



2023 Annual Review



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2023 Annual Review



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

Board of Directors



**H.H. Sheikh
Abdullah bin
Hamad Al Thani**

The Deputy Amir
Chairman of the Board of Directors



**H.E. Saad Sherida
Al-Kaabi**

Minister of State for Energy Affairs
Vice Chairman, President and CEO



**H.E. Ali bin Ahmed
Al-Kuwari**

Minister of Finance
Member of the Board



**Sheikh Khalid bin Khalifa
bin Jassim Al Thani**

CEO of QatarEnergy LNG
Member of the Board



**H.E. Sheikh Mohammed
bin Hamad Al Thani**

Minister of Commerce and Industry
Member of the Board



**Mr. Nasser Khalil
Al-Jaidah**

Member of the Board



**Mr. Saeed Mubarak
Al-Muhannadi**

Member of the Board

Executive Leadership Team



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



Mr. Abdulaziz Mohammed Al-Mannai
Executive VP - Human Capital



Mr. Mohamed Essa Al-Mannai
General Counsel and Board Secretary



Mr. Ahmad Saif Al-Sulaiti
Executive VP - Operations



Mr. Abdulaziz Jassim Al-Muftah
Executive VP - Industrial Cities



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



Mr. Ali Nasser Telfat
Corporate Manager, CEO Office



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



Mr. Abdulla Ahmad Al-Hussaini
Executive VP - Marketing



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



Mr. Bader Mubarak Al-Khalifa
Corporate Manager, Internal Audit



Mr. Abdulrahman Ahmad Al-Shaibi
Executive VP - Finance and Planning



Mr. Ahmad Saeed Al-Amoodi
Executive VP - Surface Development and Sustainability



Mr. Nabeel Mohammed Al-Buenain
Executive VP - HSE and Business Services

Saad Sherida Al-Kaabi

President and CEO



Message from the President and CEO

2023 was another remarkable year for QatarEnergy, in which we have consolidated the strategic themes of our vision “to be one of the best energy companies in the world”, growing our global LNG leadership, optimizing our domestic and international upstream value, expanding our downstream capabilities, and establishing a firm position in the low carbon business.

We have also reinforced our commitment to best practices across various aspects of our everyday operations. This includes driving organizational excellence, ensuring sound asset management, creating localized social and economic value, fostering proactive communication, developing world-class human resources and capabilities, and most importantly, prioritizing “safety and sustainability” – the beating heart of everything we do.

The North Field remained the centerpiece of our efforts in 2023, marked by the signing of numerous international partnerships in the North Field East and North Field South LNG expansion projects. These partnerships were boosted by the signing of several long-term LNG sales and purchase agreements

covering a span of 27 years, the longest such agreements in the history of the industry.

We were honored by His Highness Sheikh Tamim bin Hamad Al Thani, the Amir of the State of Qatar, who laid the foundation stone of the North Field expansion project, which will raise Qatar’s LNG production capacity from the current 77 million tons per annum (MTPA) to 126 MTPA. We also awarded the engineering, procurement, and construction contract for the North Field South project, which comprises two LNG mega trains with a combined capacity of 16 MTPA.

On an equal footing, and in support of the project’s future shipping requirements, QatarEnergy celebrated the steel cutting of the first new generation of chartered LNG vessels to be constructed in a Korean shipyard as part of QatarEnergy’s LNG Fleet Expansion program. Additionally, under this historic program, QatarEnergy signed an agreement for the construction of 17 ultra-modern LNG carriers, valued at 14.2 billion Qatari Riyals.

QatarEnergy continues to pursue the development and production of our operated and non-operated domestic oil assets. We have achieved progress in the development of Al-Shaheen oil field to increase its production by 100,000 barrels per day. The development of enhanced water flood at the Dukhan field is ongoing and demonstrating production improvements.

“The North Field remained the centerpiece of our efforts in 2023, marked by the signing of numerous international partnerships in the North Field East and North Field South LNG expansion projects.”

Our international oil and gas upstream footprint continued to grow in 2023 with new international partnerships in Lebanon, Egypt, Iraq, Namibia, Mauritania, Brazil, Canada, and Suriname. While on the downstream side, QatarEnergy continued to advance its expansion plans to meet growing global demand. This included securing USD 4.4 billion financing for the Ras Laffan Petrochemicals project, a USD 6 billion world-scale integrated polymers complex in partnership with Chevron Phillips Chemical Company LLC (CPCChem). We had earlier joined CPCChem for the ground breaking of the Golden Triangle Polymers Plant in the U.S. State of Texas, a USD 8.5 billion world-scale petrochemical joint venture.

Our revenues and net operating profit remain at high levels despite being lower than the 2022 record results due to lower commodity prices.

QatarEnergy Trading continues to develop rapidly and is firmly on the road to becoming a leading global LNG trader. The building, integration and optimization of a reliable, flexible and

competitive portfolio is progressing fast. Physical LNG volumes delivered in 2023 doubled compared to 2022 comprising significant international volumes in addition to Qatari-origin volumes, whilst derivatives volumes traded more than tripled.

In an important marketing milestone, QatarEnergy completed the successful integration of all marketing and marketing-related activities formerly managed by QatarEnergy LNG. This constituted a major step towards consolidating QatarEnergy’s position as a global energy leader and an important milestone to enhance the effectiveness of LNG marketing and sales from the State of Qatar, thus reinforcing QatarEnergy’s commitment to delivering excellence.

Throughout 2023, QatarEnergy consistently displayed and acted upon its commitment to cleaner energy, a lower carbon footprint, and the adoption of considerable mitigation and carbon capture technologies. Our LNG facilities’ methane intensity was less than 0.1%, which is well below our 0.2% target. Flaring intensity was 0.38%, which is a reduction of more than 20% since 2020. While we are working to double our solar power generation capacity, the Al-Kharsaah solar power plant has achieved one million megawatt-hours of cumulative power production since its operations started in mid-2022.

With such important milestones, QatarEnergy stands proudly as a leading and reliable supplier of more affordable and lower carbon intensity natural gas, which we believe is a central component of a fair and realistic energy transition.

We remain aware that our resilience is key to adapting to a changing business environment and to accelerating influencing factors, particularly when it comes to the energy transition, which affects customers and competitors alike. With our strong commitment in this respect, we continue to live up to our slogan of being “Your energy transition partner”, and to our reputation as a respected, reliable, and trustworthy energy provider.

We are indebted to the guidance and unlimited support of His Highness Sheikh Tamim bin Hamad Al Thani, the Amir of the State of Qatar, whose wise leadership continues to be the beacon that guides us towards greater successes.

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

Saad Sherida Al-Kaabi
President and CEO

About QatarEnergy

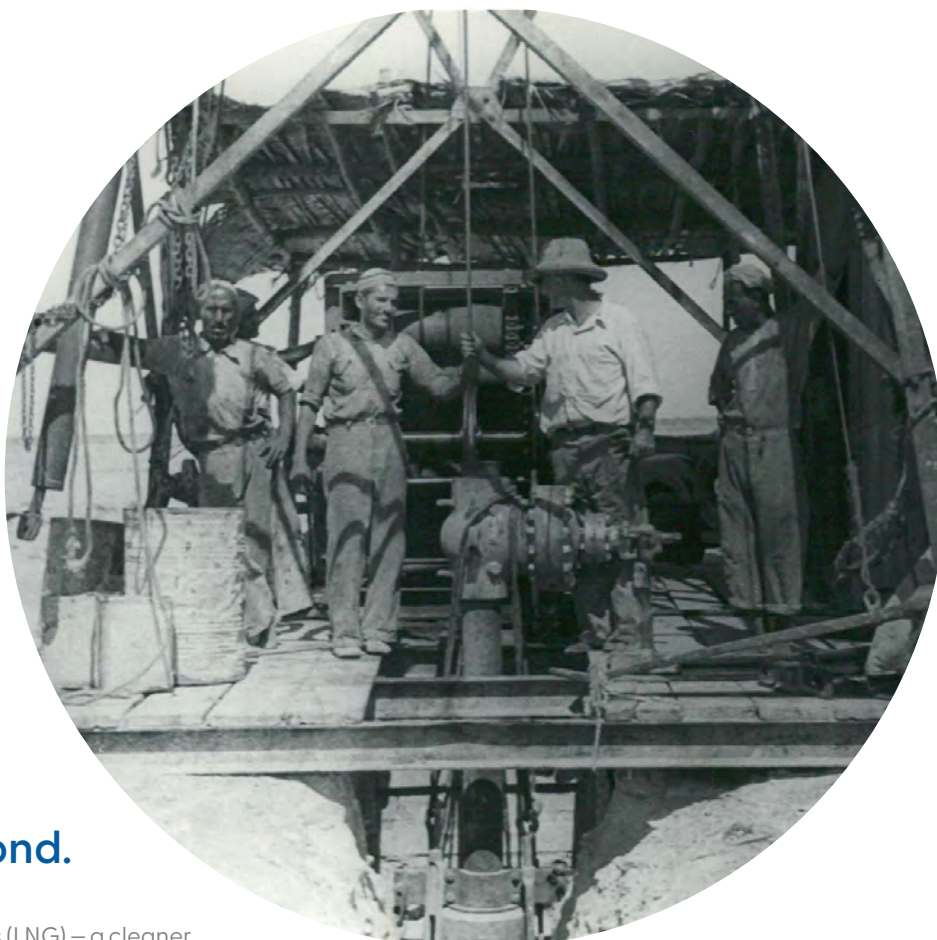
QatarEnergy is an integrated energy company committed to the sustainable development of cleaner energy resources as part of the energy transition in the State of Qatar and beyond.

We are a world leader in liquefied natural gas (LNG) – a cleaner, more flexible and reliable source of energy, and an integral partner in the global energy transition. Our activities cover the entire spectrum of the oil and gas value chain and include the exploration, production, processing, refining, marketing, trading and sales of energy products and commodities.

As “Your energy transition partner”, QatarEnergy is committed to building a better and brighter future by helping meet today’s energy needs, while safeguarding our environment and natural resources for generations to come, bound by the highest standards of sustainable human, socio-economic and environmental development.

A 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. Geological surveys and subsequent drilling activities eventually led to the discovery of the Dukhan oil field in 1939 and commercial production began in 1947. On 31 December 1949, Qatar made its first-ever oil export with the shipment of 15,433 long tons of crude oil from Mesaieed Port.

As the development of the onshore Dukhan Field continued, other oil and gas fields were discovered offshore. Qatar’s first offshore field, the Idd El Shargi Field, was discovered in 1960, Maydan Mahzam Field in 1963, and 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 has the distinction of being Qatar’s largest oil field, currently producing 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, on 4 July 1974, through Amiri Decree No. 10, Qatar General Petroleum Corporation (QGPC) was established. 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.

In January 2001, QGPC was renamed and rebranded as Qatar Petroleum.

To reflect the company’s understanding of global changes and its commitment to environmental protection and social sustainable development, in 2021, Qatar Petroleum rebranded to QatarEnergy.



QatarEnergy's industrial cities

Supporting the development of Qatar’s energy industry are QatarEnergy’s 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)

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

Among the major companies, joint ventures and subsidiaries operating in RLIC are QatarEnergy LNG, Oryx GTL, Pearl GTL, Dolphin Energy Limited (DEL), Ras Laffan Olefins Company (RLOC), Gasal, Ras Laffan Power Company, 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.

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 (QEWCo), Qatar Aluminium Limited (Qatalum), Qatar Steel, Mesaieed Power Company (MPCL) and Umm Al Houl Power (UHP).

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. It is also Qatar’s hub for the import of primary construction materials.

Apart from industrial plants, MIC includes a residential community which provides housing units for QatarEnergy and other companies’ staff and their families.

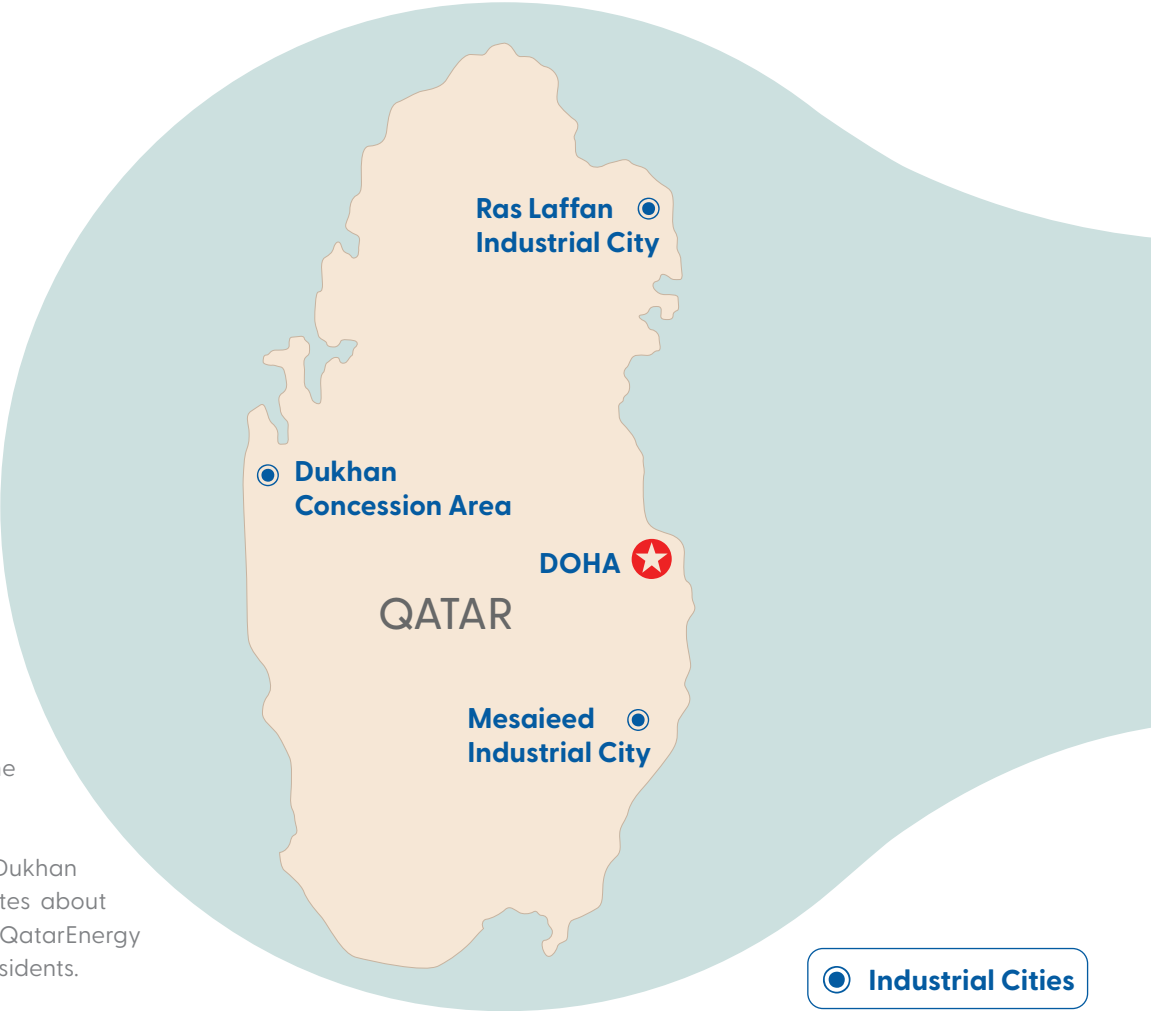
Dukhan Concession Area (DCA)

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 and is today Qatar’s only onshore field.

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.



Dukhan Concession Area

Year established	1939
Total land area	767 square kilometers
Number of major operating companies	1

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

Our corporate strategy

QatarEnergy's vision is to be one of the best energy companies in the world. To achieve that, our updated corporate strategy outlines the steps we are taking to ensure that the company continues to supply the world with reliable and affordable energy in a sustainable manner.

As "Your energy transition partner" we work closely with our customers, partners and other key stakeholders to understand and adapt to their evolving requirements in the rapidly changing energy landscape. In addition to our ongoing commitment to safety and sustainability across all our operations, outlined in our Sustainability Report for 2023, our strategy reflects QatarEnergy's ambition to actively pursue low-carbon growth opportunities.

Our five strategic themes represent QatarEnergy's main lines of business:

- 1. Grow global LNG leadership**
QatarEnergy is a global leader in supplying LNG to a growing number of markets around the world. We are building on this position through a major expansion of the North Field. We also aim to maintain our position as an LNG producer with one of the lowest costs and emissions intensity.
- 2. Optimize domestic upstream production**
In addition to maximizing recovery from the North Field, QatarEnergy seeks to maintain production from oil producing assets in Qatar through focus on operational excellence and advanced technologies. We actively pursue opportunities to develop contingent resources.
- 3. Maximize value from international upstream**
QatarEnergy has built an attractive international oil and gas portfolio. We seek to generate value through exploration and development of material assets in emerging frontier basins together with strategic partners.
- 4. Expand downstream and capture synergies**
QatarEnergy has a growing portfolio of petrochemical and other downstream assets both in Qatar and internationally. We invest in assets that add value to, and secure offtake of, feedstock produced by our upstream operations, whilst offering synergies with our current operations.
- 5. Establish a position in low carbon business**
QatarEnergy is well positioned to take advantage of opportunities arising in low carbon sectors. We will pursue opportunities aligned to our competitive advantages, with a focus on carbon capture and storage, blue ammonia and solar.

To be one of the best energy companies in the world

Grow global LNG leadership

Optimize domestic upstream production

Maximize value from international upstream

Expand downstream and capture synergies

Establish a position in low carbon business

World-class human resources and capabilities

Asset management best practices

Proactive communication

Commitment to safety and sustainability

Vision Strategic Themes Key Enablers

Key figures for 2023

Qatar's Hydrocarbon Reserves

An update on the status of Qatar's confirmed hydrocarbon reserves in 2023 will be made available in October 2024.

Production

	2022	2023
Crude oil production from QatarEnergy-operated fields	296.3	294.3
	Thousand barrels per day (KBPD)	
Total oil production from QatarEnergy-operated and non-operated domestic fields	585.3	610.1
	KBPD	
Natural gas production from QatarEnergy-operated fields	335	323
	Billion standard cubic feet per year (BSCF/yr)	
Total natural gas production from QatarEnergy-operated and non-operated fields	7,669	7,697
	BSCF/yr	
Refinery throughput from QatarEnergy-operated assets (Mesaieed only)	97.8	115.12
	KBPD	
Total refinery throughput from QatarEnergy non-operated assets (Laffan Refinery)	285	270
	KBPD	

HSE

	2023
Lost time injury rate of employees and contractors	0.16
	per one million working hours
Total recordable injury rate of employees and contractors	0.52
	per one million working hours
Total greenhouse gas emissions	6.581
	million tons of CO ₂ equivalent
Flaring	14,974.2
	million standard cubic feet (MMSCF)
Total volume of waste generated	163,892
	tons
Percentage of hazardous waste recycled	22.5%
QatarEnergy operated assets only	

Financials (Billion QR)

	2022	2023
Total assets	590.8	562.7
Total equity	503.4	474.9
Total revenues	188.5	159.4
Total expenses*	91.1	88.4
Net operating profit	97.4	71.0
Share in profits of joint ventures and associates	83.6	53.9
Tax expenses	26.9	21.5
Total net profit	154.6	106.0

*After adjusting for other incomes and excluding finance charges and taxes

Growing global LNG leadership

QatarEnergy is a global leader in exporting LNG and is building on this position through the North Field expansion project. However, growing leadership means more than being the largest producer and we aim to maintain our position as one of the lowest-cost LNG producers, with some of the lowest intensity of greenhouse gas emissions in the industry.

The North Field

Discovered in 1971, the North Field is the world's largest single non-associated gas field. QatarEnergy appraisals have revealed that the North Field's productive layers extend well into Ras Laffan in Qatar and that the field's confirmed gas are more than exceed 2,000 trillion cubic feet (TCF).

North Field Expansion Project

QatarEnergy is committed to further developing the potential of Qatar's oil and gas industry, including the North Field. The North Field expansion project, announced in 2018, continues to significantly progress. The initial plan was to build three new mega-LNG trains to produce an additional 24 MTPA of LNG, raising the State of Qatar's LNG production capacity from the current 77 MTPA to 100 MTPA. By the end of 2019, those plans

were expanded to six mega LNG trains, boosting total capacity to 126 MTPA with commercial startup by the end of 2026.

Building on this, in 2023, there were several major developments to the North Field expansion project. Among them, the project's official ground breaking ceremony in Ras Laffan in October, attended by His Highness Sheikh Tamim bin Hamad Al Thani, the Amir of the State of Qatar, who laid the foundation stone for the project.

Earlier in April, QatarEnergy signed a definitive partnership agreement with China Petrochemical Corporation (Sinopec) for the North Field East expansion project, and awarded the engineering, procurement and construction contract for the North Field South project in May. This award comprises two LNG mega trains with a combined capacity of 16 MTPA. A further North Field East partnership agreement with China National Petroleum Corporation (CNPC) followed in June. These developments follow signings with several international partners in 2022.

The year 2023 also saw further developments in the LNG shipping fleet to support the North Field's expansion. In September, QatarEnergy signed an agreement with Korea's HD Hyundai Heavy Industries (HHI) for the construction of 17 ultra-modern LNG carriers. The deal, valued at QR 14.2 billion, marked the start of the second phase of QatarEnergy's LNG ship acquisition program, which will support its expanding LNG production capacity from the North Field, the Golden Pass LNG export project in the United States, and long-term fleet replacement requirements.

North Field Alpha

The first commercial exploitation of the North Field began in 1991 when QatarEnergy commissioned the North Field Alpha (NFA) complex, located about 80 kilometers northeast of Qatar's coast. 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 local and export markets. Some of the gas volumes produced from NFA are re-injected into the country's strategic gas storage reservoir in the Dukhan Field.

In 2023, the average production achieved in NFA was approximately 651 million standard cubic feet per day (MMSCFD) of gas and about 20,000 BPD of field condensate.



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

QatarEnergy LNG 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.

Additionally, QatarEnergy LNG operates the Barzan Gas Plant,

which consists of two gas processing trains each sized 950 MMSCF of full well stream gas per day. Barzan offers a secure and reliable source of natural gas to support the country's continued economic and social development. Gas from the plant is used for domestic electrical power generation, water desalination and natural gas feedstock to support Qatar's industrial sector.

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 first stream's gas delivery began in 2007, while the second began the following year.

