the time of the bond issuance by entering into cross currency swaps with various highly rated counterparties. As a result of the swaps, the Group pays a fixed rate of 3.3758% per annum payable semi-annually in arrears in February and August. The hedge relationship is treated as a cash flow hedge. The fair value change in the cross-currency swap was recognised in the audited consolidated statement of profit and loss and other comprehensive income as hedge reserve. The value of foreign currency swap as at 31 December 2022 amounts to Nil (2021: QR 1,268 million) as the associated JPY bond is matured and repaid in full.

Movement of the bond during the year was as follow:

	2022	2021
At 1 January	**2,764,200**	3,076,150
Revaluation of bond value during the year	**(430,100)**	(311,950)
Settlement of bond value	**(2,334,100)**	-
At 31 December	**-**	2,764,200

Movement of foreign currency swap was as follows:

	2022	2021
At 1 January	**1,267,840**	1,042,418
Revaluation of hedging instrument during the year	**302,161**	225,422
Settlement of foreign currency swap	**(1,570,001)**	-
At 31 December (Note 25)	**-**	1,267,840

20. Loans and bonds (continued)

(b) Bonds (continued)

The movement in fair value of cash flow hedges was as follows:

	2022	2021
Fair value changes included in equity at 1 January	**(127,939)**	(214,467)
Fair value change in the hedging instrument	**(302,161)**	(225,422)
Adjustments for hedged item	**430,100**	311,950
Fair value changes included in equity at 31 December	**-**	(127,939)

ii.) On 12 July 2021, the Group issued bonds denominated in USD amounting to QR 45,500 million (equivalent to USD 12,500 million) in four trenches having maturity periods from 5 to 30 years. These bonds are listed on London and Taipei Stock Exchange. The bonds are direct, unconditional, unsecured and unsubordinated and rank equally with other outstanding unsecured and unsubordinated indebtedness of the Group. The interests for bonds are payable at the coupon rate of interest on semi-annual basis. The following table summarizes the details of each bond:

Tranche	Amount (USD '000)	Amount (QR '000)	Issue price (%)	Maturity date	Interest rate per annum (%)	2022 Carrying value (QR '000)	2021 Carrying value (QR '000)
2026 Bonds	1,500,000	5,460,000	99.905	12 Sep 2026	1.375%	5,456,238	5,455,266
2031 Bonds	3,500,000	12,740,000	98.937	12 July 2031	2.25%	12,615,296	12,603,011
2041 Bonds	3,500,000	12,740,000	99.631	12 July 2041	3.125%	12,695,532	12,693,790
2051 Bonds	4,000,000	14,560,000	100	12 July 2051	3.3%	14,560,000	14,560,000
	12,500,000	**45,500,000**				**45,327,066**	**45,312,067**

Fair value of USD bonds at the reporting date amounted to QR'000 36,299,948 (2021: QR'000 45,910,096). The fair value measurement has been categorized as a Level 1 (quoted prices (unadjusted) in active markets).

21. Employee benefits

	2022	2021
Qatari pension scheme	**2,454,736**	1,777,589
Employees' end of service benefits	**3,090,784**	2,564,914
	5,545,520	4,342,503

The Group has two defined benefit plans as follows:

Qatari pension scheme

The Group has an unfunded scheme i.e., "Qatari pension scheme", where the present value of the defined benefit obligation is backed by a liability.

The Employee's Pension Scheme covers all pensioners and their dependents who retired from the services of QatarEnergy before the implementation of Qatari Pension Law No. 24 of 2002.

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21. Employee benefits (continued)

Qatari pension scheme **(continued)**

For pensioners, the monthly pension amount is calculated in accordance with the pension rules applicable before the implementation of Qatari Pension Law No. 24 of 2002. The benefits were on the basis of final salary by considering the length of service.

The pension benefits in respect to the dependents of the deceased pensioner are paid in accordance with the Qatar Labor Law.

The most recent actuarial valuation of the defined benefit plans was carried out at 31 December 2022 by an independent consultant appointed by the management.

Employees' end of service benefits

Employees' end of services benefits represent terminal gratuities and are provided for services rendered in accordance with entitlements stipulated in the employees' contract, the Group's policy and/or Qatar Labor Law number 14 of 2004. This plan is for all permanent employees including Qatari and non-Qatari employees. The Group has measured the liability using actuarial valuations as at 31 December 2022.

The present value of the defined benefit obligation, and the related cost, were measured using the projected unit credit method.

The principal assumptions used for the purpose of the actuarial valuation were as follows:

	Employees' end of service benefits		**Qatari pension scheme**	
	2022	2021	**2022**	2021
Discount rate	**4.25% - 5.20%**	1.93% - 4.25%	**4.25%**	4.25%
Salary increase rate	**3.0% - 3.5%**	2.0% - 4.70%	**-**	-
Plan duration	**9.41**	8.98	**8.69**	8. 84
Mortality in service	**Swiss EVK 2000**	Swiss EVK 2000	**Swiss EVK 2000 adjusted**	Swiss EVK 2000 adjusted
Normal retirement age	**60 years**	60 years	**N/A**	N/A

Movements in the present value of the unfunded defined benefit obligation were as follows:

	Employees' end of service benefits		**Qatari pension scheme**	
	2022	2021	**2022**	2021
As at 1 January	**2,564,914**	3,535,289	**1,777,589**	1,838,159
Current service cost	**280,614**	357,904	**-**	-
Interest cost	**80,210**	121,868	**72,248**	74,792
Benefits paid	**(247,047)**	(245,673)	**(222,353)**	(165,629)
Other adjustment	**-**	(1,191,334)	**-**	-
Actuarial (gain) / loss charged to other comprehensive income due to experience adjustments	**412,093**	(13,140)	**827,252**	30,267
As at 31 December	**3,090,784**	2,564,914	**2,454,736**	1,777,589

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21. Employee benefits (continued)

Employees' end of service benefits **(continued)**

Charge to profit or loss on account of unfunded defined benefit obligation was as follows:

	Employees' end of service benefits		Qatari pension scheme	
	2022	2021	**2022**	2021
Current service cost	**280,614**	357,904	**-**	-
Interest cost	**80,210**	121,868	**72,248**	74,792
	360,824	479,772	**72,248**	74,792
Other adjustment	**-**	(1,191,334)	**-**	-
For the year	**360,824**	(711,562)	**72,248**	74,792

Significant actuarial assumptions for the determination of the defined obligation are the discount rate, pension growth rate and salary growth rate. The sensitivity analysis below has been determined based on reasonable possible change of the respective assumptions occurring at the end of the reporting period, while keeping all other assumptions constant.

	Employees' end of service benefits		Qatari pension scheme	
	(Decrease) / increase in liability			
	2022	2021	**2022**	2021
Discount rate (+0.5%)	**(115,552)**	(89,851)	**(100,644)**	(72,881)
Discount rate (-0.5%)	**125,146**	95,652	**108,008**	79,992
Pension increase rate (+0.5%)	**-**	-	**110,463**	81,769
Salary increase rate (+0.5%)	**122,737**	96,730	**-**	-
Salary increase rate (-0.5%)	**(115,541)**	(90,929)	**-**	-

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior year.

