

FOR IMMEDIATE RELEASE

MPHC reports QR 493 million net profit for first nine months of 2019

- *Continued focus on cost optimization and investments in select capital projects*
- *Challenging market forces impacted overall financial and operational performance*
- *Strong liquidity position with closing cash and bank balances of QR 1.6 billion at 30 September 2019*
- *Earnings per share (EPS) of QR 0.039 for the nine month period ended 30 September 2019, as compared to QR 0.082 for the same period last year*
- *Group's total assets stood at QR 14.8 billion as at 30 September 2019*

Doha, Qatar; October 29, 2019: Mesaieed Petrochemical Holding Company ("MPHC" or "the Group"; QE: MPHC), one of the region's premier diversified petrochemical conglomerates with interests in the production of olefins, polyolefins, alpha olefins and chlor-alkali products, today announced its financial and operational results for the nine month period ended September 30, 2019.

Business performance and outlook

MPHC's business performance in the first nine months of 2019 reflects challenging conditions in the region and wider international markets. The Group leveraged competitive advantage of uninterrupted access to competitively priced and supply of feedstock under long terms arrangements. Additionally, its partnership with Muntajat, a global leader in marketing and distribution of chemical products, acts a catalyst for global market access, to partially offset extreme challenges. This was supplemented by continued improvement in efficiency, through cost optimization programs, whilst investing in selective capital projects.

Expansion of Q-Chem Ethylene Capacity

In an advance for its ethylene position, the shareholders of Q-Chem have given a nod for the expansion of its ethylene production facilities in Mesaieed. Upon completion in 2022, the expansion program will provide a sustained increase in ethylene production by approximately 7%, thereby providing increased utilization of Q-Chem's existing derivatives production capacity. With an estimated investment of QR 364 million, the expansion program is predicated on positive capital returns and the increased operational flexibility.

Commenting on the financial results, **Mr. Ahmad Saif Al-Sulaiti, Chairman of the Board of Directors, MHPC**, said: *"Since the beginning of this year, we continued to focus on the strategic drivers of operational reliability, while also navigating extremely challenging macro-economic forces both within the region and in global markets. That being said, we remained firmly focused on our five-year business strategy, which enables us to contain expenses while making strategic investments for unlocking further growth potential.*

Looking ahead, we are well positioned to strengthen the market position and at the same time generate improved shareholder value.”

Financial and operational performance – YTD 2019 and Q3 2019

In the first nine months of 2019, MPHPC reported a net profit of QR 493 million, down by 52%, against a backdrop of reduced selling prices, volatile crude and petrochemical prices and decline in sales volumes. The bottom line was further impacted by provision for impairment of tax receivables of QR 170 million during the period. Additionally, no tax refund has been booked during the period.

The Group reported profit before the impact of tax refunds of QR 189 million in the third quarter, down on the second quarter of 2019. The third quarter profit was impacted against a backdrop of declining selling prices, due to challenging macro-economic conditions.

The Group's balance sheet continued to strengthen with liquidity position remaining robust during the year. Cash held by MPHPC at the end of third quarter reached QR 1.6 billion and total assets stood at QR 14.8 billion, compared to QR 15.3 billion in the same period last year, after accounting for dividend pay-outs for the financial year 2018.

Operational highlights by segment

Petrochemicals: In the first nine months of 2019, the petrochemicals segment reported a revenue of QR 1.8 billion, a decrease of 15% compared to the same period of 2018. Net profit for the same period reached QR 540 million compared to QR 799 million in same period last year. The earnings were impacted primarily by the drop in selling prices. During the first nine months, production slowed 4%, whereas sales volume remained largely unchanged.

Chlor-alkali segment: Revenue in the chlor-alkali segment declined by 24% compared to same period of 2018 to reach QR 504 million for the nine months period ended 30 September 2019. During the same period, the segment reported a net profit of QR 91 million compared to QR 109 million in same period last year, due to the decline in sales volume by 14% and selling prices by 12%.

Earnings Call

MPHPC will host an IR Earnings call of its third quarter earnings with investors to discuss its results, business outlook and other matters on Monday, November 4, 2019 at 1:30 p.m. Doha Time. The IR presentation that accompany the conference call has been posted on the publications page of MPHPC.

-Ends-

About MPHPC

Mesaieed Petrochemical Holding Company Q.P.S.C. (“MPHPC”) was incorporated as a Qatari joint stock company on May 29, 2013 with an agreed effective date for the transfer of Qatar Petroleum's previous shareholding in the joint ventures of September 1, 2013. The registered office is located at P.O. Box 3212, Doha, State of Qatar.

The main activity of MPHPC is to act as a holding company: (i) Q-Chem is currently owned by MPHPC (49%), Chevron Phillips Chemical International Qatar Holdings L.L.C. (“CPCIQH”) (49%) and QP (2%), and has one wholly-owned subsidiary, Q-Chem Distribution Company Limited, (ii) Q-Chem II is currently owned by MPHPC (49%), CPCIQH (49%) and QP (2%), and has one wholly-owned subsidiary, Q-Chem II Distribution Company Limited, and an effective ownership interest of 53.85% in a joint venture, Ras Laffan Olefins Company Limited, which supplies ethylene to Q-Chem II; and (iii) QVC, which was incorporated in 1997 as a joint venture, and is currently owned by MPHPC (55.2%), Qapco (31.9%) and QP (12.9%).

For more information about the earnings announcement, e-mail mphc@qp.com.qa or visit www.mphc.com.qa

DISCLAIMER

The companies in which Mesaieed Petrochemical Holding Company Q.P.S.C. directly and indirectly owns investments are separate entities. In this press release, "MPHC" and "the group" are sometimes used for convenience in reference to Mesaieed Petrochemical Holding Company Q.P.S.C.

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

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

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GENERAL NOTES

Mesaieed Petrochemical Holding Company's accounting year follows the calendar year. No adjustment has been made for leap years. Where applicable, all values refer to Mesaieed Petrochemical Holding Company's share. Values expressed in QR billions and percentages have been rounded to 1 decimal point. All other values have been rounded to the nearest whole number. Values expressed in US \$'s have been translated at the rate of US \$1 = QR3.64.

DEFINITIONS

Cash Realisation Ratio: $\text{Cash Flow From Operations} / \text{Net Profit} \times 100$ • Debt to Equity: $(\text{Current Debt} + \text{Long-Term Debt}) / \text{Equity} \times 100$ • Dividend Yield: $\text{Total Cash Dividend} / \text{Closing Market Capitalisation} \times 100$ • EDC: Ethylene Dichloride • EPS: Earnings per Share (Net Profit / Number of Ordinary Shares outstanding at the year end) • EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation • Free Cash Flow: $\text{Cash Flow From Operations} - \text{Total CAPEX}$ • HCL: Hydrochloric Acid • HDPE: High Density Polyethylene • NAO: Normal Alpha Olefins • NaOH: Caustic Soda • MT / PA: Metric Tons Per Annum • Payout Ratio: $\text{Total Cash Dividend} / \text{Net Profit} \times 100$ • P/E: Price to Earnings (Closing market capitalisation / Net Profit) • Utilisation: $\text{Production Volume} / \text{Rated Capacity} \times 100$ • VCM: Vinyl Chloride Monomer