DEL has implemented the Reservoir Management Optimization Project 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 2023, the average production achieved by DEL was 2.0 BSCFD of gas and 81.26 KBPD of condensate.

Other projects using gas from the North Field include Pearl GTL and Oryx GTL. Pearl GTL started production in 2011 and 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 2023, the average production achieved by Pearl GTL was 1.58 BSCFD of gas and 61 KBPD of condensate.

In 2023, the average daily production of natural gas in the State of Qatar was 21 BSCFD of gas and 618 KBPD of condensate. The cumulative production is 7,697 BSCF/yr of gas and 225.7 million barrels of condensate.

LNG marketing and trading

QatarEnergy trades LNG globally and seeks to strengthen this position as part of its LNG leadership strategy. Supporting this, in February, QatarEnergy announced that it will take over all the marketing and marketing-related activities managed by QatarEnergy LNG, then called “Qatargas”. The integration was completed in December, consolidating QatarEnergy’s position as a global energy leader and an important milestone in enhancing the effectiveness of LNG marketing and sales from the State of Qatar.

The strengthened alignment of LNG marketing activities within QatarEnergy leverages a combined set of technical,

**Emphasizing
a future vision
for Qatar’s
LNG industry,
in September,
Qatargas changed
its name to
“QatarEnergy LNG”**



commercial and financial capabilities of both organizations to create an enhanced center of excellence for the marketing and sale of all energy products exported from the State of Qatar.

The year proved to be a record one for QatarEnergy’s LNG agreements. In June, through its trading arm, QatarEnergy entered into a long-term LNG sale and purchase agreement with Bangladesh Oil, Gas and Mineral Corporation (Petrobangla) to supply about 1.8 MTPA of LNG to Bangladesh for 15 years, starting in 2026. Additionally, QatarEnergy signed definitive

agreements with China National Petroleum Corporation (CNPC), for the delivery of 4 MTPA of LNG from the North Field East project to CNPC’s receiving terminals in China over a span of 27 years – marking the industry’s longest term sales and purchase agreement commitment.

October saw several significant LNG deals signed for markets in Europe, beginning with affiliates of QatarEnergy and TotalEnergies signing two long-term LNG sale and purchase agreements for the supply of up to 3.5 MTPA of LNG from Qatar to France. The LNG deliveries are expected to start in 2026 for a term of 27 years and will be sourced from the two joint ventures between QatarEnergy and TotalEnergies that hold interests in Qatar’s North Field East and North Field South projects.

In the same month, two similar long-term LNG deals were signed between affiliates of QatarEnergy and Shell for the supply of up to 3.5 MTPA of LNG from Qatar to the Netherlands, also starting in 2026 for a term of 27 years. Another deal between affiliates of QatarEnergy and Eni, will supply up to 1 MTPA of LNG from Qatar to Italy over the same time frame.

QatarEnergy and Sinopec signed a long-term sales and purchase agreement in November for the delivery of 3 MTPA of LNG from the North Field South project to receiving terminals in China. The deal spans over a period of 27 years. A similar deal was signed with Sinopec in 2022 for 4 MTPA of LNG.

November also marked the continuing success of an existing long-term QatarEnergy partnership with the United Kingdom (UK), in delivery of the 1,000th LNG shipment to the South Hook LNG Terminal at Milford Haven in Wales. Delivered by the Q-Max LNG carrier “Mozah,” the South Hook Terminal has received and processed almost 100 million metric tons of LNG, which is the equivalent of supplying natural gas to every household in the UK for almost five years.

LNG2023 Conference and Exhibition

Held every three years, and alternating between LNG exporting and LNG importing countries, the 20th International Conference & Exhibition on Liquefied Natural Gas (LNG2023) was hosted in Vancouver, Canada in July. The conference was organized by the International Gas Union, the Gas Technology Institute and the International Institute of Refrigeration, and is considered the premier event for the world’s LNG industry, featuring the largest number of high-level LNG industry leaders as plenary speakers.

QatarEnergy had a significant presence at LNG2023, exhibiting a large interactive pavilion, hosting special events and partaking in high-level engagement sessions.

Speaking at LNG2023’s “Leadership Dialogue”, His Excellency Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs, the President and CEO of QatarEnergy, stated that, “40% of all new LNG that will come to the market by 2029, when all our projects are up and running, is going to be from QatarEnergy.” In discussing the energy transition, His Excellency called for a responsible and realistic dialogue on what can be achieved, adding that demonizing oil and gas has resulted in sizeable declines in investments in the sector, and that more people in the developing nations need energy for better standards of living.

At the conclusion of LNG2023, QatarEnergy announced that the State of Qatar will host the Conference and Exhibition in



2026. LNG2026 event will coincide with the historic start-up of the North Field LNG expansion project and the commissioning of one of the largest carbon capture schemes in the world, in the State of Qatar.

Optimize domestic upstream production

The majority of QatarEnergy's production comes from assets in Qatar, and while we expand production in the North Field, our other fields continue to produce significant volumes and are more mature in their lifespans. Through a combination of good reservoir practices and enhanced oil recovery techniques, we are focused on maintaining and extending production from these assets, while accelerating the development of the remaining oil and gas resources associated with these assets.

Onshore operated fields

Dukhan Field

Discovered in 1939, Dukhan Field is Qatar's first oil and gas field, and remains its only onshore field. Located on the western side of Qatar, 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 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 at the end of 2023, there were 385 producing oil wells, 234 water injectors and 68 gas wells in the field.

Two major projects are currently being undertaken for the redevelopment of 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 CO₂ Water-Alternating-Gas (WAG) Pilot Project. CO₂ is used as an enhanced oil recovery 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 CO₂ 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 CO₂ injection is expected in 2027 after completion of the CO₂ disposal facilities. The duration of the pilot project will take place over a five-year period. This project aims to confirm improved recovery from CO₂ injection, provide useful reservoir performance data for the full-sector implementation and help build operational experience.

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 and onshore stripped associated gas to various internal and external consumers within Dukhan.

2023 highlights

- In 2023, 35 EWF wells (27 oil producing, seven produced water injecting, one observation) were drilled in Arab C, Arab D and Uwainat, adding 36 MMSTB of developed reserves. By year end, 196 EWF wells were drilled out of planned 361 wells under the EWF development scheme, representing 54% completion. In parallel, Dukhan Production Facilities Upgrades projects were undertaken to manage the expected production and injection requirements.



- The project to construct and commission the CO₂ WAG Pilot facilities progressed. Thirteen wells at the pilot site were completed with only the CO₂ disposal well remaining to be drilled (expected in 2025). As of end 2023, the last remaining element of the engineering, procurement, installation and commissioning stage (the CO₂ reinjection project scope) progressed with the award expected in the second quarter of 2024.

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 90% of the field's total production by the end of 2023. 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. A few wells are intermittently opened for production to meet gas export demands. The Permian Khuff reservoir was discovered there in 2012 but there are no active wells.

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.

Maydan Mahzam produces crude oil along with associated gas, both of which 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. 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 within existing wellhead jackets. This is in addition to a new wellhead jacket, major facility and pipeline upgrades.

2023 highlights

- Reservoir management guidelines and practices were rigorously adhered to. That includes 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. Located about 120 kilometers east of Qatar's coastline with water depths ranging from 15 to 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. Arab C, an important oil rim capped by rich gas, was put into production but eventually was shut-in as part of 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, a 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 (H₂S) content was similar to that of Arab D oil and much lower than the usual high value for the Arab C reservoir. A 100-foot perforation was added in

2023, and the well is on stream and results are encouraging. A possible short sidetrack is being 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 is sent to the Production Station 3 (PS-3) complex, where the oil, gas and water are separated. From there, 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 the field's lifetime, QatarEnergy announced in May 2014 the implementation of a two-stage redevelopment project. The first involves drilling up to 30 new wells, installing four new wellhead jackets, and connecting production hub platforms to the existing PS-3 complex. This phase has completed the engineering, procurement, installation and commissioning stage and the drilling campaign. All of its wells are now under production.

The second stage, now called the 'Bul Hanine Field Life Extension' project, is underway and all surface facilities requiring major station upgrades have been included in its scope. In the project, 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 co-mingled gas injectors will dispose of gas produced in the gas caps. Four new dedicated gas injectors, targeting the Mid-Jurassic reservoirs, will ensure all produced gas is reinjected and provides 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) operated both



fields under a development and production sharing agreement 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 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 Nahr Umr and Uwainat. Reservoir surveillance was maintained 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 intra-field flowlines, umbilicals and upgrading a compressor. One jacket has been installed and is producing while the

remaining three jackets are in the engineering, procurement, installation and commissioning stage.

In support of QatarEnergy's commitment towards a sustainable and cleaner future, an initiative is underway to help reduce flaring during shutdown periods by injecting produced gas in the Nahr Umr reservoir. The Idd El Shargi gas injection project has helped the field 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. Additionally, well integrity issues in the Idd El Shargi Field were reduced to nine from eighty since October 2019.

2023 highlights

- In 2023, production from a new wellhead jacket, U-08C, started 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 will be completed in mid-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 2023.

Al Rayyan Field

The Al Rayyan Field was discovered in 1976, but production from the field started 20 years later in November 1996. Located 50 kilometers north of Qatar, 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 3,800 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. The Al Shaheen Field is 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 with Maersk Oil in July 2017, North Oil Company (NOC) – a joint venture between QatarEnergy (70%) and TotalEnergies (30%) – took over the operatorship of the field.

The Al Shaheen Field produces from the Kharai 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. Water-alternating gas is implemented at the B-Location Kharai B and Shuaiba reservoirs and will be implemented in other parts of the field in a future phase of development. A surfactant injection pilot was carried out in the Kharai B reservoir C and G locations with results currently under evaluation.

In 2023, 103 million barrels were produced from the field. Al Shaheen crude oil is stored in two of the world's largest double hulled FSO vessels (FSO Asia and FSO Africa) 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. Since 2021, NOC has mobilized five jack-up rigs which have been operating in the field. As of the end of 2023, NOC had completed a total of 161 development wells (57 in Phase 1 and 95 in Phase 2), and four water disposal and six appraisal wells.

Phase 2, also known as the Gallaf Project, was executed in three batches and comprised the installation of seven new wellhead platforms and one central processing platform. Three wellhead platforms (DC, EG and FC) were installed in Phase 2.1 and achieved first oil in the first quarter of 2021 from the DC and EG platforms. Two wellhead platforms (CE and EH) were installed

in Phase 2.2 and achieved first oil in the third quarter of 2022 from the EH platform. For Phase 2.3, two wellhead platforms (JA and KA) were installed in 2023 and drilling operations are planned for 2024. The central processing platform is planned to be installed in 2024 and to achieve first oil in the fourth quarter of 2024.

To stop produced water over-boarding from the two FSOs operating in the field, projects were undertaken to install six outboard slots at the AB platform (AB-OBS) and produced water management (PWM) modules at the A and B locations.

The Block 5 Field Development Plan outlines the Phase 3 development of Al Shaheen Field. One of the plan'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.

2023 highlights

- The Phase 1 drilling operation update was completed in 2023 with the drilling of IA-19.
- Drilling operations continued for Gallaf Batch 1 and 2. As at the end of 2023, 70 wells were drilled, with only one more well pending in 2024 to complete Gallaf Batch 1's drilling. For Batch 2, drilling operations commenced at the EH platform in January 2023 and by the end of the year, a total of 25 wells were completed for both the CE and EH platforms. For Batch 3, the JA and KA wellhead platforms were successfully installed. Drilling for both platforms will commence in 2024. Fabrication of the central processing platform continues and is planned to be installed in 2024.
- Drilling operations for the AB-OBS project commenced in April and four oil producers, one water injector and one water disposal well were completed. A deep re-drill and conversion to a water injector at the AA-23 well is on-going.
- The PWM modules (AB and BE) arrived in Qatar in November 2023 and installation is on-going. As at the end of 2023, the produced water over-boarding stopped at FSO Asia and is planned to be stopped at FSO Africa by the end of 2024.

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 Qatar's 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 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 2023, 8.3 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.

To maximize Qatar's upstream value, TEEPG developed long-term and master development plans to shape a sustainable field. The master development was proposed to QatarEnergy with possible future developments and new technologies to be applied to Al Khalij field. Based on that plan, a field development plan was created to ensure the integrity of existing facilities, fight production decline and study and implement new technologies, such as autonomous inflow control devices, SurgiFrac and enhanced oil recovery, to improve asset recovery.

2023 highlights

- Drilling was conducted at ALK421, ALK422 and ALK117.
- Yearly average oil production 22.8 KBOPD – a level that had not been reached in 10 years.

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.

Qatar Petroleum Development Company Ltd. (QPD) has been operating the Al Karkara and A-Structures fields under a DPSA that expired in December 2022. A new DPSA 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 H₂S and to have zero flaring through the re-injection of sour gas into the A-North Field.

In 2023, the total oil production from the Al Karkara and A-Structures fields was 674 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 2023, the total oil production from the El Bunduq Field was 3.17 million barrels.



Halul Island

Roughly oval in shape and located around 80 kilometers northeast of the capital, Doha, Halul Island plays an important role in offshore production activities in the State of Qatar. The small strategic island, which covers only about 1.5 square

Name of field

Average oil
production in
2022 (KBOPD)

Average gas
production in
2022 (MMSCFD)

Average oil
production in
2023 (KBOPD)

Average gas
production in
2023 (MMSCFD)

QatarEnergy-operated fields

Dukhan	176.1	223.4	176.7	224.0
Maydan Mahzam	16.1	35.0	14.6	31.6
Bul Hanine	37.7	38.5	35.7	42.0
Al Rayyan	3.2	–	3.9	0.3
Idd El Shargi	60.9	35.3	62.6	44.1

Non-operated fields

Al Shaheen	258.8	174.0	282.1	187.3
Al Khalij	17.9	2.4	22.8	3.2
Al Karkara and A-Structures	2.3	8.2	1.8	6.3
El Bunduq	10.5	–	8.7	–

Oil and gas production rounded to one decimal point

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 1,600 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.

Maximize value from international upstream

We have and will continue to diversify our portfolio and meet global demand of oil and gas by acquiring interests and assets across the globe. Our international upstream expansion centers around strategic collaboration with IOC partners to generate value through exploration and development of material assets in emerging and frontier basins. This successful strategy has led us to major oil and gas discoveries, including in Brazil, Namibia and Cyprus. We prioritize international upstream exploration and production investments which maximizes the value return for the State of Qatar.

Our international upstream portfolio encompasses more than 40 individual joint ventures across the globe. We have international producing assets in Brazil including the Sepia field, the Republic of the Congo and Argentina. We also have a feedstock of discovered resources awaiting development in Cyprus, Brazil, South Africa and Namibia. QatarEnergy continues to grow its exploration portfolio and has entered into new countries in recent years, including Canada, Suriname and Lebanon, and is expanding into Egypt. QatarEnergy has also expanded its presence in Brazil, Cyprus, and South Africa. Of particular note is the world class portfolio and discoveries made offshore Namibia from 2022 through 2023, with partners TotalEnergies and Shell.

2023 highlights

Egypt

EGY-MED-E8

In October 2023, QatarEnergy was awarded a new exploration block offshore the Arab Republic of Egypt. The exploration and production rights for block EGY-MED-E8 (East Port Said) were awarded to a consortium comprising of QatarEnergy (33%), ENI (Operator, 34%) and BP (33%). Located offshore Egypt's northeastern Mediterranean coast, the East Port Said block lies in water depth of up to 800 meters and covers an area of approximately 2,600 square kilometers.

Iraq

GGIP

In April 2023, QatarEnergy agreed to acquire a 25% share in the Gas Growth Integrated Project (GGIP), in a consortium with Basra Oil Company (30%) and TotalEnergies (45% and operator). This project aims to substantially increase project oil production from 60 to 210 KBOEPD in different phases, while also focusing on monetizing and developing the Republic of Iraq's associated gas resources to reduce gas flaring and emissions. GGIP involves investing approximately USD 11 billion to upgrade and construct new oil and gas processing facilities along with a sea water treatment plant and pipelines network for water distribution to Ratawi and other fields in southern Iraq for injection into oil reservoirs for pressure maintenance purposes.



Status as of 31 December 2023

Lebanon

Block 9

In January 2023, QatarEnergy entered into an agreement with the Government of the Lebanese Republic, TotalEnergies and Eni to become a partner in an exploration block offshore Lebanon. Pursuant to the terms of the agreement, QatarEnergy will hold a 30% participating interest in the exploration and production agreement, while TotalEnergies (the operator) and Eni will each hold a 35% interest. The block has a total area of 1,749 square kilometers and lies about 80 kilometers off the coast of southern Lebanon in water depth of up to 1,700 meters.

Namibia

PEL-39

In March 2023, QatarEnergy announced a light oil discovery offshore Namibia, at the Jonker-IX deep-water exploration well in the PEL-39 Exploration License. The Jonker-IX well was drilled to a total depth of 6,168 meters in water 2,210 meters

deep. The discovery follows another in the same license at the Graff-1 well in February 2022, where oil was found at a total depth of 5,376 meters

Suriname

Blocks 64 and 65

In December 2023, QatarEnergy signed two production sharing contracts for Suriname's offshore blocks 64 and 65, which it won during a bid round held in June. Pursuant to the signed contracts, QatarEnergy will own a 30% participating interest in Block 64, while TotalEnergies (the operator) will own 40%, and Petronas will own 30%. QatarEnergy will also own a 40% share in Block 65, while Shell (the operator) will own 60%. Both blocks are located about 200-250 kilometers offshore Suriname in water depths of about 1,300 to 1,700 meters.

During 2023, work continued in relation to acquiring participating interests in certain blocks. However, if the deal was not completed as of 31 December 2023, the interest is not recognized in the 2023 annual financial statements. Additionally, discoveries in certain fields will be reflected in the reserves reporting in the subsequent year.

Expand downstream and capture synergies

We are committed to expanding downstream operations and delivering major petrochemical growth projects both in the State of Qatar and internationally. As our business grows, we are finding synergies across our existing portfolio of downstream operations, and through the North Field expansion projects, increasing the availability of petrochemical feedstocks, including methane, ethane and propane, and are exploring ways to further expand of our petrochemicals value chain.



The refinery

A 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 MIC.

The Refinery has a processing capacity of up to 127,000 BPD, with its feedstock consisting mainly of crude oil and condensate from 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, light gas oil 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, gasoline and fuel oil are also exported to customers worldwide.

2023 refinery highlights

- Processed a total of 38.5 million barrels of feedstock (crude and condensate), which was 97% of the business plan.
- The refining operations' chemical plant achieved an outstanding milestone of delivering 121.1 kilotons of linear alkyl benzene, exceeding the business plan by 5%.
- Achieved an outstanding unplanned downtime of 0.99% versus a maximum target of 2% – reflecting our commitment in delivering consistent, reliable and uninterrupted operations.
- Process safety is a key priority for QatarEnergy's refining operations and our continuous improvement initiatives sustained a three-year period without any process safety tier-1 or tier-2 incidents. Our process safety management initiatives focused on the completion of all asset hazard and operability analyses and implemented recommendations from process safety studies and audit findings.
- Refining Operations enhanced its continuous improvement and operational excellence programs, yielding the following results:
 - Reinforced our workforce continuous improvement culture and capability through training and support at all levels in the organization.
 - Established a five-year strategic plan aligned to QatarEnergy's vision and strongly geared towards delivering safe, reliable and efficient refining operations.

Other Mesaieed operations

At Mesaieed, QatarEnergy operates three facilities that link various upstream hydrocarbon producers and downstream export operations, power plants and industries in Qatar.

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 Dukhan Field, raw gas and liquids from the North Field Alpha platform, 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, 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, North Field stabilized condensate 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 QAFAC methyl tertbutyl ether plant and as a product by the refinery for supplying Qatar's 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.

Gas Transmission and Distribution System

The GDS under Mesaieed Operations operates the Qatar onshore hydrocarbon pipeline transmission and distribution network within the ~200 kilometers long, 600 meters wide Qatar National Pipeline corridors – North-South and East-West. The corridors boast over 3,000 kms of pipelines, of varying sizes

up to 36 inches 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, joint ventures, 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.

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 multiproduct berth, 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.

Other local downstream activities

QatarEnergy is also involved in many other downstream operations through its various joint ventures and subsidiaries. This includes Laffan Refinery in RLIC, operated by QatarEnergy LNG.

Laffan Refinery was established in 2006 for the production, sale and marketing of refined products. Following the merger between the refineries LR1 and LR2 in February 2023, Laffan Refinery's total processing capacity is 306,600 barrels per stream day. Laffan Refinery's shareholders are: QatarEnergy (72%), ExxonMobil (10%), TotalEnergies (10%), Cosmo Oil (5.5%), Mitsui (2.5%).

In 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 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 to 2028. 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.

QAFCO was founded in 1969 and established the country's first domestic fertilizer plant in Mesaieed. Converting valuable, and otherwise flared, surplus methane into urea and ammonia. By 2012, production had increased from 0.4 to 5.6 MTPA of urea and 3.8 MTPA of ammonia, making it the world's largest single-site fertilizer manufacturing facility and helping provide nutrition to about 100 million people, mostly in Asia.

Since 2021, QAFCO has been 100% owned by Industries Qatar, a Qatari listed holding company that is 51% a subsidiary of QatarEnergy, and owns shares in several other downstream facilities. In 2022, QatarEnergy and QAFCO took the final investment decision to build the world's largest blue ammonia facility with CO₂ injection wells located directly next to the ammonia production facility (read more on page 44).

Several other major downstream companies operate from MIC and RLIC including Q-Chem I, Q-Chem II, QAPCO, QVC, QAFAC, Qatofin, GFC, QMC, QEW, Qatalum, Qatar Steel, MPCL, UHP, Oryx GTL, Pearl GTL, DEL, RLOC, Gasal, Ras Laffan Power Company, RGPC and QPower.

These companies produce a wide range of products, including linear low-, low-, medium- and high-density polyethylene;

gasoline; alpha olefins; caustic soda; ethylene dichloride; vinyl chloride monomer; hydrochloric acid; methanol; methyl tertiary butyl ether; linear alkyl benzene; aluminium; steel; and other refined petroleum products.



Increasing polyethylene production

Products derived from fossil fuels play an essential role in modern life, with near-endless applications in household, industrial and medical products. QatarEnergy continues to invest in Qatar's downstream sector, including the development of its polymer plastics industry.