22. Lease liabilities

Lease liabilities are presented in the audited consolidated statement of financial position as follows:

	2022	2021
Current liabilities	**839,835**	599,158
Non-current liabilities	**4,950,348**	1,632,927
	5,790,183	2,232,085

The movement in lease liabilities during the year was as follows:

	2022	2021
As at 1 January	**2,232,085**	2,986,592
Liabilities recognized during the year (Note 5(b))	**3,714,521**	463,792
Finance charges on lease liabilities (Note 31)	**288,515**	97,723
Asset acquisition (Note 37)	**635,153**	-
Principal payments made	**(764,980)**	(494,914)
Interest paid	**(288,515)**	(97,723)
Effect of foreign currency translation	**(21,593)**	(5,559)
Derecognition and other adjustments	**(5,003)**	(717,826)
As at 31 December	**5,790,183**	2,232,085

As at and for the year ended 31 December 2022 QR '000

23. Deferred income

	2022	2021
Deferred income	**1,112,781**	1,147,101

Classified as below:

	2022	2021
Current liabilities	**51,581**	51,406
Non-current liabilities	**1,061,200**	1,095,695
	1,112,781	1,147,101

24. Other non-current liabilities

	2022	2021
Decommissioning provision (Note a)	**3,053,536**	1,905,915
Deferred tax liability (Note b)	**252,383**	211,619
Other liabilities	**280,466**	1,820
	3,586,385	2,119,354

a. Decommissioning provision

Movement of the decommissioning provision during the year was as follows:

	2022	2021
As at 1 January	**1,905,915**	1,832,989
Additions during the year	**1,129,562**	20,495
Unwinding of discount (Note 31)	**73,431**	66,173
Asset acquisition (Note 37)	**29,203**	-
Effect of foreign currency exchange differences	**3,015**	(13,742)
Payment during the year	**(40,833)**	-
Change in estimate charged to profit or loss	**(18,351)**	-
Change in estimate adjusted in property, plant and equipment	**(28,406)**	-
As at 31 December	**3,053,536**	1,905,915

b. Deferred tax liability

Deferred tax liability mainly represents taxable temporary differences on account of difference in the method of depreciation of assets for tax and accounting purposes (Note 32).

25. Accounts payables and accruals

	2022	2021
Trade creditors (Note a)	**6,939,998**	5,702,171
Accrued liabilities	**2,678,645**	1,442,721
Advance from customers	**218,670**	94,801
Financial guarantees (Note b)	**400,000**	400,000
Due to related parties (Note 16(c))	**7,757,516**	6,571,983
Foreign currency swap (Note 20(b))	**-**	1,267,840
Derivative financial liabilities (Note 14(d))	**134,858**	1,045,281
Contract liabilities	**76,244**	64,271
Payable to reinsurers	**278,083**	204,597
Taxes payable	**196,826**	5,618
Earn-out liability (Note c)	**277,736**	-
Other payables	**2,767,517**	3,930,894
	21,726,093	20,730,177

As at and for the year ended 31 December 2022 QR '000

25. Accounts payables and accruals (continued)

a. Trade creditors include balances owed to suppliers relating to goods received and services incurred as at the reporting date wherein invoices were not yet received.

b. This represents the provisions on financial guarantees given to lenders of one of the Group's associates. As per the terms of the financial guarantee agreement, the maximum exposure of the Group is QR 489 million (2021: QR 489 million) upon which QR 400 million (2021: QR 400 million) is recognised as a liability.

c. This refers to the earn-out payment obligation with Petrobras related to joint operation acquisition regarding 2022. This payment is part of the HOA (Heads of Agreement) which states that earn-out is the complementary value that may be added to consideration for joint operation acquisition and is linked to Brent Price. (Note 28).

26. Revenue

Revenue of the Group consists of the following:

	2022	2021
Revenue from contracts with customers (Note a)	**188,056,481**	119,295,131
Revenue from insurance contracts (Note b)	**897,547**	987,957
	188,954,028	120,283,088

a. Revenue from contracts with customers

	2022	2021
Crude oil	**36,014,359**	21,568,978
Condensate	**23,588,658**	17,395,961
Natural gas	**58,107,362**	31,127,942
Refined products	**48,588,716**	32,670,290
Steel products	**4,261,838**	3,885,942
Fertilizers	**14,531,756**	10,283,181
Petrochemicals	**581,061**	618,027
Services	**1,387,180**	864,862
Others	**995,551**	879,948
	188,056,481	119,295,131

All revenue is recognised at a point in time except for the revenue from services amounting to QR 1,032.33 million (2021: QR 640.32 million) which is recognised over time.

The analysis of sales between domestic and export customers is as follows:

	2022	2021
Domestic sales	**55,625,428**	45,572,745
Export sales (i & ii)	**132,431,053**	73,722,386
	188,056,481	119,295,131

(i) This includes export sales made through Qatar Petroleum for the Sale of Petroleum Products Company Limited ("QPSPP") which has been setup exclusively for the marketing and selling of Regulated Products.

(ii) This also includes export sales made through Qatar Chemical and Petrochemical Marketing and Distribution Company Q.J.S.C. ("Muntajat"). Pursuant to Decree Law 11 of 2012 of the State of Qatar, Muntajat was established in the year 2012 to carry out marketing and distribution activities of all steel products and regulated chemical and petrochemical products.

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26. Revenue (continued)

b. Revenue from insurance contracts

	2022	2021
Gross insurance revenue	**897,547**	987,957

The details of gross insurance revenue are as follows:

	2022	2021
Gross premium	**1,119,515**	970,002
Movement in unearned premium, gross	**(233,678)**	11,063
Net commission income / (expense)	**11,710**	6,892
	897,547	987,957

The details of retained premiums and earned premium are as follows:

2022

	Gross	**Reinsurance**	**Net**
Written premiums	1,119,515	(655,395)	464,120
Change in unearned premiums	(233,678)	123,151	(110,527)
	885,837	**(532,244)**	**353,593**

2021

	Gross	Reinsurance	Net
Written premiums	970,002	(567,195)	402,807
Change in unearned premiums	11,063	(9,662)	1,401
	981,065	(576,857)	404,208

27. Other income

	2022	2021
Recoveries	**1,759,358**	1,645,617
Rental income	**727,712**	920,320
Berthing fees	**585,148**	498,767
Terminal charges	**409,136**	388,171
Government grant (i)	**425,849**	322,132
Fair value gain in FVTPL investments (Note 9(b))	**11,133**	20,806
Signing bonus	**364,000**	-
Other income	**2,898,847**	3,271,789
	7,181,183	7,067,602

i. Government grant relates to the sale of refined products to Woqod at a subsidized price of which the loss has been covered by the Government (Note 16(e)). Income from grant is recognised on sale of refined products to Woqod as there are no other conditions attached to the grant.

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28. Operating, selling and administrative expenses

	2022	2021
Direct costs	**21,440,572**	11,704,351
Purchases for resale	**27,856,149**	14,601,839
PSAs operating costs	**3,615,219**	3,416,369
Taxes paid on behalf (Note i)	**8,988,187**	4,949,752
Royalties (Note ii)	**12,349,787**	7,748,138
Net impairment loss / (reversal) (Note iii)	**3,620**	(5,059)
Salaries and related costs (Note iv)	**9,289,586**	8,358,047
Foreign exchange loss	**67,447**	270,779
Write-off of property, plant and equipment (Note 5(a) iii)	**784,755**	748,461
Write-off of intangible assets (Note 6 (iii))	**14,014**	-
Write-off of right-of-use assets (Note 5(b) i)	**27**	-
Provision for earn-out liability (Note 25 (c))	**277,736**	-
Provision for inventory obsolescence (Note 12)	**74,285**	53,588
Other expenses	**1,295,897**	1,385,677
	86,057,281	53,231,942

(i) Included in the taxes paid on behalf for the year is tax charged on the income of operators who are parties to certain Production Sharing Agreements amounting to QR 8,988 million (2021: QR 4,894 million) and an amount of QR Nil (2021: QR 56 million) pertaining to tax on the income of certain joint venture companies. This tax obligation has been assumed by QatarEnergy on behalf of the operators in relation to the respective Production Sharing Agreements and joint venture companies.

