



**Mesaieed
Petrochemical
Holding Company**

CONTACT DETAILS:

Name	Mr. Khalid Al-Subaey
Title	Managing Director
Company	Mesaieed Petrochemical Holding Company QSC ("MPHC")
Telephone Number	(974) 4013-2080
Fax Number	(974) 4429-3750

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MPHC 2015 BUDGET STATEMENT

DOHA, QATAR - Mesaieed Petrochemical Holding Company ("MPHC" or "the group"; QE: MPHC), a subsidiary of Qatar Petroleum and one of the region's premier diversified petrochemical conglomerates with interests in the production of olefins, polyolefins, alpha olefins and chlor-alkali products, released a brief statement on the group's recently approved budget for 2015.

Sales volumes are expected to decrease marginally in 2015 due to planned major maintenance shut-downs at the facilities of two of the group's affiliates, RLOC and Q-Chem II. These facilities started up in 2010, and as per their established preventative and warranty maintenance programs, are required to undergo extensive routine maintenance from time to time. Such planned major maintenance is an essential requirement for large industrial facilities as they can help minimise unplanned disruptions, ensure product quality is maintained and, ultimately, contribute to an extension of the plants' productive life, improved reliability, and a minimisation of their environmental impact.

Consolidated earnings in 2015 are also expected to be impacted by the effects of the prevailing economic conditions on international price levels of the group's key products. While the downward product pricing pressure is expected to have an impact, the group companies' continued focus on efficient, cost effective operations is expected to help support continued profitability.

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In addition, the group is expected to continue to benefit from competitively priced ethane feedstock and fuel gas supplied by Qatar Petroleum under long-term supply agreements, and also to continue to be eligible for tax refunds subject to the fulfilment of specified conditions of the Public Revenue and Tax Department. Liquidity levels are expected to remain strong due to the muted capital expenditure program and relatively low debt.

MPHC reiterates its commitment to openness and transparency, and confirms that in line with the company's disclosure practices, the Qatar Exchange will be informed of material events impacting performance.

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You can also follow us on Twitter, Instagram ([@mphc_qa](https://www.instagram.com/mphc_qa)).

DISCLAIMER:

The companies in which Mesaieed Petrochemical Holding Company QSC 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 QSC.

This document may contain forward-looking statements concerning the financial condition, results of operations and businesses of Mesaieed Petrochemical Holding Company QSC. 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 report are made as of the date of this document.

Mesaieed Petrochemical Holding Company QSC, its Directors, officers, advisors, contractors and agents shall not be liable in any way for any costs, losses or other detrimental effects resulting or arising from the use of or reliance by any party on any forward-looking statement and / or other material contained herein. Mesaieed Petrochemical Holding Company QSC, its joint ventures and associated companies are further in no way obliged to update or publish revisions to any forward-looking statement or any other material contained herein which may or may not be known to have changed or to be inaccurate as a result of new information, future events or any reason whatsoever. Mesaieed Petrochemical Holding Company QSC does not guarantee the accuracy of the historical statements contained herein.

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: Cash Flow From Operations / Net Profit x 100 • **Debt to Equity:** (Current Debt + Long-Term Debt) / Equity x 100 • **Dividend Yield:** Total Cash Dividend / Closing Market Capitalisation x 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:** Cash Flow From Operations - Total CAPEX • **HCL:** Hydrochloric Acid • **HDPE:** High Density Polyethylene • **NAO:** Normal Alpha Olefin • **NaOH:** Caustic Soda • **MT PA:** Metric Tons Per Annum • **Payout Ratio:** Total Cash Dividend / Net Profit x 100 • **P/E:** Price to Earnings (Closing market capitalisation / Net Profit) • **Utilisation:** Production Volume / Rated Capacity x 100 • **VCM:** Vinyl Chloride Monomer

ABOUT MPHC:

Mesaieed Petrochemical Holding Company Q.S.C. ("MPHC") 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 MPHC is to act as a holding company: (i) Qatar Chemical Company Limited (Q-Chem) is currently owned by MPHC (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) Qatar Chemical Company II Limited (Q-Chem II) is currently owned by MPHC (49%), CPCIQH (49%) and QP (2%), and has one wholly-owned subsidiary, Q-Chem II Distribution Company Limited and an ownership of 53.85% in the capacity rights to the ethylene cracker and pipeline owned by Ras Laffan Olefins Company Limited ("RLOC"), which supplies ethylene to Q-Chem II; and (iii) QVC, which was incorporated in 1997 as a joint venture, and is currently owned by MPHC (55.2%), Qapco (31.9%) and QP (12.9%).