On 8 January 2023, QatarEnergy announced the final investment decision with Chevron Phillips Chemical Company LLC (CPChem) to build the Ras Laffan Petrochemical Complex (RLPC) – a USD 6 billion integrated olefins and polyethylene facility at RLIC.



**Chevron
Phillips**
Chemical Company

قطر للطاقة
QatarEnergy

حفل توقيع اتفاقيات مجمع راس لفان للبتروكيماويات Ras Laffan Petrochemicals Complex Agreements' Signing Ceremony

Doha, Qatar
8 January 2023

الدوحة، قطر
٨ يناير ٢٠٢٣



The new complex, set to break ground in February 2024, will have an ethane cracker with a nameplate capacity of about 2.1 MTPA of ethylene, making it the largest in the region and one of the largest in the world. RLPC will include two high-density polyethylene (HDPE) units with production capacity of 1.7 MTPA of HDPE – raising Qatar's current polyethylene production capacity by 82% by 2026.

Similar to RLPC, on 8 March 2023, QatarEnergy and CPChem broke ground on the construction for the Golden Triangle Polymers Plant in Orange County, in the U.S. State of Texas. The USD 8.5 billion world-scale petrochemical facility is roughly 180 kilometers east of Houston and will feature an ethylene cracker unit with a capacity of 2.08 MTPA.

The Golden Triangle polymers plant will also house two high-density polyethylene units, which put together will have a production capacity of 2 MTPA. Aimed to begin operations in 2026, the petrochemicals project will be owned by Golden Triangle Polymers, a joint venture between QatarEnergy (49%) and CPChem (51%).

Establish a position in low carbon business

We support the global energy transition through the export of LNG, a lower-carbon fuel, and by establishing a position in emerging low-carbon business sectors, where our expertise and the natural conditions of Qatar give us a competitive advantage. We are leveraging carbon capture and storage to reduce the carbon intensity of our products, with an immediate focus on the blue ammonia value chain, and we are growing our solar generation capacity.

Solar energy

Situated in a sunshine-rich region, Qatar has enormous solar energy potential. QatarEnergy is pursuing this opportunity with a series of large- and small-scale solar photovoltaic (PV) projects.

The Al-Kharsaah Solar PV Power Plant, inaugurated by His Highness Sheikh Tamim bin Hamad Al Thani, the Amir of the State of Qatar in October 2022, is Qatar's first solar PV facility. With a total capacity of 800 megawatts (MW), the 10-square

kilometer facility includes more than 1.8 million solar panels. It utilizes leading sun-tracking technology and panel-cleaning robotic arms. The facility provides Qatar's national grid with about 10% of its peak electricity demand.

In 2023, QatarEnergy awarded the engineering, procurement and construction contract for the Industrial Cities Solar Power Project (IC Solar), a solar power project for its industrial cities. This project involves constructing a 417 MW solar PV power plant in MIC and a 458 MW solar PV power plant in RLIC. Both plants are expected to start generating electricity by the end of 2024. Coupled with the Al Kharsaah solar PV power plant, the IC Solar project will increase Qatar's renewable energy generation capacity to 1.675 gigawatts (GW). The IC Solar project will supply renewable power to QatarEnergy's facilities and will support our target of reducing the emissions intensity of our operations. The project is set to avoid over 28 million metric tons of CO₂ emissions over its lifetime.

These solar projects support QatarEnergy's Sustainability Strategy, which emphasizes its commitment to the responsible production of clean and affordable energy. The strategy aims to increase Qatar's solar capacity to over 5 GW, reduce emissions and capture over 11 million tons of CO₂ per year by 2035. It also seeks to further reduce the carbon intensity of QatarEnergy's LNG facilities.

Blue ammonia

Of growing importance to QatarEnergy's sustainability efforts is blue ammonia. Blue ammonia involves capturing carbon dioxide emissions generated during the production of ammonia from natural gas or other feedstocks and storing them underground, thereby reducing the overall carbon footprint of the ammonia production process.

In August 2022, QatarEnergy's affiliates, QatarEnergy Renewables Solutions and QAFCO signed agreements for the construction of the QAFCO-7 Project – the industry's first world-scale and largest blue ammonia project. The project, located in MIC, will have the capacity to produce 1.2 MTPA of blue ammonia and is expected to start operating in 2026. QatarEnergy Renewables Solutions – wholly owned by QatarEnergy – will develop and manage QAFCO-7's integrated facilities to capture and store about 1.5 MTPA of CO₂. It will also supply more than 35 MW of renewable electricity to the project from its under-construction solar PV power plant in MIC and develop and lead the process for certifying the product produced by the QAFCO-7 facility.

In 2023, engineering, procurement and construction continued, advancing development of the project to around 30%. The drilling of appraisal wells also began, to identify the number of injection wells required for CO₂ capture and sequestration.

Carbon capture, utilization and storage

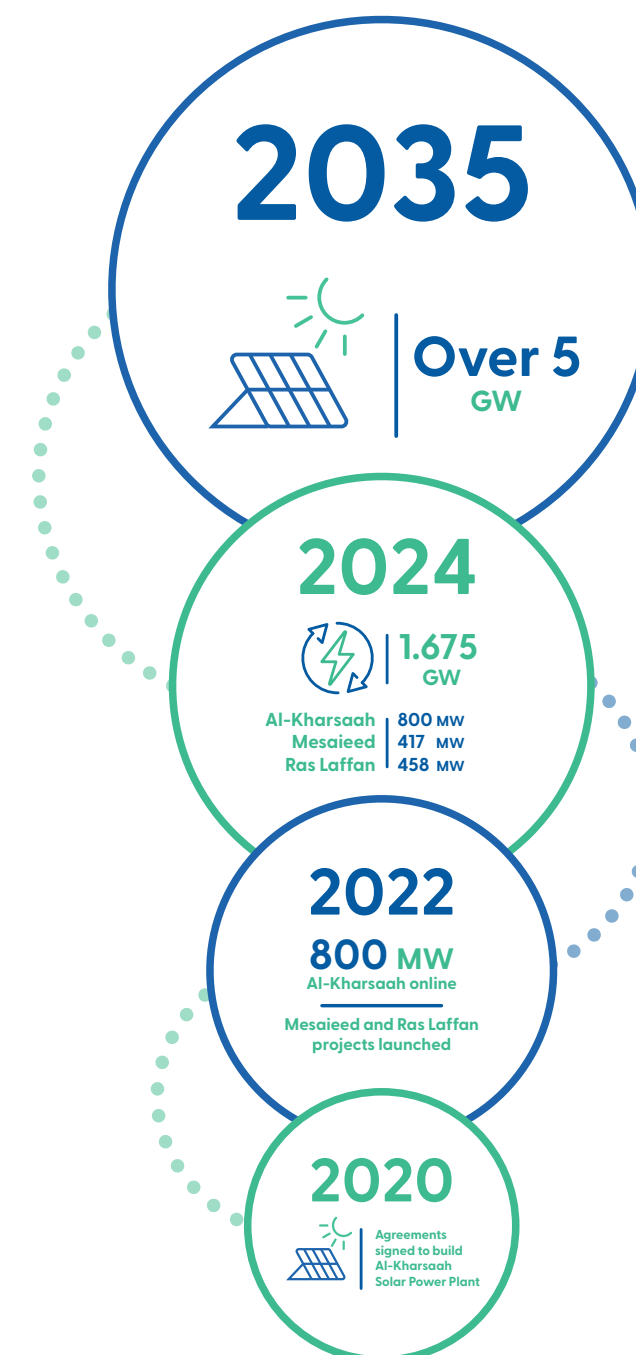
Carbon capture, utilization and storage (CCUS) is an important lever in QatarEnergy's corporate strategy to develop a position in low-carbon business. So far, we have successfully deployed 2.2 MTPA of CCUS capacity in Qatar and are targeting a total capacity of 7-9 MTPA by 2030 and over 11 MTPA by 2035. As our CCUS capacity grows in the coming years, we understand that a CCUS standard and framework is required for the State of Qatar and are contributing to their development.

Our current 2.2 MTPA CCUS capacity is installed to capture inherent CO₂ in the feed gas to the LNG trains and sales gas assets. The capture of this CO₂ is important in producing lower carbon intensity LNG for export. At the North Field East and North Field South LNG expansion projects, we also intend to incorporate CCUS systems, which will be integrated with existing CCUS capacity. Since its inception, we have captured and successfully stored around 6.3 million tons of CO₂.

2023 CCUS highlights:

- The CO₂ Export Project continues to advance on schedule, achieving an overall progress of around 94%. The project will export captured CO₂ from QatarEnergy LNG South facilities to Dukhan for enhanced oil recovery purposes.
- The front-end engineering design project to capture CO₂ from seven QatarEnergy LNG North trains and three QatarEnergy LNG South trains was awarded in 2023 and year-end progress was over 50%. CO₂ will be captured from the acid gas enrichment process of the LNG trains and compressed in a centralized facility to meet the required wellhead injection pressure. Six injection wells will be drilled within RLIC as part of the project. The potential CO₂ capture from this project is over 4 MTPA, significantly contributing to the reduction of greenhouse gas intensity of our LNG facilities..

Solar Power



Tawteen: Strengthening Qatar’s energy sector

Building a resilient and competitive energy sector in the State of Qatar is essential to the success of QatarEnergy. Fulfilling our vision to be one of the best energy companies in the world partly relies on further developing and providing opportunities to local businesses. To this end, QatarEnergy strives to support the growth of Qatari industry for a sustainable energy sector in Qatar.

Launched in February 2019, Tawteen is the supply chain localization initiative for Qatar’s energy sector, led by QatarEnergy. Tawteen is committed to supporting Qatar’s National Vision 2030 by establishing a resilient and competitive

supply chain in the energy sector. In doing so, Tawteen seeks to promote the growth and diversification of the country’s economy, develop local industry, create employment opportunities for qualified professionals and encourage technology transfer.

The Tawteen initiative consist of three key programs: the In-Country Value (ICV) program, to measure and incentivize suppliers to increase local content in the energy sector; the Investment Opportunities program, to create new business opportunities for the local market based on the energy sector’s demand; and the Supplier Development program, to enhance the capabilities of newly established local business opportunities and upskill their talent pool.

A year of achievements

In 2023, Tawteen made significant strides in promoting investments and business development in Qatar. An additional 22 investment opportunities were awarded, bringing the total to 72 since 2019. Among the awarded 72 investment opportunities, 33 investments were completed and are currently in production. In the year, Tawteen welcomed Weatherford and Google into its network of international suppliers (anchors).

In addition, the ICV program is currently undergoing a comprehensive overhaul. This entails a collaborative effort to assess and enhance the existing ICV framework, scorecard, plan and certification. This process will culminate in the launch of an improved ICV program, accompanied by targeted training for stakeholders to facilitate their adjustment to the program changes, thereby ensuring their active engagement in the program’s development. The ICV portal will also be enhanced with new tools to improve suppliers’ experience and maximize the platform’s benefits.



Tawteen partners in 2023

QatarEnergy	QAPCO	DEL	QPower
QatarEnergy LNG	QAFAC	TotalEnergies	RGPC
NOC	Woqod	Oryx GTL Limited	Ras Laffan Power Company
Qatalum	Qatar Steel	Shell	M Power
QChem	QEWG	QAFCO	UHP

Our people agenda

A key enabler of our strategy to be one of the best energy companies in the world is the development of world-class human resources and capabilities. Acknowledging the critical role played by its people to achieve its vision, QatarEnergy established a People Agenda to guide its activities. In 2023, we continued to develop and progress on the delivery of the agenda, which consists of several initiatives and projects designed to bring the best out of our people.



A refreshed agenda

In 2023, QatarEnergy refreshed its People Agenda to better capture the staff and organizational development focus areas needed to support the business and enable our corporate strategy as "Your energy transition partner."

Outlining what success looks like for us and our implementation approach, the refreshed People Agenda focuses on three areas: attracting, developing and deploying highly capable talent, with an emphasis on Qatari nationals; driving sustained

performance through fit-for purpose policies, integrated processes, structures, systems and competencies; and enhancing the wellbeing of our people and their commitment to QatarEnergy's values.

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 2023, a record-breaking number of new hires joined the company (772). We also continued the roll-out of grouping inter-related job roles into what we describe as '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. An important step in this was the smooth integration of all marketing and marketing-related activities formerly managed by QatarEnergy LNG. This was a major move towards consolidating QatarEnergy's position as a global energy leader and an important milestone in strengthening the effectiveness of Qatar's LNG marketing and sales – creating a center of excellence and marketing our products as one entity.

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. In September 2023, QatarEnergy with the support of consulting firm Mercer, conducted its first ever companywide survey to gauge the engagement of its employees. Presented to all staff members across the organization, the Employee Engagement Survey had a 92% participation rate and achieved an engagement score of 84%, which is above the global average of other energy companies.

The survey found that employees felt there was an environment of trust, that they felt valued and were treated with respect and dignity at QatarEnergy. On the safety front, the survey showed very strong results on workplace safety culture.

Further analysis of the survey's results through focus groups are taking place aiming to address the improvement areas in 2024 and beyond.

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 graduates 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.

In 2023, 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. In 2023, 54 employees were trained through the Ta'sees program.

Employee training in QatarEnergy

	2022	2023
Total number of employees	8,574	9,114
Average hours of training per employee	21.2	26.4

2023 highlights

January

8

QatarEnergy announced the final investment decision with Chevron Phillips Chemical Company LLC to build the Ras Laffan Petrochemical Complex – a USD 6 billion integrated olefins and polyethylene facility at Ras Laffan Industrial City.

14



His Excellency Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs, the President and CEO of QatarEnergy, said the world can't solve its environmental and climate change problems without being realistic about the solution. His Excellency's remarks came during an opening panel discussion of the Global Energy Forum, held in Abu Dhabi.

25

QatarEnergy honored the dedication, commitment and long service of 238 employees, who reached career milestones of 30, 35, 40 and 45 years of service. The "My Legacy" ceremony, held under the patronage of His Excellency Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs, the President and CEO of QatarEnergy, is a continuation of QatarEnergy's recognition of its most valuable asset – its human capital.

29

QatarEnergy entered into agreements with the Government of Lebanon, TotalEnergies and Eni to become a partner in two exploration blocks offshore Lebanon.

February

8

QatarEnergy celebrated the graduation of Qatari nationals who successfully completed their academic studies and training programs and have joined the workforces of QatarEnergy and other companies in the energy sector. The graduates will be working with QatarEnergy, QatarEnergy LNG, NOC, ORYX GTL, QAFCO, QAPCO, QAFAC, Qatalum, Q-Chem, Shell Qatar and Woqod.

20

QatarEnergy announced it will be taking over all the marketing and marketing-related activities currently managed by QatarEnergy LNG (then Qatargas). The integration of such activities into QatarEnergy expected to be completed by the end of 2023.

March

6

QatarEnergy announced a light oil discovery in the Jonker-1X deep-water exploration well drilled in the PEL-39 Exploration License, offshore Namibia. The Jonker-1X well was drilled to a total depth of 6,168 meters in a water depth of 2,210 meters. The acquired data to be evaluated while further appraisal is planned to determine the size and recoverable potential of the discovery.

8



QatarEnergy and Chevron Phillips Chemical Company marked the ground breaking of the Golden Triangle Polymers Plant in

Orange County, Texas, marking the beginning of construction of the USD 8.5 billion world-scale petrochemical facility.

27

QatarEnergy was awarded the 2022 North American Petrochemical Deal of the Year award, in recognition of the financing of the Golden Triangle Polymers project.

29

QatarEnergy entered into a farm-in agreement with ExxonMobil Canada for two exploration licenses offshore the province of Newfoundland and Labrador in Canada.

April

2

QatarEnergy entered into an agreement with Shell to acquire a 40% working interest in the C-10 block located offshore Mauritania.

4

His Excellency Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs, the President and CEO of QatarEnergy, received and congratulated Mr. Abdulaziz Saud Al-Tamimi (QatarEnergy), Mr. Ibrahim Abdulla Al-Harami (QatarEnergy LNG), and Mr. Tamim Jamal Al-Kuwari (QatarEnergy), energy sector employees and top three winners respectively of Samla 2023.



5

QatarEnergy agreed to hold a 25% share in GGIP – a multi-billion-dollar project aimed at monetizing and developing the natural gas resources of the Republic of Iraq.

12

QatarEnergy announced the signing of a definitive partnership agreement with Sinopec for the North Field East expansion project, the largest project in the history of the LNG industry.

16

QatarEnergy signed a memorandum of understanding with the Ministry of Mines and Energy of the Republic of Namibia to strengthen cooperation in the energy sector.

May

9

QatarEnergy entered into two production sharing contracts for Blocks 6 and 8 offshore the Republic of Suriname, following successful bids in these blocks, as previously announced in June 2021.

11

Over 45 Qatari associates from QatarEnergy and the energy sector completed the "Ta'sees" onboarding training program for fresh graduates under development, in the attendance of QatarEnergy's Executive Leadership Team. The two-month program included 40 training sessions in topics related to the oil and gas industry, safety and personal effectiveness skills.



16

QatarEnergy announced the award of the engineering, procurement and construction contract for the North Field South project, which comprises two LNG mega trains with a combined capacity of 16 MTPA.

June

1

QatarEnergy's LNG trading arm, QatarEnergy Trading, entered into a long-term LNG sale and purchase agreement with Petrobangla to supply about 1.8 MTPA of LNG to Bangladesh for 15 years, starting in 2026.

3

QatarEnergy, and its joint-venture partners TotalEnergies, Petrobras and PETRONAS Petróleo Brasil Ltda. (PPBL) signed a production sharing contract for the Agua-Marinha block which was awarded to the consortium on 19 December 2022 in the 1st Cycle Permanent Offer round, by Brazil's National Agency of Petroleum, Natural Gas and Biofuels (ANP).

20



QatarEnergy signed definitive agreements with China National Petroleum Corporation, covering the long-term supply of LNG to China and partnership in the North Field East LNG expansion project.

21



QatarEnergy honored the dedication, commitment and long service of 108 employees, who reach career milestones of 30, 35, 40, and 45 years of service. Organized as QatarEnergy's recognition of its human capital, the "My Legacy" recognition ceremony was held under the patronage of His Excellency Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs, the President and CEO of QatarEnergy.

July

10

QatarEnergy announced a long-term condensate supply agreement with the Dubai-based ENOC Group, a leading integrated global energy player.

12

His Excellency Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs, the President and CEO of QatarEnergy, participated in the 20th International Conference & Exhibition on Liquefied Natural Gas, held in Vancouver, Canada.

17

The State of Qatar announced it will host the 21st International Conference and Exhibition on Liquefied Natural Gas (LNG 2026), a pre-eminent world event in the LNG industry that showcases the continued growth and development of the sector worldwide.

September

14

Emphasizing a future vision for Qatar's liquefied natural gas industry, QatarEnergy announced that Qatargas has changed its name to "QatarEnergy LNG".

25

His Excellency Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs, the President and CEO of QatarEnergy, highlights the importance of harmonizing energy security, affordability and sustainability in the quest for an equitable and realistic energy transition in his remarks at the Ministerial Plenary Meeting as part of Tokyo's Green Transformation Week.

26

His Excellency Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs, the President and CEO of QatarEnergy,

concluded a working visit to Japan during which he held meetings with Japanese officials and executives on cooperation in the field of energy.

26

QatarEnergy announced the signing of a long-term naphtha supply agreement with Japan-based Marubeni Corporation, a leading integrated trading and investment business conglomerate.

27

QatarEnergy signed an agreement with Korea's HD Hyundai Heavy Industries for the construction of 17 ultra-modern LNG carriers.

October

3



His Highness Sheikh Tamim bin Hamad Al Thani, The Amir of the State of Qatar, laid the foundation stone of the North Field expansion project, which will raise the State of Qatar's LNG production capacity from 77 to 126 MTPA by 2026.

4

QatarEnergy was awarded a new exploration block offshore the Arab Republic of Egypt as part of the 2022 EGAS International Bid Round.

9

QatarEnergy and Chevron Phillips Chemical Company LLC announced they have secured USD 4.4 billion financing for the Ras Laffan Petrochemicals project, a world scale integrated polymers complex in RLIC, Qatar.

11

Affiliates of QatarEnergy and TotalEnergies signed two long-term LNG sale and purchase agreements for the supply of up to 3.5 MTPA of LNG from Qatar to France.

18

Affiliates of QatarEnergy and Shell signed two long-term LNG sale and purchase agreements for the supply of up to 3.5 MTPA of LNG from Qatar to the Netherlands.

23

Affiliates of QatarEnergy and Eni signed a long-term LNG sale and purchase agreement for the supply of up to 1 MTPA of LNG from Qatar to Italy.

29

QatarEnergy announced the refresh of its corporate strategy, marking the first update since 2018. The refreshed strategy and existing values will guide the organization in achieving its goals and delivering value to its stakeholders.

November

1

QatarEnergy LNG delivered the 1,000th LNG shipment to the South Hook LNG Terminal at Milford Haven in the UK.



4

QatarEnergy announced the signing of a partnership agreement with Sinopec for the North Field South expansion project.

5

In a keynote speech at the Sinopec Forum in Shanghai, His Excellency Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs, the President and CEO of QatarEnergy, hailed the growing relationship between the State of Qatar and the People's Republic of China in the field of energy, highlighting the significance of recently signed North Field expansion project partnerships and LNG sales agreements.

18

QatarEnergy signed an agreement to become the platinum sponsor of the 9th "Made in Qatar 2023" exhibition, held at the Doha Exhibition and Convention Center in November.



December

3

QatarEnergy announced the successful integration of

all marketing and marketing-related activities formerly managed by QatarEnergy LNG. This is a major move towards consolidating QatarEnergy's position as a global energy leader and an important milestone to enhance the effectiveness of LNG marketing and sales from the State of Qatar.



4

In his keynote address during the opening ceremony of the 17th Annual Gulf Petrochemicals and Chemicals Association Forum, His Excellency Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs, the President and CEO of QatarEnergy, welcomed the event's focus on energy transition issues as represented in event theme: 'Mobilizing Chemistry for Impactful Transformation'. His Excellency Minister Al-Kaabi stressed the need for a realistic and equitable energy transition while recognizing the inherent challenges in the transition process.

15



QatarEnergy signed two production sharing contracts for Suriname's offshore Blocks 64 and 65, which it had won during a bid round held in June 2023.

19



His Excellency Saad Sherida Al-Kaabi, the President and CEO of QatarEnergy, congratulated 12 students who received

outstanding achievement awards as part of their scholarship program for the academic year 2022-2023.