(ii) Includes royalties due to the Ministry of Finance (as Government) amounting to QR 11,920 million (2021: QR 7,626 million) derived from oil and gas export sales, primarily on an ad-valorem basis depending upon the earnings type and resources. Royalties are applied at a rate of 20% on crude oil and refined product exports, and at a rate of 12.5% on gas product exports, including condensates.

This also includes QR 142 million (2021: QR 65 million) on account of royalty on crude oil equal to 10% of the oil sales of Al Khalij Block 6 Field and QR 308.83 million (2021: QR 57.43 million) on account of royalty on crude oil equal to 10% - 15% of the oil production of BC-10 and Sepia block.

(iii) Details of the recognition / (reversal) of impairment losses are as follows:

	2022	2021
Impairment loss on other property, plant and equipment (Note 5(a) iv) – net of reversal	**2,285**	220
Impairment reversal on investment in associates	**-**	(6,554)
Investment property (Note 5(c))	**1,335**	1,275
	3,620	(5,059)

(iv) This includes defined benefit obligation expense amounting to QR 433 million (2021: expense of QR 555 million) (Note 21).

29. Depreciation and amortization

	2022	2021
Depreciation of property, plant and equipment (Note 5(a))	**12,372,104**	11,224,763
Depreciation of right-of-use assets (Note 5(b))	**837,900**	679,381
Depreciation of investment property (Note 5(c))	**16,454**	16,287
Amortization of intangible assets (Note 6)	**380,812**	411,076
Amortization of catalysts	**25,066**	16,341
	13,632,336	12,347,848

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30. (Reversal of) / provision for expected credit losses (ECL) on financial

	2022	2021
Provision for ECL on trade and insurance receivables (Note 14(a))	**25,924**	131,275
Provision for ECL on loans to employees (Note 14(b))	**-**	360
Reversal of ECL on loans to related parties (Note 16(a))	**(1,011,096)**	(1,171)
Reversal of ECL on due from related parties (Note 16(b))	**(14,585)**	(7,631)
Provision for ECL on bank balances (Note 15)	**-**	528
Provision for impairment of contract assets (Note 14 (e))	**174**	62
Reversal of ECL on other financial assets	**(3,622)**	(1,480)
	(1,003,205)	121,943

31. Finance charges

	2022	2021
Interest on loans, bonds and foreign currency swaps	**1,520,980**	728,727
Interest on lease liabilities (Note 22)	**288,515**	97,723
Unwinding of discount on decommissioning provision (Note 24(a))	**73,431**	66,173
Others	**34,076**	130,862
	1,917,002	1,023,485

32. Taxes

Provision for taxation for the year is as follows:

	2022	2021
Taxes on income from export sales of QatarEnergy (Note i)	**26,581,297**	16,499,706
Current income tax	**470,383**	6,519
Deferred tax (Note ii)	**(145,745)**	177,941
	26,905,935	16,684,166

i. These taxes are calculated at a rate of 85% of the taxable income for crude oil and refined products. For gas and condensate products, taxes are calculated at 50% of the taxable income however the total of royalty and taxation for gas and condensate products should not exceed 50% of the taxable income. Taxable income is determined on the value of all applicable export sales less the costs of operations, depreciation and amortization, and royalties. For the year ended 31 December 2022, taxes amounting to QR 26,581 million (2021: QR 16,500 million) were recognized in profit of loss.

Details of the taxes on income from QatarEnergy's export sales are as follows:

	2022	2021
Export sales subject to tax – net	**68,485,545**	44,908,910
Less:		
Royalties	**11,919,743**	7,625,723
Cost of operation and depreciation	**15,094,100**	9,886,926
Taxable income	**41,471,702**	27,396,261
Tax rate	50% – 85%	50% – 85%
Taxes	**26,581,297**	16,499,706

ii. The deferred tax has arisen mainly due to the temporary differences on unrealized foreign exchange loss and carried forward tax losses.

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32. Taxes (continued)

Movement in the balance of deferred tax during the year was as follows:

	2022	2021
As at 1 January	**347,700**	571,276
Recognised during the year	**145,745**	(177,941)
Effect of foreign currency translation	**25,738**	(45,635)
As at 31 December	**519,183**	347,700

Presented in consolidated statement of financial position as follows:

	2022	2021
Deferred tax asset (Note 10)	**771,566**	559,319
Deferred tax liability (Note 24)	**(252,383)**	(211,619)
	519,183	347,700

33. Social fund contribution

In accordance with Law No. 13 of 2008, the Group made an appropriation of profit of QR 312 million (2021: QR 292 million) which is equivalent to 2.5% of the adjusted net profit of listed subsidiaries for the year for the support of sports, cultural, social and charitable institutions.

34. Contingent liabilities and commitments

a. Capital commitments

	2022	2021
Capital commitments of the Group	**16,208,020**	10,234,833
Group's share of joint ventures' capital commitments	**130,498,211**	47,553,024
Group's share of associates' capital commitments	**50,340**	15,552
	146,756,571	57,803,409

b. Contingent liabilities

	2022	2021
Contingent liabilities of the subsidiary companies	**2,152,544**	1,463,385
Group's share of joint ventures' contingent liabilities	**4,851,938**	5,664,275
Group's share of associates' contingent liabilities	**195,688**	1,004,655
	7,200,170	8,132,315

35. Financial instruments

Financial instruments represent any contractual agreement that creates a financial asset, financial liability or an equity instrument. Financial assets comprise bank balances, trade and other receivables, due from related parties, loans to related parties, financial assets at fair value though profit or loss (FVTPL) including derivative financial assets and financial assets at fair value though other comprehensive income (FVOCI). Financial liabilities comprise interest bearing loans and bonds, foreign currency swaps, trade and other payables and derivative financial liabilities.

Hierarchy for determining and disclosing the fair value of financial instruments carried at fair value by valuation technique is disclosed in Note 2.2.2.

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35. Financial instruments (continued)

Classes and categories of financial instruments and their fair values

The following table combines information about fair value hierarchy levels of financial assets and financial liabilities which are measured at fair value.

