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IMPORTANT NOTICE: This announcement is being made available for information purposes only within the State of Qatar. This announcement does not constitute a prospectus or offering document relating to Mesaieed Petrochemical Holding Company Q.S.C. C.R. 60843 (“MPHC”), nor does it constitute or form part of, and should not be construed as, an offer or invitation to sell or any solicitation to purchase or subscribe for any securities of MPHC. Neither this announcement nor any part of it shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or commitment whatsoever. This announcement is an advertisement and not a prospectus. Investors should not purchase or subscribe for any securities referred to in this announcement except on the basis of information in the prospectus to be published by MPHC (which will be available at participating branches of the receiving banks in Qatar) in connection with the admission of the ordinary shares to trading on the Qatar Exchange.

## **Qatar Petroleum announces terms of IPO of Mesaieed Petrochemical Holding Company Q.S.C.**

*Qatari nationals invited to participate in the IPO  
on attractive and innovative terms*

*IPO subscription period to run from 31 December 2013  
to 21 January 2014*

**Doha, Qatar: 22 December, 2013** – His Excellency Dr. Mohammed bin Saleh Al-Sada, the Minister of Energy and Industry and the Chairman and Managing Director of Qatar Petroleum (“QP”), and His Excellency Mr. Ali Shareef Al-Emadi, Minister of Finance and Secretary General of the Supreme Council for Economic Affairs & Investment, today announced the forthcoming Initial Public Offering (“IPO” or “Offering”) of shares (the “Shares”) representing 25.725% of the issued share capital of Mesaieed Petrochemical Holding Company Q.S.C. (“MPHC”).

MPHC has been established by QP, under the initiative of the Supreme Council for Economic Affairs and Investment, to combine some of the most important drivers of QP’s success in the petrochemical industry.

MPHC has also been selected to initiate an IPO of its Shares, given the reliable financial track records of its underlying portfolio companies and the potential for attractive dividend distributions in the future.

The IPO is being undertaken as part of the State of Qatar’s policy to encourage long-term investment and the continued development of a personal savings culture among Qatari nationals, and will give Qatari citizens the opportunity to share in the State’s current and future wealth. This IPO will initiate Qatar Petroleum’s 10-year investment and savings programme that the State of Qatar is implementing for Qatari nationals.



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Under the guidance of the Emir, His Highness Sheikh Tamim bin Hamad Al Thani, it has been directed that Shares in MPHC should be offered to IPO subscribers on innovative and attractive terms, including an attractive price and additional rewards in exchange for long term shareholder loyalty.

The purchase of Shares in the Offering will entitle Qatari nationals to benefit from the allocation of additional free Shares ("**Incentive Share**") after five years and 10 years, provided that by such award dates they have retained at least half of their original Shares purchased in the Offering at all times following the Offering. For each share purchased in the IPO, each qualifying investor will receive one additional Incentive Share, free of charge over the period, thus encouraging long-term investment.

His Excellency Dr. Mohammed bin Saleh Al-Sada hailed the IPO and said: "It comes while our beloved country was still celebrating its National Day ... the day of pride and dignity; a day in which we remember the glories of the past and fro which we move towards the future with the same Qatari vigour and determination carried from generation to generation."

His Excellency Dr. Al-Sada said: "This IPO is not an isolated event but is part of a series of IPOs that Qatar Petroleum intends to undertake during the next 10 years in implementation of the directives of HH Sheikh Tamim bin Hamad Al Thani The Emir of the State of Qatar to launch initiatives to encourage a long-term investment and saving culture." His Excellency added that "this is a continuation of our leadership's policy of putting citizens first, and caring for his welfare and prosperity. It is also a manifestation of a wise policy that has created a partnership for a better future for us and for generations to come. For this, we express gratitude to His Highness' efforts for the development of our country."

His Excellency added: "This IPO is an important step toward realizing Qatar's National Vision by being part of the long-term investment and saving programme, realizing economic diversity and widening the participation of the private sector in the process. It will also be a unique opportunity for all participating Qatari nationals to benefit directly from the development of the economy and the prosperity of the petrochemicals sector in Qatar. All Qataris are therefore invited to take part in the IPO of MPHC, and to benefit from and take part in our economic growth and development."

## **Terms of the IPO**

The price per Share will be QAR 10 plus offering and listing costs of QAR 0.20 per Share (total of 10.20 QAR per share).

The offering comprises a total of 323,187,677 ordinary shares, representing 25.725% of the issued share capital of the Company. On the basis of the offer price, the size of the offering will be QAR 3,231,876,770 and the total equity value of the Company represents QAR 12,563,175,000.





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- Al Khaliji Commercial Bank      Head Office Doha, Bin Omran, C-Ring Road
- Arab Bank      Doha Main Branch, Al-Sadd, C-Ring Road
- Barwa Bank      Doha Main Branch, Al-Sadd, Al-Shafi, Al-Fardan Towers
- Commercial Bank of Qatar      All retail branches in Qatar
- Doha Bank      IPO Center, 5<sup>th</sup> floor, Main Branch, Doha
- International Bank of Qatar      Doha Main Branch
- Mashreq Bank      C-Ring Road
- Masraf Al Rayan      Al-Sadd, Grand Hamad, Doha City Center, Qatar University, Salwa, C-Ring Road, Wathnan, Wakra, Qatar Olympic Committee Building (West Bay)
- Qatar International Islamic Bank      Khraba, Hilal, Bin Omran, Al-Khuraytiyat, Gharafa, Salwa, West Bay, Mirqab, Wakra
- Qatar Islamic Bank      Gharafa, Airport, Al-Khuraytiyat, Wakra, Al-Sadd, Salwa, Rayyan, Fanar, Al-Khor, C-Ring Road

It is not necessary for an applicant to provide a National Investor Number (“**NIN**”) as part of the application process. Further details are available in the prospectus.