21

QatarEnergy hosted the Tawasul Program, an event designed to equip national employees with the skills and confidence to conduct influential presentations and practice public speaking. Thirteen employees made it to the finals in the 2023 iteration.

27

QatarEnergy announced the second and last free incentive share distribution for shareholders of the Mesaieed Petrochemical Holding Company (MPHC) as outlined in its Initial Public Offering (IPO) Prospectus. The distribution was equivalent to 50% of the shares initially allocated to shareholders during the MPHC IPO.

28

QatarEnergy announced a five-year crude oil supply agreement with Shell International Eastern Trading Company, Singapore.

Financial statements

Summary Consolidated Financial Statements As at and for the year ended 31 December 2023

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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 2023, 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 2023.

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 Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting 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 02 June 2024. That report also includes the communication of key audit matters.

KPMG, Qatar Branch is registered with the Ministry of Commerce and Industry, State of Qatar, and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. The KPMG name and logo are registered trademarks of KPMG International.



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."

13 June 2024
Doha
State of Qatar



Gopal Balasubramaniam
Gopal Balasubramaniam
KPMG

Qatar Auditors' Registry Number 251

Summary consolidated statement of financial position As at 31 December 2023

QR '000

	Note	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	5(a)	217,569,548	212,707,577
Right-of-use assets	5(b)	5,746,358	5,332,085
Investment property	5(c)	859,665	894,976
Intangible assets	6	9,218,175	8,885,361
Investments in associates	7	6,320,318	6,225,877
Investments in joint ventures	8	170,908,599	143,811,802
Other investments	9	7,540,034	7,166,624
Other non-current assets	10	9,567,013	11,288,823
		427,729,710	396,313,125
Current assets			
Inventories	12	8,004,876	8,106,390
Amounts due from Government of Qatar	13	18,369,183	60,497,928
Accounts receivables and prepayments	14	22,846,929	30,832,493
Other investments	9	878,461	817,623
Cash and cash equivalents	15	83,685,740	94,195,986
Assets held for sale	11.1	1,162,765	-
		134,947,954	194,450,420
TOTAL ASSETS		562,677,664	590,763,545

Continued on next page



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

Summary consolidated statement of financial position
As at 31 December 2023

QR '000

Continued from previous page

	Note	2023	2022
EQUITY AND LIABILITIES			
Equity			
Capital	17	100,000,000	100,000,000
General reserve	18	175,500,000	175,500,000
Other reserves	19	(187,769)	(456,392)
Retained earnings		161,472,201	190,497,509
Equity attributable to owner of the Corporation		436,784,432	465,541,117
Non-controlling interests	38	38,108,492	37,845,168
Total equity		474,892,924	503,386,285
Liabilities			
Non-current liabilities			
Loans and bonds	20	49,481,156	47,960,691
Employee benefits	21	5,604,310	5,545,520
Lease liabilities	22	4,996,946	4,950,348
Deferred income	23	997,056	1,061,200
Other non-current liabilities	24	3,016,320	3,586,385
		64,095,788	63,104,144
Current liabilities			
Loans and bonds	20	837,624	2,225,129
Accounts payables and accruals	25	20,804,059	21,156,571
Lease liabilities	22	1,322,179	839,835
Deferred income	23	66,235	51,581
Liabilities directly associated with the assets held for sale	11.1	658,855	-
		23,688,952	24,273,116
Total liabilities		87,784,740	87,377,260
TOTAL EQUITY AND LIABILITIES		562,677,664	590,763,545


 لاغراض التعريف فقط
 For Identification
 Purposes Only
KPMG

Summary consolidated statement of profit or loss
For the year ended 31 December 2023

QR '000

	Note	2023	2022 Re-presented *
Continuing operations			
Income			
Revenue	26	159,365,855	188,494,008
Other income	27	8,077,239	7,181,183
		167,443,094	195,675,191
Expenses			
Operating, selling and administrative expenses	28	(82,191,489)	(85,602,108)
Depreciation and amortization	29	(13,672,938)	(13,632,336)
(Provision for) / reversal of expected credit losses	30	(593,721)	1,003,205
		(96,458,148)	(98,231,239)
Net operating income		70,984,946	97,443,952
Share of profit of associates – net	7	746,154	1,020,244
Share of profit of joint ventures – net	8	53,180,067	82,573,963
Dividend and interest income		5,133,244	2,300,366
Finance charges	31	(2,082,957)	(1,917,002)
Net monetary loss arising from hyperinflation		(2,924)	(11,412)
Profit before tax		127,958,530	181,410,111
Taxes	32	(21,525,296)	(26,905,328)
Profit for the year from continuing operations		106,433,234	154,504,783
Discontinued operations			
(Loss) / profit from discontinued operations	11.2	(410,601)	54,381
Profit for the year		106,022,633	154,559,164
Attributable to:			
Owner of the Corporation		101,902,799	148,031,921
Non-controlling interests	38	4,119,834	6,527,243
		106,022,633	154,559,164

* Comparative information has been re-presented due to discontinued operations. Refer Note 11.2.


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 For Identification
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Summary consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2023

QR '000

	Note	2023	2022 Re-presented*
Profit for the year		106,022,633	154,559,164
Other comprehensive income:			
Continuing operations			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefits obligations	19(i)	(105,141)	(1,256,209)
Equity investments at FVOCI – net change in fair value	19(ii)	226,357	212,811
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedges – effective portion of changes in fair value	19(iii)	(3,007)	746,870
Foreign operations – foreign currency translation differences	19(iv)	357,897	(333,684)
Other comprehensive income / (loss) from continuing operations		476,106	(630,212)
Discontinued operations			
Other comprehensive income from discontinued operations	11.2(b)(ii)	49,790	90,134
Total other comprehensive income for the year		525,896	(540,078)
Total comprehensive income for the year		106,548,529	154,019,086
Attributable to:			
Owner of the Corporation		102,448,876	147,606,572
Non-controlling interests		4,099,653	6,412,514
		106,548,529	154,019,086

* Comparative information has been re-presented due to discontinued operations. Refer Note 11.2.



Summary consolidated statement of changes in equity
For the year ended 31 December 2023

QR '000

	Equity attributable to owner of the Corporation					Non-controlling interests	Total
	Capital	General reserve	Other reserves	Retained earnings	Total		
At 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	-	-	-	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 / 1 January 2023	100,000,000	175,500,000	(456,392)	190,497,509	465,541,117	37,845,168	503,386,285
Profit for the year	-	-	-	101,902,799	101,902,799	4,119,834	106,022,633
Other comprehensive income for the year	-	-	546,077	-	546,077	(20,181)	525,896
Total comprehensive income for the year	-	-	546,077	101,902,799	102,448,876	4,099,653	106,548,529
Reclassification of fair value reserve on sale of investments at FVOCI	-	-	9,144	(9,144)	-	-	-
Dilution of shareholding (Note 38)	-	-	-	(1,317,070)	(1,317,070)	1,317,070	-
Transfer to Social Fund (Note 33)	-	-	-	(80,656)	(80,656)	(96,677)	(177,333)
Dividend (Note 40)	-	-	-	(129,801,795)	(129,801,795)	-	(129,801,795)
Dividend to non-controlling interests	-	-	-	-	-	(4,912,216)	(4,912,216)
Transfer to other reserves	-	-	27,237	(27,237)	-	-	-
Effect of hyperinflation	-	-	4,429	2,221	6,650	59,855	66,505
Other movement during the year	-	-	(318,264)	305,574	(12,690)	(204,361)	(217,051)
At 31 December 2023	100,000,000	175,500,000	(187,769)	161,472,201	436,784,432	38,108,492	474,892,924



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

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

Summary consolidated statement of cash flows
For the year ended 31 December 2023

QR '000

	Note	2023	2022 Re-presented *
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		106,022,633	154,559,164
Adjustments for:			
- Depreciation of property, plant and equipment	29	11,847,542	12,372,104
- Depreciation of right-of-use assets	29	1,336,644	837,900
- Depreciation of investment property	29	16,587	16,454
- Amortization of intangible assets and catalysts	29	472,165	405,878
- Loss on disposal / derecognition of property, plant and equipment		55,653	26,288
- Write-off of property, plant and equipment	28	1,688,712	784,755
- Write-off of right-of-use assets	28	-	27
- Write-off of intangible assets	28	-	14,014
- (Reversal of) / provision for inventory obsolescence	28	(5,648)	74,285
- Provision for earn-out liability	28	276,714	277,736
- Provision for / (reversal of) expected credit losses – net	30	593,721	(1,003,205)
- Provision for impairment losses – net	28	509,993	3,620
- Provision for employee benefits – net	21	506,417	433,072
- Reversal of provision for decommissioning costs – net	24(a)	(487,985)	(18,351)
- Loss / (profit) from discontinued operations	11.2	410,601	(54,381)
- Fair value gain on investment at fair value through profit or loss	9(b)	(48,611)	(11,133)
- Share of profit of associates – net	7	(746,154)	(1,020,244)
- Share of profit of joint ventures – net	8	(53,180,067)	(82,573,963)
- Dividend and interest income		(5,133,244)	(2,300,366)
- Net unrealised gain on derivative financial instruments		(103,649)	(599,806)
- Deferred income		(49,490)	(34,320)
- Finance charges	31	2,082,957	1,917,002
- Taxes	32	21,525,296	26,905,328
- Net monetary gain arising from hyperinflation		2,924	11,412
- Loss on merger of joint ventures	28	230,100	-
- Gain on derecognition of right-of-use assets	5(b)	-	(1,611)
		87,823,811	111,021,659
Working capital changes:			
- Inventories		101,055	(1,692,248)
- Amounts due from Government of Qatar		42,128,745	(12,441,179)
- Accounts receivables and prepayments		9,253,930	1,326,234
- Accounts payables and accruals		(869,592)	(810,390)
Cash generated from operations		138,437,949	97,404,076
Employee benefits paid	21	(519,983)	(469,400)
Finance charges paid		(1,902,353)	(1,890,365)
Taxes paid		(21,395,728)	(28,574,061)
Social fund contribution paid		(307,824)	(292,109)
Net cash from operating activities		114,312,061	66,178,141

Continued on next page



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

Summary consolidated statement of cash flows
For the year ended 31 December 2023

QR '000

Continued from previous page

	Note	2023	2022 Re-presented *
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(17,404,189)	(18,456,916)
Proceeds from disposal of property, plant and equipment		149,974	25,127
Acquisition of investment property	5(c)	-	(148)
Acquisition of intangible assets	6	(325,562)	(19,108)
Repayments from associates – net	7	65,520	12,632
Additions to investments in joint ventures – net		(20,668,532)	(1,287,258)
Dividend received from associates and joint ventures		52,061,877	76,808,372
Net cash movement of financial assets at FVOCI		(155,889)	338,655
Net cash movement of financial assets at amortised cost		(103,672)	62,306
Dividend and interest received from other investments		5,302,263	1,713,341
Additions to projects under development – net	10(b)	(6,012,515)	(20,304,550)
Net cash movement in other non-current assets		(983,414)	(1,532,477)
Net cash movement of financial assets at fair value through profit or loss	9(b)	(9,229)	(52,459)
Movement in term deposits and restricted cash		(5,273,464)	2,798,856
Net cash (outflow) / inflow on acquisition of subsidiaries		(234,932)	1,748,762
Outflow in disposal of a subsidiary	11.2	(127,414)	-
Net cash from investing activities		6,280,822	41,855,135
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans and bonds		225,500	106,288
Repayment of loans		(193,451)	(2,477,423)
Payment of lease liabilities	22	(1,237,870)	(764,980)
Movement in other non-current liabilities		(200,355)	285,196
Dividend paid	40	(129,801,795)	(82,074,789)
Dividend paid to non-controlling interests		(4,912,216)	(4,314,792)
Payment of decommissioning liability	24(a)	(22,669)	(40,833)
Acquisition of non-controlling interest	38(2)	(234,938)	-
Net cash used in financing activities		(136,377,794)	(89,281,333)
Net (decrease) / increase in cash and cash equivalents		(15,784,911)	18,751,943
Effect of movements in exchange rates on cash held		1,611	4,142
Cash and cash equivalents at beginning of year		83,371,506	64,615,421
Cash and cash equivalents at end of year	15	67,588,206	83,371,506

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).

* Comparative information has been re-presented due to discontinued operations. Refer Note 11.2.



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

Notes to the summary consolidated financial statements As at and for the year ended 31 December 2023

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 and marketing 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)).

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 13 June 2024.

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 2023 (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 inter alia upon request by contacting QatarEnergy.

The audited consolidated financial statements were authorised for issue on 25 April 2024. Accordingly, the audited consolidated financial statements and these summary consolidated financial statements do not reflect the effects of events that occurred subsequent to 25 April 2024.

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.

Notes to the summary consolidated financial statements As at and for the year ended 31 December 2023

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 Accounting Standards as issued by International Accounting Standards Board (IFRS Accounting 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

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

- Certain financial instruments that are measured at fair value.
- Parcels of land granted to QatarEnergy from the State of Qatar, which are measured at nominal value as Government Grant.
- Amounts relating to a hyperinflationary economy have been adjusted to reflect the effects of hyperinflation to express the financial statements in terms of the monetary unit current at the end of the reporting date as required by IAS 29.

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:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 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
- 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 2023:

Direct subsidiaries of QatarEnergy

Entity/Group	Shareholder	Country of incorporation	Principal activities	Equity holding	
				2023	2022
Industries Qatar Q.P.S.C. ("IQ")	QatarEnergy	Qatar	Holding company	51.00%	51.00%
QatarEnergy Marketing and Trading ("QEMT") (formerly known as Qatar Petroleum Qatar Gas (3) Company Limited)	QatarEnergy	Qatar	Holding company	100.00%	100.00%
QatarEnergy International (formerly known as Qatar Petroleum International Limited) (Qatari Private Shareholding Company)	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%
QatarEnergy LNG Marketing ("QELNGM") (formerly known as QP Qatar Gas (4) Limited) (Qatari Private Shareholding Company)	QatarEnergy	Qatar	Holding company	100.00%	100.00%

Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023

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	QatarEnergy's effective percentage holding	
				2023	2022
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)	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	57.85%	65.41%
QatarEnergy Oil & Gas Limited ("QEOG") (formerly known as QP Oil & Gas Limited)	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")	QatarEnergy	Qatar	Refinery facilities and production, loading and marketing of refined products.	100.00%	100.00%
QatarEnergy LNG Investments (QELNGI) (formerly known as QatarEnergy Oil and Gas Limited 1)	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%
QatarEnergy Renewables Solutions Q.P.S.C. ("QERS") (formerly Siraj Energy Q.P.S.C.)	QatarEnergy	Qatar	Investment in renewable energy projects specializing solar energy as a provider and installer of solar panels with focus on solar energy research.	100.00%	51.00%
QatarEnergy LNG N1 (formerly known as Qatar Liquefied Gas Company Limited Q.P.J.S.C.) (1)	QatarEnergy	Qatar	Production, marketing and transportation of LNG	-	100.00%
Qatex Limited (2)	QatarEnergy	Qatar	Aviation fuel storage and transportation services	100.00%	-

(1) During the year, this investment was transferred to QatarEnergy LNG Investments as part of internal reorganisation.

(2) Qatex was a joint venture as on 31 December 2022. Refer Note 4.1(xi)

Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023

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)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2023	2022
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%
Al Qataria for Production of Reinforcing Steel W.L.L.	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")	QatarEnergy International	Qatar	Holding company	100.00%	100.00%
QatarEnergy US Holding Corporation ("QatarEnergy USH") (formerly QP U.S. Holding Corporation Inc.)	QatarEnergy International	USA	Holding company	100.00%	100.00%
QatarEnergy U.S. Investments (1) LLC (formerly known as QTL U.S. Terminal L.L.C.)	QatarEnergy International	USA	Holding company	100.00%	100.00%
QPI Egypt Limited	QatarEnergy International	Cayman Islands	Special purpose entity	100.00%	100.00%
QatarEnergy Investments B.V. (formerly known as QP Brazil Investment B.V.) (3)	QatarEnergy International	The Netherlands	Special purpose entity	100.00%	100.00%
QatarEnergy Netherlands Holdings B.V. (formerly known as Qatar Petroleum Netherlands Holdings B.V.) (4)	QatarEnergy International	The Netherlands	Special purpose entity	100.00%	100.00%
QPI Tamba B.V. (3)	QatarEnergy International	The Netherlands	Special purpose entity	-	100.00%
QPI Upstream B.V. (4)	QatarEnergy International	The Netherlands	Special purpose entity	-	100.00%
QP Brazil Investments (2) B.V. ("QPIBIV 2")	QatarEnergy International	The Netherlands	Special purpose entity	100.00%	100.00%
QPI Energy Canada Ltd ("QIECL")	QatarEnergy International	Canada	Special purpose entity	100.00%	100.00%
QatarEnergy International E&P W.L.L. (QatarEnergy IEP)	QatarEnergy International	Qatar	Special purpose entity	100.00%	100.00%

(3) During the year, QatarEnergy Investments B.V. acquired all of the assets, property and liabilities of QPI Tamba B.V. by universal transfer of title under Dutch law.

(4) During the year, QatarEnergy Netherlands Holdings B.V. acquired all of the assets, property and liabilities of QPI Upstream B.V. by universal transfer of title under Dutch law.

Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023

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	
				2023	2022
QatarEnergy Renewables 1 L.L.C. (formerly known as QatarEnergy Renewable Solutions L.L.C.) (5)	QERS/QatarEnergy International	Qatar	Special purpose entity	100.00%	100.00%
QatarEnergy Brasil Ltda	QatarEnergy International	Brazil	Production and sale of crude oil and natural gas	100.00%	100.00%
Green Ocean LNG Limited	QatarEnergy International	Bahamas	Special purpose entity	100.00%	100.00%
QatarEnergy Holdings (UK) Ltd (formerly 'Qatar Petroleum Holdings (UK) Ltd')	QatarEnergy International	United Kingdom	Holding company	100.00%	100.00%
QatarEnergy International Investment 2 L.L.C. (formerly known as Wave LNG Solutions L.L.C.)	QatarEnergy International	Qatar	Special purpose entity	100.00%	100.00%
QatarEnergy U.S. Investments (3) LLC (formerly known as QP Gulf of Mexico L.L.C.)	QatarEnergy International	USA	Special purpose entity	100.00%	100.00%
QatarEnergy U.S. Investments (2) LLC (formerly known as QP US Petrochemicals L.L.C.)	QatarEnergy International	USA	Special purpose entity	100.00%	100.00%
QatarEnergy Argentina Holdings L.L.C. (formerly known as Qatar Petroleum Argentina Holdings L.L.C.)	QatarEnergy International	Qatar	Special purpose entity	100.00%	100.00%
QatarEnergy Africa Holdings L.L.C. (formerly known as Qatar Petroleum Africa Holdings L.L.C.)	QatarEnergy International	Qatar	Special purpose entity	100.00%	100.00%
QatarEnergy Mozambique Holdings L.L.C. (formerly known as Qatar Petroleum Mozambique Holdings L.L.C.)	QatarEnergy International	Qatar	Special purpose entity	100.00%	100.00%
QatarEnergy E&P Holdings L.L.C. (formerly known as QP Exploration & Production Holdings L.L.C.)	QatarEnergy International	Qatar	Holding company	100.00%	100.00%
Qatar Petroleum Mozambique, Limitada	QatarEnergy International	Mozambique	Petroleum operations	100.00%	100.00%
QatarEnergy E&P Mexico S.A. de C.V. (formerly known as QPI Mexico S.A. de C.V.)	QatarEnergy International	Mexico	Exploration and extraction of oil and gas	100.00%	100.00%

(5) During the year, this investment was transferred to QERS as part of internal reorganisation.

Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023

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	
				2023	2022
QP Oil & Gas SAU	QatarEnergy International	Argentina	Exploration & extraction of oil and gas	100.00%	100.00%
QatarEnergy International Investments LLC (QFC)	QatarEnergy International	Qatar	Holding company	100.00%	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%
Gulf Drilling International Ltd. (Qatari Private Shareholding Company) ("GDI")	GIS	Qatar	Drilling services	10.00%	10.00%
Amwaj Catering Services Limited (Qatari Private Shareholding Company) ("Amwaj") (6)	GIS	Qatar	All types of Catering services and related services	-	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%

(6) Amwaj is a joint venture from 16 October 2023. Refer Note 11.2.

Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023

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	
				2023	2022
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%
Sidra Al Wajbah Shipping Co.	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Sidra Al Ruwais Shipping Company	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Sidra Al Wakra Shipping Company (formerly known as 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%
Sidra Qatar Shipping Company (formerly known as 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 Marketing and Trading 1 LLC (formerly known as Qatargas Overseas Holdings 1 LLC)	QEMT	Qatar	Holding company	100.00%	-
QatarEnergy Marketing and Trading 2 LLC	QEMT	Qatar	Marketing of LNG	100.00%	-
Qatargas India Private Limited	QEMT	Qatar	Marketing of LNG	100.00%	-
QatarEnergy Trading LLC (7)	QEMT/QELNGI	Qatar	Trading of liquified natural gas (LNG) and related ancillary activities	100.00%	100.00%
QatarEnergy Marine Holdings LLC	QEMT/QELNGI	Qatar	Holding company	100.00%	100.00%
Qatar Energy Marine (1) LLC	QEMT/QELNGI	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (2) LLC	QEMT/QELNGI	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (3) LLC	QEMT/QELNGI	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (4) LLC	QEMT/QELNGI	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (5) LLC	QEMT/QELNGI	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (6) LLC	QEMT/QELNGI	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (7) LLC	QEMT/QELNGI	Qatar	LNG vessel owner	100.00%	100.00%

(7) During the year, this investment was transferred to QatarEnergy Marketing and Trading as part of internal reorganisation.

Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023

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	
				2023	2022
Qatar Energy Marine (8) LLC	QEMT/QELNGI	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (9) LLC	QEMT/QELNGI	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (10) LLC	QEMT/QELNGI	Qatar	LNG vessel owner	100.00%	100.00%
QatarEnergy LNG N1 (formerly known as Qatar Liquefied Gas Company Limited Q.P.J.S.C.) (8)	QELNGI/ QatarEnergy	Qatar	Production, marketing and transportation of LNG	100.00%	-

Joint ventures of the Group

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2023	2022
RasGas Company Limited Q.P.J.S.C.	QatarEnergy	Qatar	Operating company	70.00%	70.00%
Qatex Limited (9)	QatarEnergy	Qatar	Aviation fuel storage and transportation services	-	51.00%
Oryx GTL Limited. (Oryx)	QatarEnergy	Qatar	Management operation and maintenance of Gas to Liquids complex	51.00%	51.00%
Laffan Refinery Company Limited Q.P.J.S.C. (LR) (10)	QatarEnergy	Qatar	Operation of refinery facilities and production and marketing of refined products	-	51.00%
Qatofin Company Limited Q.P.J.S.C.	QatarEnergy / IQ	Qatar	Production and Sales of Petrochemical products	25.97%	25.97%
Qatar Vinyl Company Limited Q.P.J.S.C. (QVC)	QatarEnergy / MPHC / IQ	Qatar	Production and sale of Petrochemical products	57.85%	62.02%
Qatar Chemical Company Limited Q.P.J.S.C. (Q-chem)	QatarEnergy / MPHC	Qatar	Production and sale of Petrochemical products	30.35%	34.05%
Qatar Chemical Company II Limited Q.P.J.S.C. (Q-chem II)	QatarEnergy / MPHC	Qatar	Production and sale of Petrochemical products	30.35%	34.05%

(8) During the year, this investment was transferred to QatarEnergy LNG Investments as part of internal reorganisation.

(9) Qatex was a joint venture as on 31 December 2022. Refer Note 4.1(xi).

(10) LR2 was merged into LR and then LR was transferred to investment in associate.

Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023

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	
				2023	2022
Ras Laffan Olefins Company Limited. Q.P.J.S.C.	QatarEnergy / MPHC	Qatar	Operate and maintain Ethylene cracker plant	29.04%	31.02%
Laffan Refinery Company Limited 2 Q.P.J.S.C. (LR2) (12)	QatarEnergy	Qatar	Operation of refinery facilities and production and marketing of refined products	-	84.00%
Gasal Q.P.S.C.	QatarEnergy	Qatar	Manufacture and supply of industries gases	30.50%	30.50%
QatarEnergy LNG N (2) (formerly known as Qatar Liquefied Gas Company Limited (2) Q.P.J.S.C.) (11)	QELNGI/Qatar Energy	Qatar	Production, marketing and transportation of LNG	67.50%	67.50%
QatarEnergy LNG N (3) (formerly known as Qatar Liquefied Gas Company Limited. (3)) (11)	QELNGI / QEMT	Qatar	Production, marketing and transportation of LNG	68.50%	68.50%
QatarEnergy LNG N (4) (formerly known as Qatar Liquefied Gas Company Limited. (4)) (11)	QELNGI/QELN GM	Qatar	Production, marketing and transportation of LNG	70.00%	70.00%
QatarEnergy LNG S (1) (formerly known as Ras Laffan Liquefied Natural Gas Company Limited Q.P.J.S.C.) (11)	QELNGI/Qatar Energy	Qatar	Production, liquefaction, shipping and marketing of LNG	63.00%	63.00%
QatarEnergy LNG S (2) (formerly known as Ras Laffan Liquefied Natural Gas Company Limited. (II) Q.P.J.S.C.) (11)	QELNGI/Qatar Energy	Qatar	Production, liquefaction, shipping and marketing of LNG	67.05%	67.05%
QatarEnergy LNG S (3) (formerly Ras Laffan Liquefied Natural Gas Company Limited. (3) (11)	QELNGI/QPRG 3	Qatar	Production, liquefaction, shipping and marketing of LNG	70.00%	70.00%
QatarEnergy LNG (formerly known as Qatar Gas Operating Company Limited Q.P.J.S.C.) (11)	QELNGI/Qatar Energy	Qatar	Operating company	70.00%	70.00%
Barzan Gas Company Limited Q.P.J.S.C. (Barzan) (11)	QELNGI/Qatar Energy	Qatar	Production, marketing and transportation of Petroleum products.	93.00%	93.00%

(11) During the year, this investment was transferred to QatarEnergy LNG Investments as part of internal reorganisation.

(12) LR2 was merged into LR and then LR was transferred to investment in associate.

Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023

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	
				2023	2022
QatarEnergy LNG NFE (1) (formerly known as Qatar Liquefied Gas Company Limited (5))	QELNGI	Qatar	Extraction of Natural Gas	75.00%	100.00%
QatarEnergy LNG NFE (2) (formerly known as Qatar Liquefied Gas Company Limited (6))	QELNGI	Qatar	Extraction of Natural Gas	70.00%	75.00%
QatarEnergy LNG NFE (3) (formerly known as Qatar Liquefied Gas Company Limited (7))	QELNGI	Qatar	Extraction of Natural Gas	75.00%	75.00%
QatarEnergy LNG NFE (4) (formerly known as Qatar Liquefied Gas Company Limited (8))	QELNGI	Qatar	Extraction of Natural Gas	75.00%	75.00%
QatarEnergy LNG NFE (5) (formerly known as Qatar Liquefied Gas Company Limited (9))	QELNGI	Qatar	Extraction of Natural Gas	75.00%	75.00%
QatarEnergy LNG NFS (1) (formerly known as Qatar Liquefied Gas Company Limited (10))	QELNGI	Qatar	Extraction of Natural Gas	75.00%	-
QatarEnergy LNG NFS (2) (formerly known as Qatar Liquefied Gas Company Limited (11))	QELNGI	Qatar	Extraction of Natural Gas	75.00%	-
QatarEnergy LNG NFS (3) (formerly known as Qatar Liquefied Gas Company Limited (12))	QELNGI	Qatar	Extraction of Natural Gas	75.00%	-
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%
QPI & Shell Petrochemicals (Singapore) Pte. Ltd. (QSPS)	QatarEnergy International	Singapore	Investment in petrochemical plants	49.00%	49.00%
South Hook Gas Company Ltd.	QatarEnergy International	UK	Investment in gas marketing company	70.00%	70.00%
South Hook LNG Terminal Company Ltd. (SH LNG)	QatarEnergy International	UK	LNG receiving and regasification	67.50%	67.50%
Adriatic LNG Terminal (ALNG)	QatarEnergy International	Italy	LNG receiving and regasification	22.02%	22.02%

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

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	
				2023	2022
Arab Refining Company (ARC)	QatarEnergy International	Egypt	Investment in refinery projects	38.11%	38.11%
Golden Pass LNG Terminal L.L.C. (GPLNG)	QatarEnergy International	USA	LNG receiving and regasification	70.00%	70.00%
Golden Pass Pipeline L.L.C. (GPPL)	QatarEnergy International	USA	Gas dispatching	70.00%	70.00%
ExxonMobil Exploration Argentina S.R.L. (EMEA)	QatarEnergy International	Argentina	Petroleum operations	30.00%	30.00%
Mobil Argentina S.A. (MASA)	QatarEnergy International	Argentina	Petroleum operations	30.00%	30.00%
Ocean LNG Ltd.	QatarEnergy International	Bahamas	Marketing arm of Golden Pass outside U.S.	70.00%	70.00%
Marine LNG Solutions LLC	QatarEnergy International	Qatar	Special purpose entity	50.00%	50.00%
TOQAP Guyana B.V.	QatarEnergy International	Netherlands	Petroleum operations	40.00%	40.00%
Golden Triangle Polymers Company Holdings LLC	QatarEnergy International	USA	Petrochemical operations	49.00%	49.00%
Al Shaheen Baker Hughes Services	Al Shaheen	Qatar	Repair of GE gas turbines, compressors and other related auxiliary services	50.00%	50.00%
Gulf Med Aviation Services Limited	GIS	Malta	Helicopter services	-	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%
Amwaj Catering Services Limited (Qatari Private Shareholding Company) ("Amwaj") (13)	GIS	Qatar	All types of Catering services and related services	3.00%	-
North Oil Company Q.P.S.C.	QEOG	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	QERS	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%

(13) Amwaj became joint venture from subsidiary on 16 October 2023. Refer Note 11.2.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

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	
				2023	2022
Ras Laffan Petrochemicals Company ('RLPC')	QEOG2	Qatar	Petrochemical facilities, industrial management, maintenance and Trading of Petrochemicals	70.00%	70.00%
Qatar Petrochemicals Operating Company ('QPOC')	QEOG2	Qatar	Petrochemical facilities, industrial management, maintenance and Trading of Petrochemicals	70.00%	70.00%

Associates of the Group

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2023	2022
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%
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%

Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023

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	
				2023	2022
Laffan Refinery Company Limited Q.P.J.S.C. (LR) (16)	QatarEnergy	Qatar	Operation of refinery facilities and production and marketing of refined products	72.00%	-
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	QatarEnergy International	Republic of Congo	Upstream exploration and production	15.00%	15.00%
Tamba B.V.	QatarEnergy International	Netherlands	Operates and manages FPSO leases and Subsea leases	23.00%	23.00%
AKG Holding Limited (14)	QELNGI/QP RG3	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	
				2023	2022
Pearl GTL Project North Field (Unincorporated) (17)	QatarEnergy	Qatar	Developing of gas to liquid project in Ras Laffan	-	-
Dolphin Gas Project (Unincorporated) (17)	QatarEnergy	Qatar	Recover and export natural gas for export purpose.	-	-
Al Khaleej Gas Project (Unincorporated) (17)	QatarEnergy	Qatar	Enhanced gas utilization	-	-
BC-10 Concession	QatarEnergy International	Brazil	Upstream exploration and production assets of Block BC-10	23.00%	23.00%
Block SEPIA	QatarEnergy International	Brazil	Upstream exploration and production	21.00%	21.00%
Offshore Block 10 & Block 5	QatarEnergy International	Cyprus	Upstream exploration and production	40.00%	40.00%
Alto de Cabo Frio-Oeste block	QatarEnergy International	Brazil	Upstream exploration and production	25.00%	25.00%
Block 3,4,6,7 (15)	QatarEnergy International	Mexico	Upstream exploration and production	-	40.00%
Block 24 (15)	QatarEnergy International	Mexico	Upstream exploration and production	-	35.00%

(14) During the year, this investment was transferred to QatarEnergy LNG Investments as part of internal reorganisation.

(15) During the year, the Group exited from these blocks.

(16) LR and LR2 merged into LR and transferred to associate.

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

Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023

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	
				2023	2022
Block 536 & 647	QatarEnergy International	Brazil	Upstream exploration and production	36.00%	36.00%
Tita Block	QatarEnergy International	Brazil	Upstream exploration and production	36.00%	36.00%
Block 789 & 753	QatarEnergy International	Brazil	Upstream exploration and production	30.00%	30.00%
Block 541	QatarEnergy International	Brazil	Upstream exploration and production	40.00%	40.00%
Block 659 & 713	QatarEnergy International	Brazil	Upstream exploration and production	25.00%	25.00%
Block A5A (18)	QatarEnergy International	Mozambique	Upstream exploration and production	-	25.50%
Block A5B (18)	QatarEnergy International	Mozambique	Upstream exploration and production	-	10.00%
Block 52	QatarEnergy International	Oman	Upstream exploration and production	30.00%	30.00%
Tarfaya Shallow Block	QatarEnergy International	Morocco	Upstream exploration and production	30.00%	30.00%
Block MLO113, Block MLO117 & Block MLO118 (18)	QatarEnergy International	Argentina	Upstream exploration and production	-	30.00%
Block CAN107 & Block CAN109	QatarEnergy International	Argentina	Upstream exploration and production	40.00%	40.00%
Block PEL 91 (Block 2912)	QatarEnergy International	Namibia	Upstream exploration and production	28.33%	28.33%
Block PEL 56 (Block 2913B)	QatarEnergy International	Namibia	Upstream exploration and production	30.00%	30.00%
Block L12, L11A & L11B (18)	QatarEnergy International	Kenya	Upstream exploration and production	-	25.00%
Block EL 1162, 1169	QatarEnergy International	Canada	Upstream exploration and production	40.00%	40.00%
Block SDL 197	QatarEnergy International	Canada	Upstream exploration and production	30.00%	30.00%
Block PEL 39 (2913A & 2914B)	QatarEnergy International	Namibia	Upstream exploration and production	45.00%	45.00%
Block 15	QatarEnergy International	Mexico	Upstream exploration and production	30.00%	50.00%
Block 34 (18)	QatarEnergy International	Mexico	Upstream exploration and production	-	15.00%
Suriname Block 64	QatarEnergy International	Suriname	Upstream exploration and production	30.00%	-

(18) During the year, the Group exited from these blocks.

Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023

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	
				2023	2022
Block 33	QatarEnergy International	Mexico	Upstream exploration and production	15.00%	15.00%
Blocks 3314 and 3315	QatarEnergy International	South Africa	Upstream exploration and production	29.17%	29.17%
DWOB Block	QatarEnergy International	South Africa	Upstream exploration and production	30.00%	30.00%
Blocks 3013 and 3113	QatarEnergy International	South Africa	Upstream exploration and production	45.00%	45.00%
11B/12B Block	QatarEnergy International	South Africa	Upstream exploration and production	25.00%	25.00%
Block 9	QatarEnergy International	Lebanon	Upstream exploration and production	30.00%	-
Block Água Marinha	QatarEnergy International	Brazil	Upstream exploration and production	20.00%	-
Block S-M-1711 & 1815	QatarEnergy International	Brazil	Upstream exploration and production	50.00%	-
Suriname Block 6 & 8	QatarEnergy International	Suriname	Upstream exploration and production	20.00%	-
Block 33 & Block 34	QatarEnergy International	Mexico	Upstream exploration and production	15.00%	15.00%
Suriname Block 65	QatarEnergy International	Suriname	Upstream exploration and production	40.00%	-
Mauritania C-10	QatarEnergy International	Mauritania	Upstream exploration and production	40.00%	-
Block 3 & 4	QatarEnergy International	Egypt	Upstream exploration and production	17.00%	-
Iraq (GGIP)	QatarEnergy International	Iraq	Upstream exploration and production	25.00%	-
Al Khaliq Block 6 Field	QEOG	Qatar	Petroleum operations-exclusive rights	60.00%	60.00%

Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023

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

2.2.4 New accounting standards and amendments adopted by the Group

During the current year, the Group adopted new accounting standards and amendments that are effective for the financial year ended 31 December 2023:

<i>Effective from 1 January 2023</i>	• <i>IFRS 17 – Insurance Contracts</i> • <i>Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2</i> • <i>Definition of Accounting Estimates – Amendments to IAS 8</i> • <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12</i>
<i>Effective from 23 May 2023</i>	• <i>International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12</i>

i. Material Accounting Policy Information

The Group has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the audited consolidated financial statements.

Management reviewed the accounting policies and concluded that the information disclosed in Note 3 Material Accounting Policies (2022: Significant Accounting Policies) is in line with the amendments, therefore, no material changes have been made in this regard.

ii. Global minimum top-up tax

The Group has adopted International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12) upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure. Refer Note 32 for details.

The mandatory exception applies retrospectively. However, because no new legislation to implement the top-up tax was enacted or substantively enacted at 31 December 2022 in any jurisdiction in which the Group operates and no related deferred tax was recognised at that date, the retrospective application has no impact on the Group's audited consolidated financial statements.

iii. IFRS 17 – Insurance Contracts

IFRS 17 replaces IFRS 4 Insurance Contracts and is effective for annual periods beginning on or after 1 January 2023. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with direct participation features ("DPF"). The Group has adopted IFRS 17 with effect from 1 January 2023 and has not restated comparative information as the impact of restatement is not material.

iv. Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has adopted Deferred tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) from 1 January 2023. The amendments narrow the scope of initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g., leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognize the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

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

2.2.4 New accounting standards and amendments adopted by the Group (continued)

iv. Deferred Tax related to Assets and Liabilities arising from a Single Transaction (continued)

The Group previously accounted for deferred tax on leases by applying the “integrally linked” approach, resulting in similar outcome as under the amendments, except that the deferred tax asset or liability was recognized on a net basis. Following the amendments, the Group has recognized a separate deferred tax asset in relation to its right-of-use assets and a lease liability in relation to its leases. However, there was no impact on the consolidated statement of financial position because the balances qualify for offset under paragraph 74 of IAS 12. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognized. Further, the management has reviewed the impact on decommissioning liabilities and determined that there is no significant impact on the audited consolidated financial statements. There was also no impact on the opening retained earnings as at 1 January 2022 as a result of this change.

Other than adoption of (i) to (iv) disclosed above, the adoption of the new accounting standards and amendments did not have a significant impact on the Group’s audited consolidated financial statements.

2.2.5 Amendments to accounting standards not yet effective, but available for early adoption

The below amendments to accounting standards that are not yet effective but available for early adoption, have not been applied in preparing audited consolidated financial statements:

Effective for the year beginning 1 January 2024	- Non-Current liabilities with Covenants – Amendments to IAS 1 - Classification of liabilities as Current or Non-Current – Amendments to IAS 1 - Lease liability in a Sale and Leaseback – Amendments to IFRS 16 - Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7
Effective for the year beginning 1 January 2025	Lack of Exchangeability – Amendments to IAS 21
Available for optional adoption / effective date deferred indefinitely	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 amendments to accounting standards will have a significant impact on the Group’s audited consolidated financial statements.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

3. Material accounting policies for preparation of 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:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- 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:

- the size of the Group’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangement; and
- 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

3. Material 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 or 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

3. Material 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 Accounting 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

3. Material 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

3. Material 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

3. Material 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:

- acquisition of rights to explore;
- topographical, geological, geochemical and geophysical studies;
- exploratory drilling;
- trenching;
- sampling;
- activities in relation to evaluating the technical feasibility and commercial viability of extracting oil and gas resource; and
- 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

3. Material 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

3. Material 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

3. Material 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

3. Material 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 audited 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 audited 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

3. Material 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

3. Material 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

3. Material 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

3. Material 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

3. Material 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

3. Material 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:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- 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
- 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

3. Material 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

3. Material 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

3. Material 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

3. Material 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

3. Material 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

3. Material 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 and related services

Customers generally contract for an agreement 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.

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

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. This unit of measure is representative of an output method as described in IFRS 15.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

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

3.21 Revenue recognition (continued)

Helicopter transportation services revenue

The revenue from helicopter transportation services includes air-charter, tourist flights, aerial photo flights, air ambulance and related services. Revenue is recognised as the transportation services have been provided.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

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.

Training services

The revenue from training services includes flight training provided to the customers. Revenue is recognised as the services have been provided.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Revenue is recognised over time as the services are provided. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on the flying hours spent relative to the total hours agreed in the contract.

Operation services (MRO)

The revenue from operation services includes servicing and maintenance of charters and helicopters of the customers. Revenue is recognised as the services have been provided.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Supply of spare parts

The Group provides spare parts of helicopters to its customers. The revenue is recognised point in time when control is transferred, being when the spare parts are delivered to the customer.

The revenue is recognised point in time when control is transferred, being when the spare part are delivered to the customer.

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

Revenue from such services is recognised 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

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

3.21 Revenue recognition (continued)

Revenue from 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 management services over time as the management services are rendered.

Revenue is recognised over time as the services are provided using the input method. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

3.22 Hyperinflation

The Group has operations in Turkey through its indirect subsidiary namely Redstar Havacilik Hizmetleri AS. 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 the financial statements of the subsidiary are stated in terms of the measuring unit current at the balance sheet date which requires restatement of the non-monetary assets and liabilities of the subsidiary to reflect the changes in the general purchasing power of the Turkish Lira.

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

Adjustment for prior years

The comparative amounts in audited consolidated financial statements presented in a stable currency are not adjusted for subsequent changes in the price level or exchange rates. Opening equity in the audited consolidated financial statement reported in the stable currency will be affected by:

- the effect of restating non-monetary items from the date they were first recognised; and
- the effect of translating those balances to the closing rate

This results in a difference between the closing equity of the previous year in the audited consolidated financial statements and the opening equity of the current year. The combined effect of restating in accordance with IAS 29 and translation according to IAS 21 is presented as a net change in other comprehensive income (OCI).

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 gain arising from hyperinflation is recognized in the consolidated statement of profit or loss and other comprehensive income. All items in the 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 consolidated statement of profit or loss as monetary gain or loss.

All items in the consolidated 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

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

3.23 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.

3.24 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 contract 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.

3.25 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).

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

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

3.26 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.

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current when it is incurred.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received 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.

Current tax assets and liabilities are offset only if certain criteria are met.

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
 - at the time of the transaction (i) affects neither accounting nor taxable profit or loss (ii) does not give rise to equal taxable and deductible temporary differences;
- 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.

Deferred tax assets and liabilities are offset only if certain criteria are met.

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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

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

3.27 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.

3.28 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

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

3.29 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.

3.30 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 outliers 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

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.

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

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

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 (continued)

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.

(xi) Acquisition of interest in Qatex Limited

During the period, QatarEnergy acquired remaining 49% of the equity from other partners making Qatex Limited a wholly owned subsidiary of QatarEnergy. 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, main components like "Land to operate the business" and "contract with customer" are not available to Qatex Limited. 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

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)

(xii) 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.

(xiii) 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.

(xiv) 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.

(xv) 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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

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)

(xvi) 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.

(xvii) 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.

(xviii) 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.

(xix) Functional currency of subsidiary

The Group applies significant judgment to determine the functional currency of one of its subsidiaries which operates in Turkey (Redstar Havacilik Hizmetleri A.S). In its judgment, the Group considers the currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services and the currency that mainly influences labour, material and other costs of providing goods or services.

The Group has concluded based on its assessment that Turkish Lira is the functional currency of its subsidiary Redstar Havacilik Hizmetleri A.S.

(xx) Insurance risk

The Group issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts where the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

(xxi) Assets classified as held for sale

The Group has classified its investments in joint ventures and joint operations as held for sale assets. Management has assessed that the carrying amount of these investment will be recovered principally through a sale transaction rather than through continuing use. An impairment loss of QR 619.14 million (2022: Nil) was recognized on remeasurement of assets held for sale (Note 11.1(b)).

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

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)

(xxii) Discontinued operations

The Group has classified a subsidiary and its investment in joint ventures as discontinued operation as the subsidiary represented the Group's catering segment and these joint ventures are component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and they represent a separate geographic area of operations (Note 11.2).

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 2023 amounted to QR 35,400 million (2022: QR 35,605 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.

(iv) 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.

Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023

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 (continued)

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 amortization ("EBITDA"), calculated as adjusted operating profit before depreciation and amortization;
- 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 ("LR") and recognized an impairment loss of QR 234 million (2022: Nil).

Further, the Group has recognised impairment loss of QR 276.20 million (2022: QR 3.62 million) on its other 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.

(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.

Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023

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)

(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.