31 December 2022	Valuation technique(s) and key input(s)	Carrying value					Fair value			
		Financial assets		Financial liabilities			Level			
		FVTPL	FVOCI	Fair value - hedging instruments	FVTPL	Total	1	2	3	Total
Investments in equity instruments – quoted	Quoted price in an active market	690,995	4,627,455	-	-	**5,318,450**	5,318,450	-	-	**5,318,450**
Investments in equity instruments – unquoted	Based on unobservable inputs	3,585	1,503	-	-	**5,088**	-	-	5,088	**5,088**
Investments in debt instruments – quoted	Quoted price in an active market	123,043	278,346	-	-	**401,389**	401,389	-	-	**401,389**
Investment in management funds – quoted	Quoted price in an active market	-	22,222	-	-	**22,222**	22,222	-	-	**22,222**
Derivative financial assets	Based on observable inputs, other than quoted prices	-	1,496	-	-	**1,496**	-	1,496	-	**1,496**
Derivative financial liabilities	Based on observable inputs, other than quoted prices	-	-	-	(134,858)	**(134,858)**	-	(134,858)	-	**(134,858)**
Foreign currency swap (i)	Based on observable market	-	-	-	-	**-**	-	-	-	**-**

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35. Financial instruments (continued)

Classes and categories of financial instruments and their fair values (continued)

31 December 2021	Valuation technique(s) and key input(s)	Carrying value – Financial assets – FVTPL	Carrying value – Financial assets – FVOCI	Carrying value – Financial liabilities – Fair value - hedging instruments	Carrying value – Financial liabilities – FVTPL	Carrying value – Total	Fair value – Level 1	Fair value – Level 2	Fair value – Level 3	Fair value – Total
Investments in equity instruments – quoted	Quoted price in an active market	638,764	4,559,273	-	-	5,198,037	5,198,037	-	-	5,198,037
Investments in equity instruments – unquoted	Based on unobservable inputs	3,585	1,503	-	-	5,088	-	-	5,088	5,088
Investments in debt instruments – quoted	Quoted price in an active market	125,528	355,859	-	-	481,387	481,387	-	-	481,387
Investment in management funds – quoted	Quoted price in an active market	-	55,601	-	-	55,601	55,601	-	-	55,601
Derivative financial assets	Based on observable inputs, other than quoted prices	312,123	-	-	-	312,123	-	312,123	-	312,123
Derivative financial liabilities	Based on observable inputs, other than quoted prices	-	-	-	(1,045,281)	(1,045,281)	-	(1,045,281)		(1,045,281)
Foreign currency swap (i)	Based on observable market	-	-	(1,267,840)	-	(1,267,840)	-	(1,267,840)	-	(1,267,840)

(i) Foreign currency swaps are valued using valuation techniques which maximize the use of observable market data. The significant inputs required to fair value these foreign currency swaps are interest rates for the underlying currencies, discount rates for similar types of bonds, credit risk of the issuer and the other relevant economic factors which may influence the fair value.

Fair value of USD bonds is disclosed in Note 20 (b) (ii). The fair value of the remaining financial assets and liabilities, including bank balances, investment in unquoted debt instruments, trade and other receivables, due to and from related parties, loans to related parties and JPY bonds approximate to the carrying value as per the book of accounts as most of these items are either short-term in nature or repriced frequently.

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements in 2022 and 2021.

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35. Financial instruments (continued)

Reconciliation of liabilities arising from financing activities

The below table details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

	At 1 January 2022	**Financing cash flows**	**Non-cash changes**	**At 31 December 2022**
Interest bearing loans	**4,325,408**	**(37,035)**	**859**	**4,289,232**
JPY Bonds	**2,764,200**	**(2,334,100)**	**(430,100)**	**-**
USD Bonds	**45,312,067**	**-**	**14,999**	**45,327,066**
Foreign currency swap	**1,267,840**	**(1,570,001)**	**302,161**	**-**
Derivative financial liabilities	**1,045,281**	**-**	**(910,423)**	**134,858**
Lease liabilities	**2,232,085**	**(1,053,495)**	**4,611,593**	**5,790,183**

	At 1 January 2021	Financing cash flows	Non-cash changes	At 31 December 2021
Interest bearing loans	4,472,105	(151,546)	4,849	4,325,408
JPY Bonds	3,076,150	-	(311,950)	2,764,200
USD Bonds	-	45,305,144	6,923	45,312,067
Foreign currency swap	1,042,418	-	225,422	1,267,840
Derivative financial liabilities	-	-	1,045,281	1,045,281
Lease liabilities	2,986,592	(592,637)	(161,870)	2,232,085

36. Financial risk and capital management

36.1 Financial risk management objectives

Treasury function of each entity in the Group provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk, liquidity risk and insurance risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by QatarEnergy's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. There have been no changes in the objectives, policies and processes for managing and measuring risk from the previous year.

36.2 Market risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group's activities expose it primarily to the financial risks of changes in commodity prices, foreign currency exchange rates and interest rates.

Commodity price risk

Volatility in prices of oil and gas and refined products is a pervasive element of the Group's business environment as the Group's production and purchase of certain products and sales of refined products and crude oil are based on international commodity prices in accordance with a commercial supply agreement entered into with sales agents. The Group's refining margin is affected by disproportionate fluctuations in the prices of crude oil and refined products.

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36. Financial risk and capital management (continued)

36.2 Market risk (continued)

Commodity price risk (continued)

The Group is also exposed significantly to commodity price risk, which arises from the purchase and consumption of large volumes of raw materials in its normal course of business. Raw material prices are linked to an index, which is volatile and influenced by worldwide factors such as political events, supply and demand fundamentals.

The Group does not use any derivative instruments to manage commodity price risks. The Group' sensitivity to commodity prices has not changed significantly from the prior year.

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Management is of the opinion that the Group's exposure to currency risk is not significant as most of its foreign currency transactions are in United States Dollar which is pegged to Qatari Riyal and its currency exposure on the bond issued in Japanese Yen is hedged through currency swap with United States Dollar. The details of the currency swap on the bonds issued are given in Note 20. Other material foreign currency financial instruments are given below:

	2022	2021
Financial assets: Cash bank balances in foreign currency		
Cash in banks:		
EURO	**202,417**	114,593
GBP	**406,119**	287,425
JPY	**1**	31
BRL	**44,787**	76,005
CAD	**122,100**	5,566
MXN	**11**	11
ZAR	**31,710**	33,404
	807,145	517,035

Foreign currency sensitivity analysis

A 10% strengthening / weakening of the Qatari Riyal against the above currencies as at reporting date would have decreased / increased profit or loss by an amount of QR 80.7 million (2021: QR 51.7 million). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2021.

Cash flow hedge

Hedging instruments

	Notional amount		**Carrying amount of the hedging instrument**		**Change in fair value used for calculating hedge ineffectiveness**	
	2022	2021	**2022**	2021	**2022**	2021
Less than 1 year	**-**	3,904,101	**-**	2,764,200	**-**	1,139,901

Hedged items

	2022	2021
Nominal amount of the hedged item	**-**	3,904,101
Change in value used for calculating hedge ineffectiveness	**-**	1,139,901
Balance in cash flow hedge reserve for continuing hedges	**-**	(127,939)

Other details of foreign currency swap are disclosed in Note 20(b) (i).

36. Financial risk and capital management (continued)

36.2 Market risk (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's financial assets and liabilities with floating interest rates. These financial assets and liabilities with floating interest rates includes bank balances, loans and advances to related parties and interest-bearing loans which are mostly on floating rate basis.

Interest rate sensitivity analysis

For floating rate assets, the analysis is prepared assuming the amount of the assets held outstanding at the end of the reporting period was outstanding for the whole year. As at reporting date, if interest rates had been 10 basis point higher/lower with all other variables held constant, income for the year would have been QR 77.4 million (2021: QR 47.9 million) higher/lower, mainly as a result of higher/lower interest income on floating rate assets and liabilities.