### **IPO Timetable and Key Dates**

31 December 2013	Start of IPO subscription period
21 January 2014	End of IPO subscription period
By 30 January 2014	Allocation of Shares completed and refunds made to shareholders where applicable
February 2014	Anticipated MPHC Listing on Qatar Exchange
31 December 2018	First Incentive Shares award date
31 December 2023	Second Incentive Shares award date



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## Mesaieed Petrochemical Holding Company

MPHC's primary strategy is to maximise shareholder value by capitalising on its three portfolio companies' competitive strengths and positions in the petrochemical segment of Qatar's oil and gas industry. The portfolio companies produce chemicals used in the manufacture of a range of everyday products.

MPHC has been established to hold:

- 49% of Qatar Chemical Company Ltd. ("**Q-Chem**" or "**Q-Chem I**"), a petrochemical company that produces MDPE (*Medium-density Polyethylene*), HDPE (*High-density Polyethylene*) and 1-Hexene. The other shareholders of Q-Chem I are QP and Chevron Phillips Chemical Company. Q-Chem I started commercial operations in 2004;
- 49% of Qatar Chemical Company II Ltd. ("**Q-Chem II**"), a petrochemical company that produces HDPE and NAO (*Normal Alpha Olefins*). The other shareholders of Q-Chem II are QP and Chevron Phillips Chemical Company. Q-Chem II started commercial operations in 2011 and has already reached full operating capacity. In addition to its petrochemical complex, Q-Chem II also operates a world-scale ethylene plant located in Ras Laffan, which produces and supplies Q-Chem II's primary feedstock;
- 55.2% of Qatar Vinyl Company Limited (QVC) Q.S.C. ("**QVC**"), a petrochemical company that produces caustic soda, EDC (*Ethylene Dichloride*) and VCM (*Vinyl Chloride Monomer*). The other shareholders of QVC are QP and Qatar Petrochemical Company (QAPCO) Q.S.C. QVC started commercial operations in 2001.

QP currently retains directly 2% of the share capital of Q-Chem I, 2% of the share capital of Q-Chem II and 12.9% of the share capital of QVC.

The interests in Q-Chem I, Q-Chem II and QVC now held by MPHC generated an aggregate revenue of QAR 4.3 billion and a net profit of QAR 1.6 billion in 2012.

The primary operations of all three portfolio companies are based in Mesaieed Industrial City and are leading examples of Qatar's successful greenfield projects that have generated returns in excess of international industry average.



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MPHC's management believes that MPHC offers the following competitive strengths:

- A leading integrated regional producer and exporter in the petrochemicals sector;
- A robust global industry sector and product range with favourable supply-demand dynamics;
- Reliable and attractively priced supply of feedstock;
- Profitable businesses with significant cash generation ability;
- Strong shareholder support with technology and operational expertise;
- A strategic location in proximity to key markets.

His Excellency Mr. Ali Shareef Al-Emadi, Minister of Finance of the State of Qatar, said:

*"The IPO of MPHC will be an historic development for Qatar, benefiting Qataris today and for generations to come. It offers all Qatari nationals the opportunity to benefit directly from MPHC's strategy for growth in the coming years and become long-term shareholders on beneficial terms.*

*We have structured the IPO so that MPHC will offer significant benefits to its individual IPO shareholders.*

*The MPHC IPO represents a wonderful opportunity for our citizens to directly benefit from Qatar's economic development and, by helping to develop a culture in Qatar of long-term share ownership, to take a significant step towards securing the future prosperity of their families."*

For further information about MPHC and the MPHC IPO, please read the MPHC prospectus and the IPO Guide available at the IPO receiving banks listed above once the IPO subscription period commences, or visit [www.mphc.qa](http://www.mphc.qa).

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## **Important Information**

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This announcement does not constitute a recommendation concerning the IPO. The date of admission of MPHC’s shares to trading on the Qatar Exchange may be influenced by considerations including market conditions. There is no guarantee that admission will occur and potential investors should not base their decisions on MPHC’s intentions in relation to admission at this stage. Acquiring securities to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. Information in this announcement or any of the documents relating to the offer cannot be relied upon as a guide to future performance. Potential



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investors should consult a professional advisor as to the suitability of the offer for the entity concerned.

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This press release includes forward-looking statements. The words "anticipate", "believe", "expect", "plan", "intend", "estimate", "project", "will", "would", "may", "could" and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this press release, including, without limitation, those regarding the Company's financial position, business strategy, management plans and objectives for future operations, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Company's actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company expects to operate in the future. The forward looking statements contained in this announcement speak only as of the date of this announcement. MPHC disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained in this announcement to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law.

Certain figures contained in this announcement, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this announcement may not conform exactly with the total figure given.