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.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

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)

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) 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% (2022: 2% - 3.5%) and 5% - 9.25% (2022: 3.5% - 8%) respectively.

(x) Estimates of future cash flows to fulfil insurance contracts

In estimating future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experiences, updated to reflect current expectations of future events. The estimates of future cash flows reflect the Group view of current conditions.

In estimating future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experiences, updated to reflect current expectations of future events. The estimates of future cash flows reflect the Group view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Group takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted. The Group also derives cost inflation assumptions. Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

**Notes to the summary consolidated financial statements
As at and for the year ended 31 December 2023**

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)

(x) Estimates of future cash flows to fulfil insurance contracts (continued)

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include claims handling, maintenance and administration costs, and recurring commissions payable on instalment premiums receivable within the contract boundary. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads. Cash flows are attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics. Other costs are recognised in profit or loss as they are incurred.

Where estimates of expenses-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis. The Group has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature. The Group performs regular expense studies to determine the extent to which fixed and variable overheads are directly attributable to fulfill the insurance contracts.

(xi) Risk adjustment

Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Group's degree of risk aversion. The Group estimates an adjustment for non-financial risk separately from all other estimates.

Notes to the summary consolidated financial statements As at and for the year ended 31 December 2023

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 2022	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	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
Additions	1,057,161	975,705	5,082,826	10,351,118	17,466,810
Asset / business acquisition (Note v)	-	696,940	-	750	697,690
Reclassification / transfers (Note ii)	3,140,957	2,605,654	(172,759)	(4,762,266)	811,586
Effect of foreign currency translation	683,315	(52,040)	94,433	(4,542)	721,166
Derecognition / disposal (Note iii)	(189,298)	(744,169)	(1,687,029)	(88,735)	(2,709,231)
Effect of hyperinflation	-	72,590	-	-	72,590
Transfer to asset held for sale	(2,268,764)	(406,270)	-	-	(2,675,034)
Other adjustments	-	(75,523)	-	-	(75,523)
At 31 December 2023	109,389,788	241,710,935	9,613,632	30,996,451	391,710,806
Accumulated depreciation:					
At 1 January 2022	50,621,108	85,301,240	-	-	135,922,348
Reclassification / transfers (Note ii)	445,001	(445,001)	-	-	-
Asset acquisition	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
Reclassification / transfers (Note ii)	18	(18)	-	-	-
Asset / business acquisition (Note v)	-	351,783	-	-	351,783
Charge for the year (Note 29)	4,018,894	7,828,648	-	-	11,847,542
Impairment / (reversal of impairment) for the year (Note iv)	819,051	(542,884)	-	-	276,167
Effect of foreign currency translation	146,600	(7,270)	-	-	139,330
Derecognition / disposal (Note iii)	(173,607)	(658,634)	-	-	(832,241)
Effect of hyperinflation	-	15,756	-	-	15,756
Transfer to asset held for sale	(2,182,480)	(167,774)	-	-	(2,350,254)
At 31 December 2023	73,989,470	100,151,788	-	-	174,141,258
Net carrying amount:					
At 31 December 2022	35,400,318	141,559,147	9,613,632	30,996,451	217,569,548
At 31 December 2023	35,605,423	145,305,867	6,296,161	25,500,126	212,707,577

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

Notes:

- Included in property, plant and equipment is the Group's share of property, plant and equipment from its joint operations amounting to QR 85,940 million (2022: QR 86,342 million). This consists of QR 14,015 million (2022: QR 13,658 million) for oil and gas assets, QR 63,967 million (2022: QR 66,746 million) for other property, plant and equipment, QR 6,965 million (2022: QR 4,899 million) for exploration and evaluation assets and QR 993 million (2022: QR 1,039 million) for capital work-in-progress.
- In 2023, out of the net balance of QR 812 million (2022: QR 2,822 million), an amount of QR 196 million (2022: QR 1,296 million) pertains to the transfer to intangible assets (Note 6), QR 19 million (2022: (QR 13 million)) pertains to the transfer from / (to) investment property (Note 5(c)), QR 989 million (2022: QR 4,068 million) pertains to the transfer from other non-current assets (project under development) (Note 10(b)) and Nil (2022: QR 63 million) pertains to transfer from related party.
- Out of the total amount derecognized during the year, the Group has written-off assets aggregating to QR 1,689 million (2022: QR 785 million) (Note 28) and transferred assets having net book value of QR 9.63 million (2022: Nil) to discontinued operations (Note 11.2(a)).
- During the year, the Group has recorded an impairment net of reversal of QR 276.17 million (2022: QR 2.28 million) against property, plant and equipment (Note 28(iii)).
- Out of total amount of assets and business acquired during the year QR 0.87 million relates to assets acquisition (Note 37.1) and QR 345.04 million relates to business acquisition (Note 37.2).

5(b). Right-of-use assets

	Land & buildings	Vehicles and mobile equipment	Vessels	Others	Total
Costs:					
At 1 January 2022	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	-	-	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
Additions (Note 22)	72,653	26,905	1,792,902	127,668	2,020,128
Business acquisitions (Note 37.2)	7,954	-	-	-	7,954
Transfer to asset held for sale	-	-	-	(129,760)	(129,760)
Lease modifications and other movements (i)	(35,090)	-	(172,635)	(302,839)	(510,564)
Effect of foreign currency translation	-	-	-	100,235	100,235
At 31 December 2023	480,289	193,863	6,598,949	1,193,074	8,466,175
Accumulated depreciation:					
At 1 January 2022	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	-	-	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
Depreciation for the year (ii)	130,413	44,901	1,117,046	102,483	1,394,843
Business acquisitions (Note 37.2)	2,165	-	-	-	2,165
Transfer to asset held for sale	-	-	-	(49,496)	(49,496)
Lease modifications and other movements (i)	(22,179)	(1,903)	(172,631)	(82,021)	(278,734)
Effect of foreign currency translation	-	-	-	4,942	4,942
At 31 December 2023	284,494	162,189	2,110,905	162,229	2,719,817
Net carrying amount:					
At 31 December 2022	195,795	31,674	4,488,044	1,030,845	5,746,358
At 31 December 2023	260,677	47,767	3,812,192	1,211,449	5,332,085

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5(b). Right-of-use assets (continued)

(i) This includes write-off of right-of-use assets amounting to Nil (2022: QR 0.03 million) and lease modifications which resulted in derecognition of right-of-use assets and lease liabilities of QR 230.36 million (2022: QR 3.39 million) and QR 230.36 million (2022: QR 5 million) respectively. The resulting gain of Nil (2022: QR 1.61 million) has been recognized in other income.

(ii) Depreciation of right-of-use assets for the year is allocated as set out below:

	2023	2022
Capitalised under property, plant and equipment	58,199	54,907
Charged to profit or loss (Note 29)	1,336,644	837,900
	<u>1,394,843</u>	<u>892,807</u>

(iii) Included in right-of-use assets is the Group's share of QR 949.16 million (2022: QR 1,193.44 million) from its joint operations.

5(c). Investment property

	2023	2022
Costs:		
At 1 January	1,097,855	1,086,379
Transfers (Note 5(a)(ii))	(18,689)	12,663
Additions	-	148
Impairment charges for the year (Note 28(iii))	(35)	(1,335)
At 31 December	<u>1,079,131</u>	<u>1,097,855</u>
Accumulated depreciation:		
At 1 January	202,879	186,425
Charge for the year (Note 29)	16,587	16,454
At 31 December	<u>219,466</u>	<u>202,879</u>
Net carrying amount:		
At 31 December	<u>859,665</u>	<u>894,976</u>

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 147.84 million (2022: QR 146.96 million) from rentals of investment property during the year.

The fair value of the investment property as at 31 December 2023 was QR 1,706 million (2022: QR 1,707 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.

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6. Intangible assets

	Software (Note i)	Data acquisition – cost for appraisal wells (Note ii)	Other intangible assets (Note iii)	Total
Costs:				
At 1 January 2022	1,067,479	6,645,519	3,349,325	11,062,323
Additions	3,684	-	15,424	19,108
Derecognition / disposal (Note iv)	(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
Additions	11,249	-	314,313	325,562
Derecognition / disposal (Note iv)	(42,814)	-	(1,737)	(44,551)
Transfer from / (to) property, plant and equipment (Note 5(a)(ii))	23,726	172,759	-	196,485
Other adjustments	29,270	-	(25,018)	4,252
Effect of foreign currency translation	-	-	261,001	261,001
At 31 December 2023	<u>1,224,599</u>	<u>7,981,412</u>	<u>4,118,898</u>	<u>13,324,909</u>
Accumulated amortization:				
At 1 January 2022	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 (Note iv)	(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
Charge for the year (Note 29)	80,027	370,684	3,775	454,486
Derecognition / disposal (Note iv)	(42,814)	-	(1,737)	(44,551)
Other adjustments	6,121	-	(6,121)	-
At 31 December 2023	<u>1,110,332</u>	<u>2,740,410</u>	<u>255,992</u>	<u>4,106,734</u>
Net carrying amount:				
At 31 December 2023	<u>114,267</u>	<u>5,241,002</u>	<u>3,862,906</u>	<u>9,218,175</u>
At 31 December 2022	<u>136,170</u>	<u>5,438,927</u>	<u>3,310,264</u>	<u>8,885,361</u>

- This represents computer software which is not an integral part of hardware and is amortised over the useful life of 4 to 5 years.
- These are internally generated intangible assets with a finite useful life.
- These include licenses in offshore blocks in various countries amounting to QR 3,829 million (2022: QR 3,263 million) through the Group's joint operations.
- Out of the total amount derecognized during the year, the Group has derecognised the capitalized costs associated with the exploration blocks amounting to Nil (2022: QR 14.01 million) due to the relinquishment of blocks in different jurisdictions. (Note 28).

QatarEnergy						QR '000
Notes to the summary consolidated financial statements						
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7. Investments in associates						
	At 1 January	Transfer / (Disposal) – net	Share in profit - net	Dividends	Other adjustments	At 31 December
2023	6,225,877	835,556	746,154	(1,122,240)	(365,029)	6,320,318
2022	5,898,875	(12,632)	1,020,244	(1,159,472)	478,862	6,225,877
8. Investments in joint ventures						
	At 1 January	Additions - net	Share in profit - net	Dividends	Other adjustments	At 31 December
2023	143,811,802	20,768,615	53,180,067	(50,939,637)	4,087,752	170,908,599
2022	104,573,390	1,093,452	82,573,963	(75,648,900)	31,219,897	143,811,802

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9. Other investments

	2023	2022
<i>Non-current assets</i>		
Financial assets at FVOCI (Note a)	5,199,263	4,929,526
Financial assets at amortised cost	2,340,771	2,237,098
	<u>7,540,034</u>	<u>7,166,624</u>
<i>Current assets</i>		
Financial assets at FVTPL (Note b)	878,461	817,623

a. Financial assets at FVOCI

The carrying amounts of the Group's financial assets at FVOCI are as follows:

	2023	2022
Quoted equity instruments	4,836,009	4,627,455
Quoted debt instruments	328,501	278,346
Quoted managed funds	33,251	22,222
Unquoted equity instruments	1,502	1,503
	<u>5,199,263</u>	<u>4,929,526</u>

The movement during the year was as follows:

	2023	2022
As at 1 January	4,929,526	4,972,236
Additions during the year	1,415,792	1,733,537
Disposals during the year	(1,276,767)	(2,085,790)
Fair value changes during the year	136,085	198,926
Other adjustments	(5,373)	110,617
As at 31 December	<u>5,199,263</u>	<u>4,929,526</u>

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:

	2023	2022
Quoted equity instruments	745,367	690,995
Quoted debt instruments	133,094	123,043
Unquoted equity instruments	-	3,585
	<u>878,461</u>	<u>817,623</u>

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9. Other investments (continued)

b. Financial assets at FVTPL (continued)

The movement during the year was as follows:

	2023	2022
As at 1 January	817,623	767,877
Acquisition during the year	33,694	302,937
Disposals during the year	(24,465)	(250,478)
Net movement in fair value during the year (Note 27)	48,611	11,133
Other adjustments	2,998	(13,846)
As at 31 December	878,461	817,623

10. Other non-current assets

	2023	2022
Loans and advances to related parties (Note 16(a))	1,043,461	1,290,022
Lease receivables (Note a)	2,097,807	2,127,554
Projects under development (Note b)	1,318,995	3,903,831
Catalysts	215,135	203,232
Deferred tax asset (Note c and Note 32)	769,140	771,566
Recoverable injected gas (Note d)	3,159,757	2,668,848
Capital advances	175,041	192,371
Other receivables (Note 24(c))	511,462	-
Other non-current assets	276,215	131,399
	9,567,013	11,288,823

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.

	2023	2022
Not later than one year	69,758	61,956
Later than one year and not later than five years	957,120	375,613
Later than five years	1,140,687	1,751,941
	2,167,565	2,189,510

	2023	2022
<i>Classified as below:</i>		
Non-current asset	2,097,807	2,127,554
Current asset (Note 14)	69,758	61,956
	2,167,565	2,189,510

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:

	2023	2022
As at 1 January	3,903,831	22,324,360
Project costs paid during the year	8,372,723	20,304,550
Repayment	(2,360,208)	-
Transfer to property, plant and equipment (Note 5(a)(ii))	(989,381)	(4,067,712)
Transfer to investment in joint ventures	(7,607,970)	(34,657,367)
As at 31 December	1,318,995	3,903,831

c. Deferred tax asset

Deferred tax asset represents asset recognized on carried forward tax losses of QR 269.68 million (2022: QR 298.20 million) and other deductible temporary differences of QR 499.46 million (2022: QR 473.37 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.

11. Assets held for sale and discontinued operations

11.1 Assets held for sale

(a) Assets and liabilities of assets held for sale

In December 2023, management committed to a plan to sell a block namely BC-10 concession in Brasil and investment in joint venture in Italy namely Adriatic LNG Terminal (ALNG), ExxonMobil Exploration Argentina S.R.L. ("EMEA") and Mobil Argentina S.A. ("MASA") (collectively referred as 'joint ventures held for sale'). Accordingly, the carrying values of assets and liabilities directly associated with the block and investment in the joint ventures were reclassified to assets held for sale. Efforts to sell the investments have started and sale is expected during the year 2024. Carrying amounts of assets held for sale and liabilities directly associated with such assets are given below:

	2023	2022
Assets held for sale	1,162,765	-
Liabilities directly associated with the assets held for sale	658,855	-

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11. Assets held for sale and discontinued operations (continued)

11.1 Assets held for sale (continued)

(b) Impairment loss relating to assets held for sale

The Group has valued its assets held for sale at the lower of carrying value and fair value less cost to sell and recorded impairment loss representing the difference between the carrying value and fair value less cost to sell. The impairment loss has been included in loss from discontinued operations.

	2023	2022
Carrying value of investment in ALNG	1,396,630	-
Less: fair value less cost to sell	(777,492)	-
Impairment loss (Note 11.2(b))	619,138	-

No impairment loss was recognized for other assets held for sale as the fair value less cost to sell exceeds the carrying amount.

11.2 Discontinued operations

The comparative consolidated statement of profit or loss and other comprehensive income has been represented to show the discontinued operation separately from continuing operation. The following are income and expenses included in the consolidated statement of profit or loss and other comprehensive income relating to discontinued operations:

	2023	2022
Amwaj catering services (a)	267,494	4,240
Joint ventures held for sale (b)	(678,095)	50,141
(Loss) / profit from discontinued operations	(410,601)	54,381

(a) Amwaj Catering Services

On 16 October 2023, one of the subsidiaries of the Group namely Amwaj Catering Services, which represents the Group's catering segment, acquired 100% shares of selected entities of Shaqab Abela Catering Services Company and Atyab Fruits and Vegetables. Simultaneously the Group transferred 3.57% (effective percentage) of its ownership in Amwaj Catering Services to Tamween Capital, and 3.43% (effective percentage) to Abela Qatar International ("AQI"). The Group retained the remaining 3% (effective percentage) in Amwaj Catering Services.

The transaction resulted in the deconsolidation of Amwaj Catering Services and recognition of the retained interest as an equity accounted investment with 3% ownership at fair value. Accordingly, the subsidiary is reported in the current period as a discontinued operation until the date of deconsolidation. A gain of QR 267.49 million was recognised on the transaction within loss from discontinued operation.

The financial performance information presented is for the period from 1 January 2023 to 16 October 2023 (2023 column) and the year ended 31 December 2022.

	16 October 2023	31 December 2022
For the period / year ended		
Revenue	351,485	460,020
Expenses	(361,209)	(455,173)
(Loss) / Profit before income tax	(9,724)	4,847
Income tax expense	(62)	(607)
(Loss) / Profit after income tax of discontinued operation	(9,786)	4,240
Gain on sale of the subsidiary after income tax (i)	277,280	-
Profit from discontinued operation	267,494	4,240

(i) Details of the of the subsidiary deconsolidated as at 16 October

	2023
Consideration - fair value of retained interest in Amwaj (ii)	344,623
Less: carrying amount of net assets deconsolidated (iii)	(67,343)
Gain on disposal	277,280

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11. Assets held for sale and discontinued operations (continued)

11.2 Discontinued operations (continued)

(a) Amwaj Catering Services (continued)

(ii) Fair value of retained interest in Amwaj was determined in compliance with the provisions of IAS 28, as a notional purchase price allocation (NPPA) was undertaken to account for the transaction. The Group applied judgment with the support of an independent valuer in order to determine the fair values of the combining entities and the fair values that formed part of the notional purchase price allocation using discounted cashflows. The fair value of 344.62 million was transferred to investment in joint venture as of 16 October 2023.

(iii) The carrying amounts of assets and liabilities derecognised as of 16 October 2023 were:

	2023
Property and equipment	9,626
Right-of-use assets	35,869
Total non-current assets	45,495
Inventories	13,768
Trade and other receivables	130,170
Cash and bank balances	127,414
Total current assets	271,352
Total assets	316,847
Lease liabilities	8,433
Provision for employees' end of service benefits	32,025
Provision for decommissioning costs	46,081
Total non-current liabilities	86,539
Lease liabilities	26,987
Trade and other payables	135,978
Total current liabilities	162,965
Total liabilities	249,504
Net assets	67,343

iv) Cash outflow as at 16 October 2023

	2023
Cash consideration	-
Less cash disposed	(127,414)
Net outflow of cash on disposal of a subsidiary	(127,414)

(v) Cash flows related to discontinued operations (Amwaj)

	16 October 2023	31 December 2022
For the period / year ended		
Net cash inflow / (outflow) from operating activities	97,589	(1,095)
Net cash (outflow) / inflow from investing activities	(5,592)	21,329
Net cash outflow from financing activities	(85,977)	(13,781)
Net increase in cash generated by the subsidiary	6,020	6,453

(b) Joint ventures held for sale

(i) The below table presents profit / (loss) relating to discontinued operations of joint ventures held for sale:

	2023	2022
Share of (loss) / profit from joint ventures	(58,957)	50,141
Impairment loss on investment in ALNG (Note 11.1(b))	(619,138)	-
	(678,095)	50,141

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11. Assets held for sale and discontinued operations (continued)

11.2 Discontinued operations (continued)

(b) Joint ventures held for sale (continued)

(ii) The Group recognised loss on foreign currency translation from ALNG amounting to QR 49.79 million (2022: QR 90.13 million) in other comprehensive income as part of discontinued operations (Note 19(iv)).

(iii) Cash flows from discontinued operations related to joint ventures held for sale:

	2023	2022
Net cash used in operating activities	-	-
Net cash used in investing activities	107,380	103,530
Net cash used in financing activities	-	-
	<u>107,380</u>	<u>103,530</u>

12. Inventories

	2023	2022
Crude oil, gas and refined products	1,990,595	2,356,969
Steel and other related products	710,455	577,827
Maintenance and other materials	6,054,942	5,928,358
	<u>8,755,992</u>	<u>8,863,154</u>
Less: provision for obsolescence	(751,116)	(756,764)
	<u>8,004,876</u>	<u>8,106,390</u>

Movement in the provision for obsolescence was as follows:

	2023	2022
As at 1 January	756,764	686,331
(Reversal) / provision during the year (Note 28)	(5,648)	74,285
Adjustment	-	(3,852)
As at 31 December	<u>751,116</u>	<u>756,764</u>

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

	2023	2022
Due from related parties (Note 16(b))	6,088,917	7,795,241
Trade and insurance receivables (Note a)	11,420,698	14,459,201
Reinsurance contract assets	740,113	1,091,277
Loans to employees (Note b)	550,690	508,054
Advances to vendors	451,913	441,330
Prepayments and other debit balances	658,319	351,239
Contract assets (Note d)	1,491,907	1,157,427
Loans and advances to related parties (Note 16(a))	-	392,819
Accrued interest (Note e)	249,118	259,524
Other receivables	1,567,072	4,957,849
Derivative financial assets (Note c)	134,405	1,496
Lease receivables (Note 10(a))	69,758	61,956
	<u>23,422,910</u>	<u>31,477,413</u>
Less: loss allowance (i)	(575,981)	(644,920)
	<u>22,846,929</u>	<u>30,832,493</u>

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14. Accounts receivable and prepayments (continued)

(i) The breakup of loss allowance is as follows.

	2023	2022
Trade and insurance receivables (Note 14(a))	407,334	510,248
Loans to employees (Note 14(b))	42,973	43,003
Contract assets (Note 14(d))	21	236
Accrued interest (Note 14(e))	24,768	24,768
Due from related parties (Note 16(b))	100,885	66,665
	<u>575,981</u>	<u>644,920</u>

a. Trade and insurance receivables

	2023	2022
Trade and insurance receivables	11,420,698	14,459,201
Loss allowance	(407,334)	(510,248)
	<u>11,013,364</u>	<u>13,948,953</u>

The average credit period on sales of goods is thirty (30) days to ninety (90) days. The Group does not hold any collateral over these balances.

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 reversal of loss allowance of QR 82 million (2022: provision for loss allowance of QR 26 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					Total
	Not past due	0 – 30 days	30 – 60 days	60 – 120 days	> 120 days	
31 December 2023						
Gross carrying amount	9,359,586	679,862	63,472	124,118	1,193,660	11,420,698
	Trade/insurance receivables – days past due					
	Not past due	0 – 30 days	30 – 60 days	60 – 120 days	> 120 days	Total
31 December 2022						
Gross carrying amount	10,957,006	834,358	246,414	457,185	1,964,238	14,459,201

As at the reporting date, the expected credit loss rate ranged from 0% - 3.4% (2022: 0% - 9.9%) resulting in a lifetime ECL of QR 407 million (2022: QR 510 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.