Equity price risk

The Group's listed investments are susceptible to equity price risk arising from uncertainties about future values of the investments. The Group manages the equity price risk through diversification and placing limits on individual and total portfolio of equity instruments. Reports on the equity portfolio are submitted to QatarEnergy's senior management on a regular basis and results are reviewed by the Board of Directors of each Group entity.

As at the reporting date, the exposure to listed equity securities at fair value was QR 5,318 million (2021: QR 5,198 million) which includes both financial assets at FVOCI and financial assets at FVTPL. An increase or decrease of 10% on the Qatar Exchange (QE) index would have an impact of approximately QR 532 million (2021: QR 520 million) on the equity.

36.3 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the creditworthiness of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The Group holds performance bonds and bank guarantees to mitigate its credit risk association with its financial assets. Further, the Group limits its exposure on export customers by taking out letters of credit.

In order to minimise credit risk, QatarEnergy has tasked its Credit Management Committee to develop and maintain the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the Credit Management Committee uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

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36. Financial risk and capital management (continued)

36.3 Credit risk (continued)

31 December 2022	**12-month or lifetime ECL**	**Gross carrying amount**	**Loss allowance**	**Net carrying amount**
Trade and insurance receivables	Lifetime ECL	14,459,201	(510,248)	**13,948,953**
Lease receivable	Lifetime ECL	2,189,510	-	**2,189,510**
Due from related parties	Lifetime ECL	7,795,241	(66,665)	**7,728,576**
Loans and advances to related parties	Lifetime ECL	3,233,778	(1,550,937)	**1,682,841**
Loans to employees	12-month ECL	508,054	(43,003)	**465,051**
Investments in financial assets	Lifetime ECL	2,660,709	-	**2,660,709**
Amounts due from Government of Qatar	Lifetime ECL	60,497,928	-	**60,497,928**
Cash and bank balances	12-month ECL	94,197,515	(1,529)	**94,195,986**
Reinsurance contract assets	Lifetime ECL	1,091,277	-	**1,091,277**
Accrued interest	Lifetime ECL	259,524	(24,768)	**234,756**
Other receivables	Lifetime ECL	4,957,849	-	**4,957,849**
Derivative financial assets	Lifetime ECL	1,496	-	**1,496**
Contract assets	Lifetime ECL	1,157,427	(236)	**1,157,191**
Other non-current receivables	Lifetime ECL	13,104	(174)	**12,930**
		193,022,613	(2,197,560)	**190,825,053**

31 December 2021	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Trade and insurance receivables	Lifetime ECL	11,970,244	(484,324)	11,485,920
Lease receivable	Lifetime ECL	1,673,839	-	1,673,839
Due from related parties	Lifetime ECL	10,461,934	(81,250)	10,380,684
Loans and advances to related parties	Lifetime ECL	3,543,625	(2,562,033)	981,592
Loans to employees	12-month ECL	473,980	(43,003)	430,977
Investments in financial assets	Lifetime ECL	2,836,392	-	2,836,392
Amounts due from Government of Qatar	Lifetime ECL	48,056,749	-	48,056,749
Cash and bank balances	12-month ECL	78,240,286	(1,529)	78,238,757
Reinsurance contract assets	Lifetime ECL	757,382	-	757,382
Accrued interest	Lifetime ECL	154,496	(24,768)	129,728
Other receivables	Lifetime ECL	645,486	-	645,486
Derivative financial assets	Lifetime ECL	312,123	-	312,123
Contract assets	Lifetime ECL	1,099,885	(62)	1,099,823
Other non-current receivables	Lifetime ECL	13,112	-	13,112
		160,239,533	(3,196,969)	157,042,564

For trade receivables, lease receivables and contract assets, the Group has applied the simplified approach to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

36.4 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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36. Financial risk and capital management (continued)

36.4 Liquidity risk (continued)

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Analysis of financial assets

The table below summarises the maturity profile of the Group's financial assets as at the reporting date:

31 December 2022

Financial assets	**Carrying amount**	**Cash inflows**		
		Total	**Less than 1 year**	**1 to 5 years**
Loans and advances to related parties	**1,682,841**	**1,682,841**	**392,819**	**1,290,022**
Due from related parties	**7,728,576**	**7,728,576**	**7,728,576**	**-**
Amounts due from Government of Qatar	**60,497,928**	**60,497,928**	**60,497,928**	**-**
Trade and other receivables *	**14,414,004**	**14,414,004**	**14,414,004**	**-**
Reinsurance contract assets	**1,091,277**	**1,091,277**	**1,091,277**	**-**
Investments in financial assets	**2,660,709**	**2,660,709**	**-**	**2,660,709**
Derivative financial assets	**1,496**	**1,496**	**1,496**	**-**
Accrued interest	**234,756**	**234,756**	**234,756**	**-**
Other receivables	**4,957,849**	**4,957,849**	**4,957,849**	**-**
Other non-current receivables	**12,930**	**12,930**	**-**	**12,930**
Bank balances	**94,195,986**	**94,195,986**	**94,195,986**	**-**
	187,478,352	**187,478,352**	**183,514,691**	**3,963,661**

** Includes trade and insurance receivables and loans to employees.*

31 December 2021

Financial assets	Carrying amount	Cash inflows		
		Total	Less than 1 year	1 to 5 years
Loans and advances to related parties	981,592	981,592	633,261	348,331
Due from related parties	10,380,684	10,380,684	10,380,684	-
Amounts due from Government of Qatar	48,056,749	48,056,749	48,056,749	-
Trade and other receivables *	11,916,897	11,916,897	11,916,897	-
Reinsurance contract assets	757,382	757,382	757,382	-
Investments in financial assets	2,780,791	2,780,791	-	2,780,791
Derivative financial assets	312,123	312,123	312,123	-
Accrued interest	129,728	129,728	129,728	-
Other receivables	645,486	645,486	645,486	-
Other non-current receivables	13,112	13,112	-	13,112
Bank balances	78,238,757	78,238,757	78,238,757	-
	154,213,301	154,213,301	151,071,067	3,142,234

** Includes trade and insurance receivables and loans to employees.*

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36. Financial risk and capital management (continued)

36.4 Liquidity risk (continued)

Analysis of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities as at the reporting date based on undiscounted contractual repayment obligations:

31 December 2022

		Contractual cash outflows			
Financial liabilities	**Carrying amount**	**Total**	**Less than 1 year**	**1 to 5 years**	**More than 5 years**
USD Bonds	**45,327,066**	**69,878,445**	**1,240,330**	**10,346,245**	**58,291,870**
JPY Bonds	**-**	**-**	**-**	**-**	**-**
Interest-bearing loans	**4,289,232**	**4,296,719**	**1,659,071**	**2,637,648**	**-**
Foreign currency swap	**-**	**-**	**-**	**-**	**-**
Derivative financial liabilities	**134,858**	**134,858**	**134,858**	**-**	**-**
Trade creditors	**6,939,998**	**6,939,998**	**6,939,998**	**-**	**-**
Due to related parties	**7,757,516**	**7,757,516**	**7,757,516**	**-**	**-**
Financial guarantees	**400,000**	**400,000**	**400,000**	**-**	**-**
Payable to reinsurers	**278,083**	**278,083**	**278,083**	**-**	**-**
Earn-out liability	**277,736**	**277,736**	**277,736**	**-**	**-**
Lease liabilities	**5,790,183**	**7,509,280**	**778,466**	**2,533,501**	**4,197,313**
	71,194,672	**97,472,635**	**19,466,058**	**15,517,394**	**62,489,183**

31 December 2021

		Contractual cash outflows			
Financial liabilities	Carrying amount	Total	Less than 1 year	1 to 5 years	More than 5 years
USD Bonds	45,312,067	71,124,055	1,245,610	10,421,320	59,457,125
JPY Bonds	2,764,200	2,895,995	2,895,995	-	-
Interest-bearing loans	4,325,408	4,332,854	633,954	3,698,900	-
Foreign currency swap	1,267,840	1,267,840	1,267,840	-	-
Derivative financial liabilities	1,045,281	1,045,281	1,045,281	-	-
Trade creditors	5,702,171	5,702,171	5,702,171	-	-
Due to related parties	6,571,983	6,571,983	6,571,983	-	-
Financial guarantees	400,000	400,000	400,000	-	-
Payable to reinsurers	204,597	204,597	204,597		
Lease liabilities	2,232,085	2,697,886	544,887	1,589,038	563,961
	69,825,632	96,242,662	20,512,318	15,709,258	60,021,086

36.5 Insurance risk

The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

Frequency and amounts of claims

The frequency and amounts of claims can be affected by several factors. The Group underwrites mainly energy, fire and general accident, marine and medical risks. These are regarded as short-term insurance contracts as claims are normally advised and settled within one year of the insured event taking place. This helps to mitigate insurance risk.

36. Financial risk and capital management (continued)

36.5 Insurance risk (continued)

Fire and general accident - Property

Property insurance is designed to compensate contract holders for damage suffered to properties or for the value of property lost. Contract holders could also receive compensation for the loss of earnings caused by the inability to use the insured properties.

For property insurance contracts, the main risks are fire and business interruption.

These contracts are underwritten by reference to the replacement value of the properties and contents insured. The cost of rebuilding properties and obtaining replacement contents and the time taken to restart operations which leads to business interruptions are the main factors that influence the level of claims.

Marine

Marine insurance is designed to compensate contract holders for damage and liability arising through loss or damage to marine craft and accidents at sea resulting in total or partial loss of cargoes. For marine insurance the main risks are loss or damage to marine craft and accidents resulting in the total or partial loss of cargoes.

The underwriting strategy for the marine class of business is to ensure that policies are well diversified in terms of vessels and shipping routes covered.

Health

Health insurances are insurances against the risk of incurring medical expenses among individuals or the employees of corporate bodies. The strategy for the health class of business is to ensure that policies are written within the Group and by proper cession.

Reinsurance risk

In common with other insurance companies, in order to minimise financial exposure arising from large claims, the Group, through one of its subsidiaries, in the normal course of business, enters into agreements with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is affected under treaty, facultative and excess-of-loss reinsurance contracts.

To minimise its exposure to significant losses from reinsurance insolvencies, the Group, through one of its subsidiaries, evaluate the financial condition of its reinsurance companies and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurance companies.

Reinsurance ceded contracts do not relieve the Group from its obligations to policyholders and as a result the Group remains liable for the portion of outstanding claims reinsured to the extent that the reinsurer fails to meet the obligations under the reinsurance agreements.

Concentration of risks

The Group's insurance risk relates to policies written in the State of Qatar only.

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36. Financial risk and capital management (continued)

36.5 Insurance risk (continued)

Sources of uncertainty in the estimation of future claim payments

Claims on general insurance contracts are payable on a claims-occurrence basis. The Group, through one of its subsidiaries, is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, a larger element of the claims provision relates to incurred but not reported claims (IBNR) which are settled over a short to medium term period.

There are several variables that affect the amount and timing of cash flows from these contracts, these mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures adopted. The compensation paid on these contracts is the monetary awards granted for the loss suffered by the policy holders or third parties (for third party liability covers).

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation values and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

The liability for these contracts comprises a provision for IBNR, a provision for reported claims not yet paid and a provision for unexpired risks as at the reporting date. In calculating the estimated cost of unpaid claims (both reported and not), the Group's estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between the ultimate cost of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and an estimate based upon actual claims experience using predetermined formula where greater weight is given to actual claims experience as time passes.

Claims development

The Group maintains strong reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved with one year.

The Group does not have any single insurance contract or a small number of related contracts that cover low frequency, high-severity risks such as earthquakes, or insurance contracts covering risks for single incidents that expose the Group to multiple insurance risks. The Group has adequately reinsured for insurance risks that may involve significant litigation. A 10% change in the net claims incurred will have an increase/decrease of QR 20 million in profit or loss (2021: QR 32 million).

36.6 Capital management

QatarEnergy manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt comprising loans, bonds and lease liabilities which is offset by Cash and bank balances whilst the equity of QatarEnergy comprises contributed capital, general reserve, other reserves, retained earnings and non-controlling interest. The Group's management reviews the capital structure of the Group on an annual basis.

The gearing ratio at the end of the reporting period was as follows:

	2022	2021
Cash and bank balances (Note 15)	**94,195,986**	78,238,757
Less: debt	**(55,406,481)**	(54,633,760)
Net cash and bank balances	**38,789,505**	23,604,997
Total equity	**503,386,285**	435,913,877

The Group does not have a net debt situation as at 31 December 2022 and 31 December 2021.

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37. Acquisition of assets

QG1 Upstream and QG1 Downstream

The Group entered into an End of Term Agreement with other partners of QG1 Upstream (Joint operations until 31 December 2021) and shareholders of QG1 Downstream (Joint Venture until 31 December 2021), which is effective from 1 January 2022.

The Group has determined that acquired interest in QG1 Upstream and QG1 Downstream is not business as "License to operate the facilities" and "management agreement for the operation and maintenance of facilities" are expired on 31 December 2021 for QG1 Upstream and "License to operate the facilities" is expired for QG1 Downstream. Since these elements are integral for business to operate, management has determined that this acquisition does not result in a business combination. Accordingly, the Group has recognised the acquired assets and liabilities assumes at cost which is derived as proportionate to their fair values. Refer Note 4.1 (xviii).

Details of the assets acquired, liabilities assumed and purchase consideration in this acquisition as of 1 January 2022 are as follows. The acquisition did not result in any goodwill or bargain purchase gain:

Carrying values of assets acquired and liabilities assumed:

Assets acquired in QG1 Upstream	155,733
Assets acquired in QG1 Downstream	4,608,766
Liabilities assumed in QG1 Upstream	(100,795)
Liabilities assumed in QG1 Downstream	(4,108,093)
	555,611

Purchase consideration:

Cash consideration for acquisition of QG Upstream net assets	87,360
Consideration payable for acquisition of QG Downstream net assets	91,000
Carrying value of QG1 Downstream (previously recognised as investment in joint venture)	325,439
	503,799

As the purchase consideration is less than the net assets acquired, the difference of QR 51.81 million has been deducted from the carrying value of other assets. The assets acquired and liabilities assumed are as follows:

Property, plant and equipment	27,704
Right-of-use Assets	635,153
Cash and bank balances	1,836,122
Other assets	2,213,714
Lease liability	(635,153)
Decommissioning liability	(29,203)
Other liabilities	(3,544,538)
	503,799

In addition to the above, the Group has acquired interests in a number of oil and gas fields / blocks in various countries, which are presented as part of additions to property, plant and equipment and / or intangible assets as appropriate and are not disclosed separately.

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38. Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra group eliminations.