	2023	2022
As at 1 January	510,248	509,092
Expected credit loss allowance remeasured during the year (Note 30)	(82,432)	25,924
Adjustments	(20,482)	(24,768)
As at 31 December	<u>407,334</u>	<u>510,248</u>

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14. Accounts receivable and prepayments (continued)

b. Loans to employees

	2023	2022
Loans to employees	550,690	508,054
Loss allowance	(42,973)	(43,003)
	<u>507,717</u>	<u>465,051</u>

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.

	2023	2022
As at 1 January	43,003	43,003
ECL recognised during the year (Note 30)	(30)	-
As at 31 December	<u>42,973</u>	<u>43,003</u>

c. 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.

	2023	2022
Derivatives held for trading		
Derivative financial assets	134,405	1,496
Derivative financial liabilities (Note 25)	94,159	134,858

d. Contract assets

	2023	2022
Contract assets	1,491,907	1,157,427
Loss allowance	(21)	(236)
	<u>1,491,886</u>	<u>1,157,191</u>

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:

	2023	2022
As at 1 January	236	62
(Reversal) / provision of expected credit loss allowance (Note 30)	(215)	174
As at 31 December	<u>21</u>	<u>236</u>

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14. Accounts receivable and prepayments (continued)

e. Accrued interest

	2023	2022
Accrued interest	249,118	259,524
Loss allowance	(24,768)	(24,768)
	<u>224,350</u>	<u>234,756</u>

15. Cash and cash equivalents

	2023	2022
Cash at banks and on hand	17,248,376	40,457,482
Short-term deposits	66,439,303	53,740,033
Total cash and bank balances	83,687,679	94,197,515
Less: Loss allowance (Note ii)	(1,939)	(1,529)
Cash and bank balances as per summary consolidated statement of financial position	83,685,740	94,195,986
Less: Term deposits maturing after ninety (90) days	(15,434,290)	(10,227,653)
Less: Restricted cash (Note i)	(665,183)	(598,356)
Add: Loss allowance	1,939	1,529
Cash and cash equivalents as per summary consolidated statement of cash flows	67,588,206	83,371,506

- As at 31 December 2023, certain cash balances and deposits amounting to QR 665 million (2022: QR 598 million) have been set aside for meeting the other liabilities and commitments.
- The group recognised additional loss allowance against bank balances amounting to QR 0.41 million (2022: Nil) (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% to 6.65% (2022: 1.25% to 6.32%).

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

	2023	2022
<i>Joint ventures of the Group</i>		
Total gross receivable	1,875,591	3,233,778
Less: Loss allowance	(832,130)	(1,550,937)
Net receivable	<u>1,043,461</u>	<u>1,682,841</u>

	2023	2022
<i>Classified as below:</i>		
Non-current asset (Note 10)	1,043,461	1,290,022
Current asset (Note 14)	-	392,819
	<u>1,043,461</u>	<u>1,682,841</u>

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16. Related party balances and transactions (continued)

(b) Due from related parties

	2023	2022
Total gross amount due (Note 14)	6,088,917	7,795,241
Loss allowance	(100,885)	(66,665)
Net amount due	5,988,032	7,728,576

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 0.01% - 3.4% (2022: 0.1% - 5.4%).

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.

	2023	2022
As at 1 January	66,665	81,250
ECL provided / (reversed) during the year (Note 30)	39,320	(14,585)
Adjustment	(5,100)	-
As at 31 December	100,885	66,665

(c) Due to related parties

	2023	2022
Due to joint ventures	5,712,734	7,335,699
Due to a associate	787,231	-
Others	524,467	421,817
Total (Note 25)	7,024,432	7,757,516

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

	2023	2022
Operating income	27,518,814	25,772,367
Purchases	17,431,875	21,367,256
Dividends received from joint ventures (Note 8)	50,939,637	75,648,900
Dividends received from associates (Note 7)	1,122,240	1,159,472

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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)

	2023	2022
Balance at 1 January	60,497,928	48,056,749
Movement for the year	(42,128,745)	12,441,179
Balance at 31 December	18,369,183	60,497,928

Movements significantly 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:

	2023	2022
Remuneration and other benefits	127,943	131,309

(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 2023, 25% (2022: 29%) of total sales are made to two government-related entities, other than those which are disclosed in Note 16(d). Further, 28% (2022: 28%) 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

	2023	2022
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.

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.

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19. Other reserves

This account includes the following:

	2023	2022
Employee benefit reserve (i)	(2,038,685)	(1,935,829)
Fair value reserve (ii)	2,888,091	2,735,239
Hedging reserve (iii)	74,101	(970)
Foreign currency translation reserve (iv)	(1,840,237)	(1,955,663)
Legal and other reserves from subsidiaries	728,961	700,831
	<u>(187,769)</u>	<u>(456,392)</u>

(i) Employee benefit reserve

	2023	2022
At 1 January	(1,935,829)	(699,668)
Share of movement in employee benefits reserve during the year:		
From the Parent and subsidiaries	(102,229)	(1,239,345)
From Joint ventures	(2,912)	(16,864)
	<u>(105,141)</u>	<u>(1,256,209)</u>
Share attributable to non-controlling interests	2,285	20,048
At 31 December	<u>(2,038,685)</u>	<u>(1,935,829)</u>

(ii) Fair value reserve

	2023	2022
At 1 January	2,735,239	2,344,589
Share of movement in fair value reserve during the year:		
From the Parent and subsidiaries	135,909	200,100
From associates	90,448	12,711
	<u>226,357</u>	<u>212,811</u>
Share attributable to non-controlling interests	(45,613)	133,949
Other movements during the year	(27,892)	43,890
At 31 December	<u>2,888,091</u>	<u>2,735,239</u>

(iii) Hedging reserve

	2023	2022
At 1 January	(970)	(715,157)
Share of movement in hedging reserve during the year:		
From the Parent and subsidiaries	-	127,939
From Joint ventures	(8,875)	137,088
From associates	5,868	481,843
	<u>(3,007)</u>	<u>746,870</u>
Share attributable to non-controlling interests	6,212	(53,250)
Other movements during the year	71,866	20,567
At 31 December	<u>74,101</u>	<u>(970)</u>

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19. Other reserves (continued)

(iv) Foreign currency translation reserve

	2023	2022 (Re-presented)
At 1 January	(1,955,663)	(1,785,912)
Share of movement in foreign currency translation reserve during the year:		
Continuing operations		
From the Parent and subsidiaries	222,150	(29,007)
From Joint ventures	135,747	(304,677)
	<u>357,897</u>	<u>(333,684)</u>
Discontinued operations		
From Joint venture (Note 11.2(b)(ii))	49,790	90,134
	<u>407,687</u>	<u>(243,550)</u>
Share attributable to non-controlling interests	57,297	13,982
Other movements during the year	(349,558)	59,817
At 31 December	<u>(1,840,237)</u>	<u>(1,955,663)</u>

20. Loans and bonds

This account includes the following:

	Current		Non-current	
	2023	2022	2023	2022
Interest bearing loans (Note a)	268,102	1,655,607	4,138,728	2,633,625
Bonds (Note b)	569,522	569,522	45,342,428	45,327,066
	<u>837,624</u>	<u>2,225,129</u>	<u>49,481,156</u>	<u>47,960,691</u>

(a) Interest bearing loans

	2023	2022
Loans related to drilling segment (i)	4,380,446	4,284,082
Loans related to aviation segment (ii)	26,384	10,010
	<u>4,406,830</u>	<u>4,294,092</u>
Less: unamortized finance cost associated with raising finance	-	(4,860)
	<u>4,406,830</u>	<u>4,289,232</u>

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. The facilities bear interest rate of 3.3% and QCB rate +0.6%. Most of these loans are to be repaid in quarterly instalments. The loans obtained by GDI are unsecured.

In March 2023, the Group renegotiated its existing loan facilities and obtained 2 new loan facilities of QR 4,132 million from local banks. The loans will be repaid in 18 unequal annual instalments commencing from 2026 and a balloon payment of 35% upon maturity in 2048.

The refinancing did not result in any extinguishment gain/loss. However, transaction cost of QR 21 million relating to the new facility was recognized in the consolidated statement of profit or loss and other comprehensive income.

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20. Loans and bonds (continued)

(a) Interest bearing loans (continued)

- ii.) The borrowings are related to the Group's subsidiary, Gulf Helicopters Company (Qatari Private Shareholding Company) ("GHC"). GHC had entered into a borrowing facility to finance the purchase of helicopters. The facility had an interest rate of 6 months LIBOR plus 1.35% - 2.75% (2022: LIBOR plus 1.35% - 2.75%). Subsequent to 30 June 2023, the master agreement was amended to transition the reference rate from LIBOR to SOFR (Secured overnight financing rate) which is administered by the Federal Reserve Bank of New York. The loan is to be repaid in bi-annual instalments, it is unsecured and does not have any financial covenants with an interest rate of SOFR + 2.5% rate. The agreements have no covenants attached and also no change to the loan balance. The impact of change in benchmark to the interest expense is not material.

(b) Bonds

	2023	2022
USD Bonds (i)	45,911,950	45,896,588

- i.) 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 tranches 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 (%)	2023 Carrying value (QR '000)	2022 Carrying value (QR '000)
2026 Bonds	1,500,000	5,460,000	99.905	12 Sep 2026	1.375%	5,479,954	5,478,969
2031 Bonds	3,500,000	12,740,000	98.937	12 July 2031	2.25%	12,762,208	12,749,630
2041 Bonds	3,500,000	12,740,000	99.631	12 July 2041	3.125%	12,884,229	12,882,430
2051 Bonds	4,000,000	14,560,000	100	12 July 2051	3.3%	14,785,559	14,785,559
	12,500,000	45,500,000				45,911,950	45,896,588

Fair value of USD bonds at the reporting date amounted to QR 36,313 million (2022: QR 36,300 million). The fair value measurement has been categorized as a Level 1 (quoted prices (unadjusted) in active markets).

21. Employee benefits

	2023	2022
Qatari pension scheme	2,525,770	2,454,736
Employees' end of service benefits	3,078,540	3,090,784
	5,604,310	5,545,520

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 2023 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 2023.

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	
	2023	2022	2023	2022
Discount rate	4.03% - 5%	4.25% - 5.20%	4.25%	4.25%
Salary increase rate	2.8% - 3.5%	3.0% - 3.5%	-	-
Plan duration	9.2	9.41	8.48	8.69
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	
	2023	2022	2023	2022
As at 1 January	3,090,784	2,564,914	2,454,736	1,777,589
Current service cost	298,497	280,614	1,133	-
Interest cost	96,390	80,210	110,397	72,248
Benefits paid	(267,820)	(247,047)	(252,163)	(222,353)
Reclassification	(132,285)	-	132,285	-
Other adjustment	(29,873)	-	-	-
Actuarial (gain) / loss charged to other comprehensive income due to experience adjustments	22,847	412,093	79,382	827,252
As at 31 December	3,078,540	3,090,784	2,525,770	2,454,736

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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	
	2023	2022	2023	2022
Current service cost	298,497	280,614	1,133	-
Interest cost	96,390	80,210	110,397	72,248
For the year	394,887	360,824	111,530	72,248

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			
	2023	2022	2023	2022
Discount rate (+0.5%)	(118,918)	(115,552)	(96,003)	(100,644)
Discount rate (-0.5%)	129,044	125,146	103,203	108,008
Pension increase rate (+0.5%)	-	-	105,603	110,463
Salary increase rate (+0.5%)	127,193	122,737	-	-
Salary increase rate (-0.5%)	(119,599)	(115,541)	-	-

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:

	2023	2022
Current liabilities	1,322,179	839,835
Non-current liabilities	4,996,946	4,950,348
	6,319,125	5,790,183

The movement in lease liabilities during the year was as follows:

	2023	2022
As at 1 January	5,790,183	2,232,085
Liabilities recognized during the year (Note 5(b))	2,020,128	3,714,521
Transfer to liabilities associated with assets held for sale	(67,677)	-
Lease modification (Note 5(b)(i))	(230,361)	(5,003)
Finance charges on lease liabilities (Note 31)	442,408	288,515
Asset acquisition	-	635,153
Business acquisition (Note 37.2)	6,718	-
Principal payments made	(1,237,870)	(764,980)
Interest paid	(442,408)	(288,515)
Effect of foreign currency translation	95,420	(21,593)
Derecognition and other adjustments	(57,416)	-
As at 31 December	6,319,125	5,790,183

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23. Deferred income

	2023	2022
Deferred income	1,063,291	1,112,781
Classified as below:		
Current liabilities	66,235	51,581
Non-current liabilities	997,056	1,061,200
	1,063,291	1,112,781

24. Other non-current liabilities

	2023	2022
Decommissioning provision (Note a)	2,135,273	3,053,536
Deferred tax liability (Note b)	289,475	252,383
Due to a related party	511,462	-
Other liabilities	80,110	280,466
	3,016,320	3,586,385

a. Decommissioning provision

Movement of the decommissioning provision during the year was as follows:

	2023	2022
As at 1 January	3,053,536	1,905,915
Additions during the year	4,421	1,129,562
Unwinding of discount (Note 31)	158,515	73,431
Asset acquisition	35,003	29,203
Effect of foreign currency exchange differences	36,508	3,015
Payment during the year	(22,669)	(40,833)
Change in estimate charged to profit or loss	(487,985)	(18,351)
Change in estimate adjusted in property, plant and equipment	(75,521)	(28,406)
Transfer to liabilities associated with assets held for sale	(520,454)	-
Other adjustment	(46,081)	-
As at 31 December	2,135,273	3,053,536

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

	2023	2022
Trade creditors (Note a)	5,820,012	5,271,989
Insurance contract liabilities	1,251,728	1,946,092
Accrued liabilities	3,198,500	2,109,123
Advance from customers	300,976	218,670
Financial guarantees (Note b)	400,000	400,000
Due to related parties (Note 16(c))	7,024,432	7,757,516
Derivative financial liabilities (Note 14(c))	94,159	134,858
Contract liabilities	40,630	76,244
Taxes payable	235,384	196,826
Earn-out liability (Note c)	276,714	277,736
Other payables	2,161,524	2,767,517
	20,804,059	21,156,571

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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 (2022: QR 489 million) upon which QR 400 million (2022: QR 400 million) is recognised as a liability.
- c. The balance of refers to the earn-out payment obligation with Petrobras related to joint operation acquisition. This payment is part of the HOA (Heads of Agreement) which states that earn-out is the complementary value which is linked to Brent Price. (Note 28).

26. Revenue

Revenue of the Group consists of the following:

	2023	2022
Revenue from contracts with customers (Note a)	158,191,956	187,596,461
Revenue from insurance contracts	1,173,899	897,547
	159,365,855	188,494,008

a. Revenue from contracts with customers

	2023	2022
Crude oil	29,349,272	36,014,359
Condensate	18,756,212	23,588,658
Natural gas	51,785,039	58,107,362
Refined products	43,707,832	48,588,716
Steel products	4,264,178	4,261,838
Fertilizers	7,479,854	14,531,756
Petrochemicals	641,101	581,061
Services	1,402,067	927,160
Others	806,401	995,551
	158,191,956	187,596,461

All revenue is recognised at a point in time except for the revenue from services amounting to QR 1,402 million (2022: QR 927 million) which is recognised over time.

The analysis of sales between domestic and export customers is as follows:

	2023	2022
Domestic sales	50,692,123	55,165,408
Export sales (i & ii)	107,499,833	132,431,053
	158,191,956	187,596,461

- (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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27. Other income

	2023	2022
Recoveries	1,911,701	1,759,358
Rental income	1,536,645	727,712
Berthing fees	676,969	585,148
Terminal charges	442,556	409,136
Government grant (i)	339,396	425,849
Fair value gain in FVTPL investments (Note 9(b))	48,611	11,133
Interest income on net investment in finance lease	106,778	112,986
Signing bonus	18,200	364,000
Other income	2,996,383	2,785,861
	8,077,239	7,181,183

- 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.

28. Operating, selling and administrative expenses

	2023	2022
Direct costs	24,168,231	20,985,399
Purchases for resale	23,236,985	27,856,149
PSAs operating costs	3,490,003	3,615,219
Taxes paid on behalf (Note i)	8,083,908	8,988,187
Royalties (Note ii)	10,420,124	12,349,787
Net impairment loss (Note iii)	509,993	3,620
Salaries and related costs (Note iv)	9,164,578	9,289,586
Foreign exchange loss	26,680	67,447
Write-off of property, plant and equipment (Note 5(a)(iii))	1,688,712	784,755
Write-off of intangible assets (Note 6 (iv))	-	14,014
Write-off of right-of-use assets (Note 5(b)(i))	-	27
Provision for earn-out liability (Note 25(c))	276,714	277,736
(Reversal) / provision for inventory obsolescence (Note 12)	(5,648)	74,285
Loss on merger of joint ventures	230,100	-
Other expenses (Note v)	901,109	1,295,897
	82,191,489	85,602,108

- (i) Represent tax charged on the income of operators who are parties to certain Production Sharing Agreements amounting to QR 8,084 million (2022: QR 8,988 million). This tax obligation has been assumed by QatarEnergy on behalf of the operators in relation to the respective Production Sharing Agreements.

- (ii) Includes royalties due to the Ministry of Finance (as Government) amounting to QR 9,913.14 million (2022: QR 11,919.74 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 149.82 million (2022: QR 142 million) on account of royalty on crude oil equal to 10% of the oil sales of Al Khalij Block 6 Field and QR 361.84 million (2022: QR 308.83 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 of impairment losses are as follows:

	2023	2022
Impairment loss on other property, plant and equipment (Note 5(a) iv)	276,167	2,285
– net of reversal		
Impairment on investment in associates	233,791	-
Investment property (Note 5(c))	35	1,335
	509,993	3,620

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28. Operating, selling and administrative expenses (continued)

- (iv) This includes defined benefit obligation expense amounting to QR 506.42 million (2022: expense of QR 433.07 million) (Note 21).
- (v) This includes fee for annual audit of the financial statements and non-assurance services for the year ended 31 December 2023 amounting to QR 4.85 million and QR 7.01 million, respectively.

29. Depreciation and amortization

	2023	2022
Depreciation of property, plant and equipment (Note 5(a))	11,847,542	12,372,104
Depreciation of right-of-use assets (Note 5(b))	1,336,644	837,900
Depreciation of investment property (Note 5(c))	16,587	16,454
Amortization of intangible assets (Note 6)	454,486	380,812
Amortization of catalysts	17,679	25,066
	13,672,938	13,632,336

30. Provision for / (reversal of) expected credit losses

	2023	2022
(Reversal of) / Provision for ECL on trade and insurance receivables (Note 14(a))	(82,432)	25,924
Reversal of ECL on loans to employees (Note 14(b))	(30)	-
Provision for / (Reversal of) ECL on loans to related parties	636,435	(1,011,096)
Provision for / (Reversal of) of ECL on due from related parties (Note 16(b))	39,320	(14,585)
Provision for ECL on bank balances (Note 15)	410	-
(Reversal of) / Provision for impairment of contract assets (Note 14(d))	(215)	174
Provision for / (Reversal of) ECL on other financial assets	233	(3,622)
	593,721	(1,003,205)

31. Finance charges

	2023	2022
Interest on loans, bonds and foreign currency swaps	1,445,226	1,520,980
Interest on lease liabilities (Note 22)	442,408	288,515
Unwinding of discount on decommissioning provision (Note 24(a))	158,515	73,431
Others	36,808	34,076
	2,082,957	1,917,002

32. Taxes

Provision for taxation for the year is as follows:

	2023	2022 (Represented)
Taxes on income from export sales of QatarEnergy (Note i)	21,076,840	26,581,297
Current income tax from continuing operations	334,027	469,776
Deferred tax (Note ii)	114,429	(145,745)
	21,525,296	26,905,328

- 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 2023, taxes amounting to QR 21,077 million (2022: QR 26,581 million) were recognized in profit of loss.

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32. Taxes (continued)

Details of the taxes on income from QatarEnergy's export sales are as follows:

	2023	2022
Export sales subject to tax – net	56,856,514	68,485,545
Less:		
Royalties	9,913,141	11,919,743
Taxes paid on behalf	7,616,357	8,576,204
Cost of operation and depreciation	6,288,249	6,517,896
Taxable income	33,038,767	41,471,702
Tax rate	50% – 85%	50% – 85%
Taxes	21,076,840	26,581,297

- ii. The deferred tax has arisen mainly due to the temporary differences on unrealized foreign exchange loss and carried forward tax losses.

Movement in the balance of deferred tax during the year was as follows:

	2023	2022
As at 1 January	519,183	347,700
Recognised during the year	(114,429)	145,745
Effect of foreign currency translation	74,911	25,738
As at 31 December	479,665	519,183

Presented in consolidated statement of financial position as follows:

	2023	2022
Deferred tax asset (Note 10)	769,140	771,566
Deferred tax liability (Note 24)	(289,475)	(252,383)
	479,665	519,183

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12) provide a temporary mandatory exception from deferred tax accounting which is effective immediately and require new disclosures about the Pillar Two exposure.

However, since in Qatar, where the Company and consolidated Qatar subsidiaries are resident and in Argentina, Bahamas, Brazil, Cayman Islands, India, KSA, Libya, Mexico, Morocco, Mozambique, Oman, Republic of Liberia, Turkey, USA, and UAE where consolidated subsidiaries are resident, have not enacted or substantively enacted the tax legislation related to the top-up tax as at the reporting date, there is no impact on the Company's audited consolidated financial statements as at and for the year ended 31 December 2023.

An assessment was performed to determine the impact of the enacted or substantively enacted tax legislation related to the top-up tax in Canada, Netherlands, and United Kingdom where consolidated subsidiaries are resident. As at the reporting date, there is no impact from the enacted or substantively enacted tax legislation at a standalone or consolidated level.

Management is closely monitoring developments related to the implementation of the international tax reforms introducing a global minimum top-up tax.

The adoption of the new accounting standards and amendments did not have a significant impact on these Group's audited consolidated financial statements for this year.