31 December 2022	Industries Qatar Q.P.S.C.	Gulf International Services Q.P.S.C.	Mesaieed Petrochemical Holding Company Q.P.S.C.	Qatar Aluminium Manufacturing Company Q.P.S.C.	Qatar Fuel Company Q.P.S.C.	Siraj Energy Q.P.S.C.	Intra-group eliminations	Total
Net assets	42,019,548	3,565,485	17,409,452	6,823,177	9,312,608	457,810		
Net assets attributable to NCI	20,589,579	3,208,937	6,021,233	3,343,357	7,450,086	224,327	**(2,992,351)**	**37,845,168**
Revenue	18,793,594	3,665,539	-	-	29,934,920	-		
Total comprehensive income	8,771,104	243,083	1,767,148	919,086	965,510	106,783		
Profit / (loss) allocated to NCI	4,319,528	261,045	611,186	450,352	881,086	(2,567)	**6,613**	**6,527,243**
OCI allocated to NCI	(21,687)	(42,270)			(108,678)	54,890	**3,017**	**(114,729)**
Cash flow from operating activities	7,009,483	827,617	7,026	(39,169)	1,999,352	(9,009)		
Cash flow from investing activities	4,188,627	(582,375)	2,571,761	495,520	683,018	(6,319)		
Cash flow from financing activities (dividends to NCI: QR 49 million)	(6,086,299)	(200,829)	(1,381,949)	(446,409)	(853,243)	-		
Effect of forex in cash	-	4,428	-	-	-	-		
Net increase /(decrease) in cash and cash equivalents	5,111,811	48,841	1,196,838	9,942	1,829,127	(15,328)		

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38. Non-controlling interests (continued)

31 December 2021	Industries Qatar Q.P.S.C.	Gulf International Services Q.P.S.C.	Mesaieed Petrochemical Holding Company Q.P.S.C.	Qatar Aluminium Manufacturing Company Q.P.S.C.	Qatar Fuel Company Q.P.S.C.	Siraj Energy Q.P.S.C.	Intra-group eliminations	Total
Net assets	39,510,288	3,256,189	17,068,432	6,373,476	9,177,495	351,030		
Net assets attributable to NCI	19,360,041	2,930,570	5,900,557	3,123,003	7,341,996	172,005	(2,978,577)	35,849,595
Revenue	14,169,123	3,091,050	-	-	19,531,496	-		
Total comprehensive income	8,093,959	5,223	1,861,550	834,544	1,120,335	59,713		
Profit / (loss) allocated to NCI	3,964,148	48,632	643,538	408,927	801,938	14,009	(74,362)	5,806,830
OCI allocated to NCI	1,892	(43,931)	-	-	94,330	15,251	11,827	79,369
Cash flow from operating activities	5,169,909	498,417	27,992	(18,325)	1,456,468	(125)		
Cash flow from investing activities	(297,550)	(300,771)	446,045	417,421	(1,080,087)	(130,941)		
Cash flow from financing activities (dividends to NCI: QR 49 million)	(2,074,439)	(296,467)	(502,527)	(195,304)	(552,218)	130,941		
Effect of forex in cash	-	11,521	-	-	-	-		
Net increase /(decrease) in cash and cash equivalents	2,797,920	(87,300)	(28,490)	203,792	(175,837)	(125)		

39. Operating segments

The Group is mainly engaged in exploration, production and sale of oil & gas products. More than 89% of the Group's revenue for the year ended 31 December 2022 is generated through a single segment i.e., exploration, production and sale of oil & gas products. Revenue from two major customers of the Group represents approximately 20% and 8% of the Group's total revenue for the year ended 31 December 2022. Further, 99% of the Group's revenues for the year ended 31 December 2022 and 92% of total assets as at 31 December 2022 are from the components based in the State of Qatar.

40. Dividend

During the year, QatarEnergy has distributed a dividend of QR 82,075 million for the financial year 2021 (2021: QR 42,688 million for the financial year 2020) based on the governing law.

41. Notes to consolidated statement of cash flows

During the year, other than the transactions disclosed in Note 37, the Group mainly entered into the following non-cash activities which are not reflected in the audited consolidated statement of cash flows:

- Transfer from property, plant and equipment amounting QR 1,296 million (2021: QR 4,033 million) to intangible assets (Note 5(a)(ii)).
- Transfer from property, plant and equipment amounting QR 13 million (2021: QR 11 million) to investment property (Note 5(a)(ii)).
- Transfer from non-current assets (project under development) amounting QR 4,068 million (2021: QR Nil) to property, plant and equipment (Note 5(a)(ii)).
- Transfer from other current assets amounting to Nil (2021: QR 225 million) to other non-current assets (project under development).
- Recognition of additional right of use assets and lease liability amounting to QR 3,715 million (2021: QR 464 million) (Note 5(b) and 22).

42. Subsequent events

- On 1 February 2023, conditions stipulated in the merger agreement of LR1 and LR2 are fulfilled, accordingly LR1 and LR2 have combined the businesses and their refinery operations. On this date, the JVA of LR2 is terminated and the legal existence of LR2 has ceased.
- As disclosed in Note 4.1(xvii), on 4 January 2023, Share Sale and Purchase Agreement ('SSPA') between the Group and TotalEnergies EP Qatar was approved by the Government of the State of Qatar and accordingly, the transfer of 25% ownership of the Group in QG5 was legally completed.
- During 2022, the Group entered into an agreement with Qatar Electricity and Water Company ('QEWC') to acquire 49% interest in Siraj Energy Q.P.S.C. ('Siraj') held by QEWC. Siraj is already a 51% owned subsidiary of the Group. This agreement is subject to regulatory approvals as of 31 December 2022 which were subsequently received on 22 March 2023 and agreement became effective on the same date.
- The Board of Directors vide its resolution dated 16 April 2023 has approved a final dividend of QR 129,802 million from the profit for the year ended 31 December 2022.

Except for the above, there were no other subsequent events which have a bearing on the understanding of the audited consolidated financial statements.

43. Comparative figures

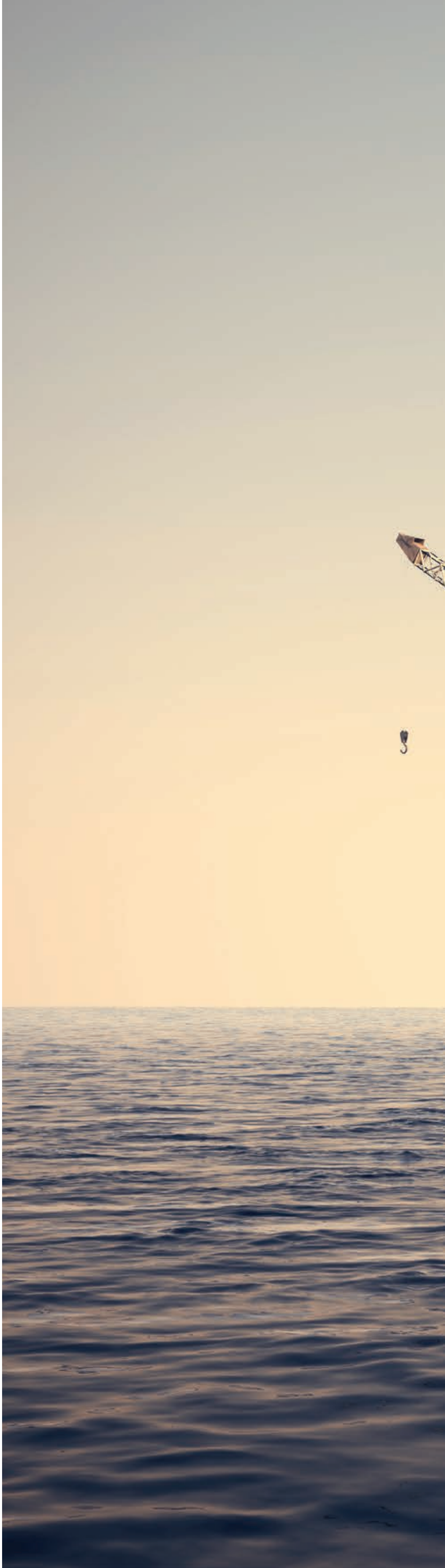
Certain amounts in the prior year's consolidated financial statements have been reclassified to conform with the presentation and classification of the current year's consolidated financial statements. However, such reclassifications are not material and did not have an impact on the previously reported profit, other comprehensive income or the equity for the comparative year.

Glossary and Acronyms

AKG	-	Al Khaleej Gas
BBLS	-	barrels
BPD	-	barrels per day
BPSD	-	barrels per stream day
BSCFD	-	billion standard cubic feet per day
CCS	-	carbon capture and sequestration
CCWS	-	Common Cooling Water System
CEO	-	Chief Executive Officer
CO_2	-	carbon dioxide
CPSC	-	Capital Project Steering Committee
CSF	-	Common Seawater Facility
CSR	-	corporate social responsibility
DCA	-	Dukhan Concession Area
DCO	-	decant oil
DEL	-	Dolphin Energy Limited
DFIS	-	Dukhan Field Integrated Study
DPSA	-	Development and Production Sharing Agreement
EDF	-	Environmental Defense Fund
EGM	-	Evergreen Geologic Modeling
EITI	-	Extractive Industries Transparency Initiative
ENH	-	Empresa Nacional de Hidrocarbonetos
ELT	-	Executive Leadership Team
EOR	-	enhanced oil recovery
EPC	-	engineering, procurement and construction
EPCI	-	engineering, procurement, construction and installation
EPIC	-	engineering, procurement, installation and commissioning
EPSA	-	Exploration and Production Sharing Agreement
ERC	-	Egyptian Refining Company
ERG	-	ethane rich gas
ESFM	-	Evergreen Structural Framework Modeling
ESP	-	electrical submersible pumps
EWF	-	Enhanced Water Flood
FDP	-	Field Development Plan
FEED	-	front end engineering and design
FSO	-	floating storage and offloading
GDI	-	Gulf Drilling International
GECF	-	Gas Exporting Countries Forum
GDS	-	Gas Transmission & Distribution System
GTL	-	gas-to-liquids
GW	-	gigawatts
H.E.	-	His Excellency
H.H.	-	His Highness
H_2S	-	hydrogen sulfide
HDPE	-	high-density polyethylene
HIA	-	Hamad International Airport
ICV	-	In-Country Value
IOCs	-	international oil companies
IODF	-	Integrated Organization Design Framework
IOGP	-	International Association of Oil & Gas Producers

ISND	-	Idd El Shargi – North Dome
ISSD	-	Idd El Shargi – South Dome
JAOC	-	Joint Air Operations Center
JMPLOC	-	Joint Marine & Port Logistics Operations Center
KBOEPD	-	thousand barrels of oil equivalent per day
KBPD	-	thousand barrels per day
LAB	-	linear alkyl benzene
LDAR	-	leak detection and repair
LGO	-	light gas oil
LMS	-	Learning Management System
LNG	-	liquefied natural gas
LPG	-	liquefied petroleum gas
LR1	-	Laffan Refinery 1
LR2	-	Laffan Refinery 2
LTI	-	lost time injury
M Power	-	Mesaieed Power Company
MBOE	-	million barrels of oil equivalent
MBR	-	membrane bioreactor
MDPE	-	medium-density polyethylene
MEG	-	mono-ethylene glycol
MENA	-	Middle East and North Africa
MIC	-	Mesaieed Industrial City
MMSCFD	-	million standard cubic feet per day
MMSTB	-	million stock tank barrels
MMTPA	-	million metric tons per annum
MOL	-	main oil line
MPB	-	multi-product berth
MPHC	-	Mesaieed Petrochemical Holding Company
MRO	-	maintenance, repair and overhaul
MTD	-	metric tons per day
MTPA	-	million tons per annum
N-KOM	-	Nakilat-Keppel Offshore & Marine
NAO	-	normal alpha olefins
NDSQ	-	Nakilat Damen Shipyards Qatar
NFA	-	North Field Alpha
NFB	-	North Field Bravo
NFE	-	North Field East
NFPS	-	North Field Production Sustainability
NFS	-	North Field South
NGL	-	natural gas liquids
NGTT	-	Mesaieed Terminal and Tank Farm
NOC	-	North Oil Company
OAPEC	-	Organization of Arab Petroleum Exporting Countries
ONHYM	-	Office National des Hydrocarbures et des Mines
OOF	-	Offshore Operators Forum
OOIP	-	original oil-in-place
OPQL	-	Occidental Petroleum Qatar Limited
OXY	-	Occidental Petroleum
PCN	-	petrochemical naphtha
PDP	-	Personal Development Plan

PPF	-	Pilot Production Facility
PS	-	production station
PSDM	-	Pre-Stack Depth Migration
Q-Chem	-	Qatar Chemical Company
QAFAC	-	Qatar Fuel Additives Company
QAFCO	-	Qatar Fertiliser Company
QAPCO	-	Qatar Petrochemical Company
QAR	-	Qatari riyals
Qatalum	-	Qatar Aluminium Limited
Qatofin	-	Qatofin Company Limited
QEWC	-	Qatar Electricity & Water Company
QGPC	-	Qatar General Petroleum Corporation
QLC	-	Qatar Land Crude
QMC	-	Qatar Marine Crude
QNV	-	Qatar National Vision
QPD	-	Qatar Petroleum Development Co. Ltd. (Japan)
QPower	-	Qatar Power Company
QPSPP	-	Qatar Petroleum for the Sale of Petroleum Products Company
QTL	-	Qatar Terminal Limited
QVC	-	Qatar Vinyl Company
RGA	-	RasGas Alfa
RGPC	-	Ras Girtas Power Company
RLIC	-	Ras Laffan Industrial City
RLOC	-	Ras Laffan Olefins Company
RLPC	-	Ras Laffan Power Company
RLPP	-	Ras Laffan Petrochemicals Project
RMOP	-	Reservoir Management Optimization Project
RNAP	-	refined naphtha
RPSCP	-	Refined Products Supply Chain Project
SAG	-	stripped associated gas
SBM	-	single buoy mooring
SOW	-	scope of work
SRC	-	seismic reservoir characterization
SRFO	-	straight run fuel oil
TCF	-	trillion cubic feet
TEEPG	-	TotalEnergies Exploration and Production Gulf Limited
TEPC	-	TotalEnergies E&P Congo
TEPQ	-	TotalEnergies Exploration & Production Qatar
TPD	-	tons per day
TRIR	-	total recordable injury rate
UER	-	Umm Er Radhuma
VCM	-	vinyl chloride monomer
VLSFO	-	very low-sulfur fuel oil
VP	-	Vice President
WAG	-	Water Alternating Gas
WHP	-	wellhead platform
Woqod	-	Qatar Fuel Company



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