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33. Social fund contribution

In accordance with Law No. 13 of 2008, the Group made an appropriation of profit of QR 177 million (2022: QR 312 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

	2023	2022
Capital commitments of the Group	19,270,261	16,211,377
Group's share of joint ventures' capital commitments	163,140,405	130,591,138
Group's share of associates' capital commitments	148,034	50,340
	<u>182,558,700</u>	<u>146,852,855</u>

b. Contingent liabilities

	2023	2022
Contingent liabilities of the subsidiary companies	2,302,203	2,141,545
Group's share of joint ventures' contingent liabilities	4,708,400	4,851,938
Group's share of associates' contingent liabilities	135,535	195,688
	<u>7,146,138</u>	<u>7,189,171</u>

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 through profit or loss (FVTPL) including derivative financial assets and financial assets at fair value through 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.

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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 2023	Valuation technique(s) and key input(s)	Financial assets		Carrying value		Fair value		
		FVTPL	FVOCI	Fair value - hedging instruments	FVTPL	Level		Total
						1	2	
Investments in equity instruments – quoted	Quoted price in an active market	745,367	4,836,009	-	-	5,581,376	-	5,581,376
Investments in equity instruments – unquoted	Based on unobservable inputs	-	1,502	-	-	-	1,502	1,502
Investments in debt instruments – quoted	Quoted price in an active market	133,094	328,501	-	-	461,595	-	461,595
Investment in management funds – quoted	Quoted price in an active market	-	33,251	-	-	33,251	-	33,251
Derivative financial assets	Based on observable inputs, other than quoted prices	-	134,405	-	-	-	134,405	134,405
Derivative financial liabilities	Based on observable inputs, other than quoted prices	-	-	-	(94,159)	-	(94,159)	(94,159)

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35. Financial instruments (continued)

Classes and categories of financial instruments and their fair values (continued)

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
Investments in equity instruments – quoted	Quoted price in an active market	690,995	4,627,455	-	-	5,318,450	-	-	5,318,450
	Based on unobservable inputs	3,585	1,503	-	-	5,088	-	5,088	5,088
	Quoted price in an active market	123,043	278,346	-	-	401,389	-	-	401,389
	Investment in management funds – quoted	-	22,222	-	-	22,222	-	-	22,222
Derivative financial assets	Based on observable inputs, other than quoted prices	-	1,496	-	-	1,496	-	-	1,496
	Based on observable inputs, other than quoted prices	-	-	-	(134,858)	(134,858)	-	(134,858)	(134,858)
Foreign currency swap (i)	Based on observable market	-	-	-	-	-	-	-	-

(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). 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 and loans to related parties 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 2023 and 2022.

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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 2023	Financing cash flows	Non-cash changes	At 31 December 2023
Interest bearing loans	4,289,232	(172,934)	290,532	4,406,830
USD Bonds	45,896,588	-	15,362	45,911,950
Derivative financial liabilities	134,858	-	(40,699)	94,159
Lease liabilities	5,790,183	(1,680,278)	2,209,220	6,319,125

	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	-	584,521	45,896,588
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

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's 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:

	2023	2022
Financial assets: Cash bank balances in foreign currency		
Cash in banks:		
EURO	60,060	202,417
GBP	150,909	406,119
JPY	2	1
BRL	78,871	44,787
CAD	7,268	122,100
MXN	347	11
ZAR	34,636	31,710
	332,093	807,145

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 33.21 million (2022: QR 80.71 million). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2022.

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 78 million (2022: QR 77.4 million) higher/lower, mainly as a result of higher/lower interest income on floating rate assets and liabilities.

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36. Financial risk and capital management (continued)

36.2 Market risk (continued)

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 5,581 million (2022: QR 5,318 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 558 million (2022: QR 532 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.

31 December 2023	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Trade and insurance receivables	Lifetime ECL	11,420,698	(407,334)	11,013,364
Lease receivable	Lifetime ECL	2,167,565	-	2,167,565
Due from related parties	Lifetime ECL	6,088,917	(100,885)	5,988,032
Loans and advances to related parties	Lifetime ECL	1,875,591	(832,130)	1,043,461
Loans to employees	12-month ECL	550,690	(42,973)	507,717
Investments in financial assets	Lifetime ECL	2,835,617	-	2,835,617
Amounts due from Government of Qatar	Lifetime ECL	18,369,183	-	18,369,183
Cash and bank balances	12-month ECL	83,687,679	(1,939)	83,685,740
Reinsurance contract assets	Lifetime ECL	740,113	-	740,113
Accrued interest	Lifetime ECL	249,118	(24,768)	224,350
Other receivables	Lifetime ECL	1,567,072	-	1,567,072
Derivative financial assets	Lifetime ECL	134,405	-	134,405
Contract assets	Lifetime ECL	1,491,907	(21)	1,491,886
Other non-current receivables	Lifetime ECL	14,086	-	14,086
		131,192,641	(1,410,050)	129,782,591

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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
		<u>193,022,613</u>	<u>(2,197,560)</u>	<u>190,825,053</u>

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.

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.

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36. Financial risk and capital management (continued)

36.4 Liquidity risk (continued)

Analysis of financial assets

The table below summarises the maturity profile of the Group's financial assets as at the reporting date:

31 December 2023

Financial assets	Carrying amount	Cash inflows			
		Total	Less than 1 year	1 to 5 years	More than 5 years
Loans and advances to related parties	1,043,461	1,043,461	-	854,083	189,378
Due from related parties	5,988,032	5,988,032	5,988,032	-	-
Amounts due from Government of Qatar	18,369,183	18,369,183	18,369,183	-	-
Trade and other receivables*	11,521,081	11,521,081	11,521,081	-	-
Reinsurance contract assets	740,113	740,113	740,113	-	-
Investments in financial assets	2,835,617	2,835,617	-	2,835,617	-
Derivative financial assets	134,405	134,405	134,405	-	-
Accrued interest	224,350	224,350	224,350	-	-
Other receivables	1,567,072	1,567,072	1,567,072	-	-
Other non-current receivables	14,086	14,086	-	14,086	-
Bank balances	83,685,740	83,685,740	83,685,740	-	-
	<u>126,123,140</u>	<u>126,123,140</u>	<u>122,229,976</u>	<u>3,703,786</u>	<u>189,378</u>

* Includes trade and insurance receivables and loans to employees.

31 December 2022

Financial assets	Carrying amount	Cash inflows			
		Total	Less than 1 year	1 to 5 years	More than 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	-	-
	<u>187,478,352</u>	<u>187,478,352</u>	<u>183,514,691</u>	<u>3,963,661</u>	<u>-</u>

* 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 2023

Financial liabilities	Carrying amount	Total	Contractual cash outflows		
			Less than 1 year	1 to 5 years	More than 5 years
USD Bonds	45,911,950	69,207,637	1,809,852	10,271,170	57,126,615
Interest-bearing loans	4,406,830	5,971,930	362,566	5,609,364	-
Derivative financial liabilities	94,159	94,159	94,159	-	-
Trade creditors	5,820,012	5,820,012	5,820,012	-	-
Due to related parties	7,024,432	7,024,432	7,024,432	-	-
Financial guarantees	400,000	400,000	400,000	-	-
Insurance contract liabilities	1,251,728	1,251,728	701,908	549,820	-
Earn-out liability	276,714	276,714	276,714	-	-
Lease liabilities	6,319,125	8,239,111	1,950,035	3,477,026	2,812,050
	<u>71,504,950</u>	<u>98,285,723</u>	<u>18,439,678</u>	<u>19,907,380</u>	<u>59,938,665</u>

31 December 2022

Financial liabilities	Carrying amount	Total	Contractual cash outflows		
			Less than 1 year	1 to 5 years	More than 5 years
USD Bonds	45,896,588	70,447,967	1,809,852	10,346,245	58,291,870
Interest-bearing loans	4,289,232	4,296,719	1,659,071	2,637,648	-
Derivative financial liabilities	134,858	134,858	134,858	-	-
Trade creditors	5,271,989	5,271,989	5,271,989	-	-
Due to related parties	7,757,516	7,757,516	7,757,516	-	-
Financial guarantees	400,000	400,000	400,000	-	-
Insurance contract liabilities	1,946,092	1,946,092	1,348,379	597,713	-
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
	<u>71,764,194</u>	<u>98,042,157</u>	<u>19,437,867</u>	<u>16,115,107</u>	<u>62,489,183</u>

36.5 Underwriting risk

Underwriting risk comprises insurance risk, policyholder persistency risk and expense risk. The Group manages its underwriting risk based on the underwriting policy as approved by the Executive Risk Committee. The Risk Management Committee monitors the adequate application of the policy, and it reviews the trends in pricing, loss ratios and underwriting risks. The Committee is also involved in decisions made by the Executive Risk Committee on underwriting, pricing and market strategy.

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36. Financial risk and capital management (continued)

36.5 Underwriting risk (continued)

Underwriting risk management – Property and Casualty

The frequency and severity of claims can be affected by several factors. The most significant are the level of awards for morbidity risk (for example, health recovery and incapacity for work) and the number of cases coming to court, especially for bodily injuries. This can be summarised as legislation risk. The amount of awards and the time for court settlement are set by the legislation. The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts.

The Group manages these risks through its underwriting strategy (two of the techniques that are pivotal for automobile insurance are product pricing and portfolio segmentation), adequate reinsurance arrangements and proactive claims handling. The objective of the underwriting strategy is to ensure that the underwritten risks are well diversified in terms of type and amount of risk. The variability of risks is improved by the careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits.

The Group has limited its exposure by imposing maximum claim amounts on certain contracts, as well as using reinsurance arrangements in order to limit its exposure to aggregate amount of claims (for example, third party liability claims). The effect of such reinsurance arrangements is that the Group should not suffer total insurance losses above a certain level.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew individual policies, to re-price the risk on renewal, to impose deductibles, and to reject the payment of a fraudulent claim. Claims payment limits are always included to cap the amount payable on occurrence of the insured event.

Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs (for example, subrogation).

The Group has a specialised claims unit dealing with the mitigation of risks surrounding known claims. This unit investigates and adjusts all material or suspicious claims. The claims are reviewed individually at least annually and adjusted to reflect the latest information on the underlying facts, current law, contractual terms and conditions, and other factors. The Group actively manages and pursues early settlements of claims, to reduce its exposure to unpredictable developments.

Expense risk

Expense risk is the risk of unexpected increases in policy maintenance, claim handling and other costs relating to fulfilment of insurance contracts. The risk is managed through budgeting and periodic cost evaluations.

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:

	2023	2022
Cash and bank balances (Note 15)	83,685,740	94,195,986
Less: debt	(56,637,905)	(55,976,003)
Net cash and bank balances	<u>27,047,835</u>	<u>38,219,983</u>
Total equity	<u>474,892,924</u>	<u>503,386,285</u>

The Group does not have a net debt situation as at 31 December 2023 and 31 December 2022.

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37. Acquisitions during the year

37.1 Acquisition of assets – Qatex Limited

On 15 August 2023, QatarEnergy acquired remaining 49% of the equity from other partners making Qatex Limited a wholly owned subsidiary of QatarEnergy. Qatex Limited was previously classified as a joint venture by virtue of the joint venture agreement entered into between QatarEnergy and other shareholder. 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, main component "Land to operate the business" and "contract with customer" are not available to Qatex limited and therefore, it is concluded that the acquired set of assets is not a business.

Details of the assets acquired, liabilities assumed and purchase consideration in this acquisition as of 15 August 2023 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	152,702
Liabilities assumed	(68,534)
	84,168

Purchase consideration:

Cash consideration for acquisition	6,037
Carrying value (previously recognised as investment in joint venture)	42,929
	48,966

As the purchase consideration is less than the net assets acquired, the difference of QR 35.20 million has been deducted from the carrying value of other assets. The assets acquired and liabilities assumed are as follow:

Property, plant and equipment (Note 5(a)(v))	870
Cash and bank balances	116,185
Other assets	445
Decommissioning liability (Note 24(a))	(35,003)
Other liabilities	(33,531)
	48,966

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.

37.2 Acquisition of Business – Al Qataria for Production of Reinforcing Steel W.L.L.

On 5 October 2023, the Group acquired 100% shares and voting rights in Al Qataria for Production of Reinforcing Steel or "Al Qataria" which is located at New Industrial Area, Building 215, Street 27, P.O Box 23039, Doha, Qatar. The company's activities include the production of reinforcing steel bars and the trading in steel products. Currently it has annual production capacity of 500,000 MT's of rebar.

The transfer value ("Purchase consideration") of the acquisition is QR 346 million and the provisional fair value of the net assets acquired was QR 346 million before purchase price allocation. The Group has twelve months from the date of acquisition to complete a Purchase Price Allocation ("PPA") exercise which sets out in detail the way in which the fair value of the acquired Al Qataria assets and liabilities have been determined which will be reflected in subsequent financial statements. This exercise may result in different values being attributed to the assets, liabilities and contingent liabilities acquired, and the identification of other intangible assets, hence, change in the goodwill if any.

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37. Acquisitions during the year (continued)

37.2 Acquisition of Business – Al Qataria for Production of Reinforcing Steel W.L.L. (continued)

Below summarizes the details of assets acquired and liabilities assumed as per provisional Purchase Price Allocation:

	2023
Property, plant and equipment (Note 5(a))	345,037
Right of use assets (Note 5(b))	5,789
Cash and cash equivalents	920
Accounts receivables and prepayments	985
Employee benefits	(13)
Lease liabilities (Note 22)	(6,718)
Net identifiable assets	346,000
Less: considerations paid	(346,000)
Goodwill	-
Net cash paid:	
Total consideration paid	346,000
Less: Cash acquired as part of acquisition	(920)
Accounts receivables and prepayments	345,080

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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 2023	Industries Qatar Q.P.S.C.	Gulf International Services Q.P.S.C.	Mesaieed Petrochemical Holding Company Q.P.S.C. (a)	Qatar Aluminium Manufacturing Company Q.P.S.C.	Qatar Fuel Company Q.P.S.C.	Intra-group eliminations	Total
Net assets	39,976,341	3,836,653	17,083,127	6,755,825	9,413,787		
Net assets attributable to NCI	19,588,407	3,452,988	7,199,855	3,310,354	7,531,030	(2,974,142)	38,108,492
Revenue	11,744,032	3,538,490	-	-	27,932,507		
Total comprehensive income	4,718,408	403,695	1,082,690	446,009	1,060,608		
Profit / (loss) allocated to NCI	2,314,167	352,454	456,311	218,544	816,110	(37,752)	4,119,834
OCI allocated to NCI	(2,147)	10,872	-	-	32,376	(61,282)	(20,181)
Cash flow from operating activities	4,231,045	950,595	(58,599)	(28,622)	1,136,744		
Cash flow from investing activities	(3,616,478)	(407,207)	366,756	562,334	111,162		
Cash flow from financing activities	(6,781,517)	(364,928)	(1,381,949)	(502,211)	(995,586)		
(dividends to NCI: QR 42 million)							
Effect of forex in cash	-	3,819	-	-	-		
Net increase / (decrease) in cash and cash equivalents	(6,166,950)	182,279	(1,073,792)	31,501	252,320		

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38. Non-controlling interests (continued)

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.	QatarEnergy Renewable Solutions Q.P.S.C. (b)	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	(6,086,299)	(200,829)	(1,381,949)	(446,409)	(853,243)	-		
(dividends to NCI: QR 49 million)								
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)		

(a) In 2023, 951,979,300 shares held in MPHIC have been transferred from Group to the public on account of (i) incentive shares for individual investors who have retained, as of the first award date, at least 50% of the shares purchased or (ii) the death of certain original shareholders as stated in the prospectus at the date of the listing. This dilution is a transaction with NCI without loss of control and resulting loss of QR 1,317.07 million has been recognised directly in equity. As of the reporting date, the Group continues to hold 7,268,282,950 shares (2022: 8,220,262,250 shares), including 1 special share, comprising 57.85% (2022: 65.43%) of the total shareholding of MPHIC.

(b) In March 2023, the Group acquired an additional 49% interest in QatarEnergy Renewables Solutions (QERS) (formerly known as Siraj Energy Q.P.S.C.), increasing its ownership from 51% to 100%. The carrying amount of NCI related to QERS on date of acquisition was QR 219.83 million. Consideration paid to NCI was QR 234.94 million, therefore, decrease in equity attributable to owner of the Corporation amounted to QR 15.11 million.

Notes to the summary consolidated financial statements As at and for the year ended 31 December 2023

39. Operating segments

The Group is mainly engaged in exploration, production and sale of oil & gas products. More than 83% (2022: 89%) of the Group's revenue for the year ended 31 December 2023 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% (2022: 20%) and 5% (2022: 8%) of the Group's total revenue for the year ended 31 December 2023. Further, 99% (2022: 99%) of the Group's revenues for the year ended 31 December 2023 and 90% (2022: 92%) of total assets as at 31 December 2023 are from the entities based in the State of Qatar.

40. Dividend

During the year, QatarEnergy has distributed a dividend of QR 129,802 million for the financial year 2022 (2022: QR 82,075 million for the financial year 2021) 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 196 million (2022: QR 1,296 million) to intangible assets (Note 5(a)(ii)).
- Transfer from investment property amounting QR 19 million to property, plant and equipment (2022: QR 13 million from property, plant and equipment to investment property) (Note 5(a)(ii)).
- Capitalisation of depreciation of right-of-use assets amounting to QR 58.2 million (2022: QR 54.9 million) to property, plant and equipment. (Note 5(b)(ii))
- Transfer from non-current assets (project under development) amounting to QR 989 million (2022: QR 4,068) to property, plant and equipment (Note 5(a)(ii)).
- Recognition of additional right of use assets and lease liability amounting to QR 2,020 million (2022: QR 3,715 million) (Note 5(b) and 22).

42. Subsequent events

- The Board of Directors vide its resolution dated 25 April 2024 has approved a final dividend of QR 100,051 million from the profit for the year ended 31 December 2023.

Except for the above, there were no other subsequent events which have a bearing on the understanding of audited consolidated financial statements.

43. Comparative figures

Other than reclassification due to discontinued operations referred in Note 11.2, comparative information has been reclassified to conform with the presentation and classification of the current year's audited 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	EOR	-	enhanced oil recovery
BBLS	-	barrels	EPC	-	engineering, procurement and construction
BPD	-	barrels per day	EPCI	-	engineering, procurement, construction and installation
BPSD	-	barrels per stream day	EPIC	-	engineering, procurement, installation and commissioning
BSCFD	-	billion standard cubic feet per day	EPSA	-	Exploration and Production Sharing Agreement
BTU	-	British thermal unit	ERC	-	Egyptian Refining Company
CCS	-	carbon capture and sequestration	ERG	-	ethane rich gas
CCWS	-	Common Cooling Water System	ESFM	-	Evergreen Structural Framework Modeling
CEO	-	Chief Executive Officer	ESP	-	electrical submersible pumps
CO ₂	-	carbon dioxide	EWf	-	Enhanced Water Flood
CPSC	-	Capital Project Steering Committee	FDP	-	Field Development Plan
CSF	-	Common Seawater Facility	FEED	-	front end engineering and design
CSR	-	corporate social responsibility	FSO	-	floating storage and offloading
DCA	-	Dukhan Concession Area	GDI	-	Gulf Drilling International
DCO	-	decant oil	GECF	-	Gas Exporting Countries Forum
DEL	-	Dolphin Energy Limited	GDS	-	Gas Transmission & Distribution System
DFIS	-	Dukhan Field Integrated Study	GTL	-	gas-to-liquids
DPSA	-	Development and Production Sharing Agreement	GW	-	gigawatts
EDF	-	Environmental Defense Fund	H.E.	-	His Excellency
EGM	-	Evergreen Geologic Modeling	H.H.	-	His Highness
EITI	-	Extractive Industries Transparency Initiative	H ₂ S	-	hydrogen sulfide
ENH	-	Empresa Nacional de Hidrocarbonetos	HDPE	-	high-density polyethylene
ELT	-	Executive Leadership Team	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 metric tons per annum
N-KOM	-	Nakilat-Keppel Offshore & Marine
NAO	-	normal alpha olefins
NDSQ	-	Nakilat Damen Shipyards Qatar

NFA	- North Field Alpha	QPower	- Qatar Power Company
NFB	- North Field Bravo	QPSPP	- Qatar Petroleum for the Sale of Petroleum Products Company
NFE	- North Field East	QTL	- Qatar Terminal Limited
NFPS	- North Field Production Sustainability	QVC	- Qatar Vinyl Company
NFS	- North Field South	RGA	- RasGas Alfa
NGL	- natural gas liquids	RGPC	- Ras Girtas Power Company
NGTT	- Mesaieed Terminal and Tank Farm	RLIC	- Ras Laffan Industrial City
NOC	- North Oil Company	RLOC	- Ras Laffan Olefins Company
OAPEC	- Organization of Arab Petroleum Exporting Countries	RLPC	- Ras Laffan Power Company
ONHYM	- Office National des Hydrocarbures et des Mines	RLPP	- Ras Laffan Petrochemicals Project
OOF	- Offshore Operators Forum	RMOP	- Reservoir Management Optimization Project
OOIP	- original oil-in-place	RNAP	- refined naphtha
OPQL	- Occidental Petroleum Qatar Limited	RPSCP	- Refined Products Supply Chain Project
OXY	- Occidental Petroleum	SAG	- stripped associated gas
PCN	- petrochemical naphtha	SBM	- single buoy mooring
PDP	- Personal Development Plan	SOW	- scope of work
PPF	- Pilot Production Facility	SRC	- seismic reservoir characterization
PS	- production station	SRFO	- straight run fuel oil
PSDM	- Pre-Stack Depth Migration	TCF	- trillion cubic feet
Q-Chem	- Qatar Chemical Company	TEEPG	- TotalEnergies Exploration and Production Gul Limited
QAFAC	- Qatar Fuel Additives Company	TEPC	- TotalEnergies E&P Congo
QAFCO	- Qatar Fertiliser Company	TEPQ	- TotalEnergies Exploration & Production Qatar
QAPCO	- Qatar Petrochemical Company	TPD	- tons per day
QR	- Qatari riyals	TRIR	- total recordable injury rate
Qatalum	- Qatar Aluminium Limited	UER	- Umm Er Radhuma
Qatofin	- Qatofin Company Limited	VCM	- vinyl chloride monomer
QEWC	- Qatar Electricity & Water Company	VLSFO	- very low-sulfur fuel oil
QGPC	- Qatar General Petroleum Corporation	VP	- Vice President
QLC	- Qatar Land Crude	WAG	- Water Alternating Gas
QMC	- Qatar Marine Crude	WHP	- wellhead platform
QNV	- Qatar National Vision	Woqod	- Qatar Fuel Company
QPD	- Qatar Petroleum Development Co. Ltd. (Japan)		