



Transcription of the Interview with:
His Excellency Abdullah bin Hamad Al-Attiyah
Deputy Prime Minister, Minister of Energy & Industry and
Chairman of Qatar Petroleum
9 March 2010

PM Communications for a survey to be published in Telegraph

PM COMMUNICATIONS: Your vision of developing liquefied natural gas (LNG) years ago was dismissed as an “economic pipedream”, yet you continued to champion it. Today LNG is a transforming force in the global energy market. Qatar’s production of LNG is allowing the United States and Europe to meet the Kyoto Protocol and cut their emissions. Most importantly you have become an answer to the Russian domination in Europe’s gas supply. By the end of the year Qatar will reach its 77 million tonnes per year and with the de-bottlenecking probably another 12 million tonnes can be added. How will Qatar’s production evolve within the next two years taking into consideration that we are now talking about a possible global gas glut?

H.E. ABDULLAH BIN HAMAD AL-ATTIYAH: If we go back to the 1990s when we seriously started thinking about how Qatar could be an LNG exporter, many analysts were in doubt. Many analysts gave many statements saying it was a dream and Qatar would never be an LNG producer because of the stagnation and costs. Many barometers were trying to kill our dream. We always believe that in every business challenge, the first step is a dream. But the second is when the dream becomes a reality. We have the right to dream and convert our dream to reality and this is what we did. Today we are very proud that in just a few years Qatar has become the biggest LNG producer in the world. Hopefully we will reach our milestone of 77 million tonnes by this September to show how we are competent. We said that Qatar would reach 77 million tonnes by 2010 and we have proven our credibility abroad. We have proven that we are committed and that Qatar Petroleum (QP) is committed to doing it. We are very proud now and we are saying with a loud voice, ‘gentlemen, we are now reaching our milestone’. Our milestone is coming just a few months from now.

PM COMMUNICATIONS: You are talking about a dream come true. More than a dream come true, you have become a leader in LNG with the technology and expertise. Someone once said that innovation is not about inventing, it is about connecting. You have reached the best world-class joint venture with the best of the best that have evolved and made up unique solutions.

H.E. ABDULLAH BIN HAMAD AL-ATTIYAH: Yes, I agree that we are changing the entire map in the classical LNG production. We are not only becoming a producer but we are also becoming an innovator. You can see how we were the first country to adopt the biggest LNG trains in the world, at 7.8, which had never been built before. We have also introduced the biggest ships in the world, the Q-Max and the Q-Flex, up to 266,000 cubic metres. The biggest conventional one used to be 165,000 cubic metres. This is how we use the best of the State of Qatar and innovation in how to reduce costs, unit costs by mass production, bigger trades and bigger ships. We are very proud that our LNG reaches the entire world from Asia to Europe, North Africa and even South Africa. Some of our cargo has even now already reached Argentina, Chile, Canada and Mexico.



PM COMMUNICATIONS: We will get into energy supply security which is something I know you are championing a lot, but I would like to continue just a little bit more on the exportable know-how that Qatar possesses. You have inspired countries like China to look into less polluting energy. In a Sasol report I was reading that the technology they have developed here with QP, at Oryx GTL, is now inspiring China to produce coal-to-liquid (CTL). Becoming a leader also has responsibilities. How would you define your responsibility as a leader in the LNG market?

H.E. ABDULLAH BIN HAMAD AL-ATTIYAH: Today I think we have already become the leader in the LNG market. Now we are becoming the main supplier to the world. Today Qatar is producing almost one third of the world's total LNG production. This shows that today we are a real producer. We have passed the dream period and now this is the real period. Our production of 77 million tonnes, which is supplied to the entire world, shows how we are committed to the challenge. We are the fastest-growing producer of LNG in the entire world. In just a few years we jumped from zero production to 77 million tonnes.

PM COMMUNICATIONS: Most importantly, you have jumped from strictly exploration and production to now controlling the entire chain. It is magnificent to see how from exploration to marketing and up to distribution, you are in control. How important is that?

H.E. ABDULLAH BIN HAMAD AL-ATTIYAH: It is very important to build a complete chain, including the upstream, downstream, transportation and regasification. We are already involved in three regasification plants. One in the UK is considered the biggest regasification terminal in Europe with the capacity for 16.3 million tonnes. The one in Italy is the first floating regasification plant in the entire world, which is a joint venture with ExxonMobil and the Italian firm Edison. Also we are now building one of the biggest regasification plants in the United States, the Golden Pass in Texas, with our partners ExxonMobil and ConocoPhillips. This shows how today we have built a full chain. We are not just a producer; we are involved in the full chain from upstream, downstream, transportation and regasification. This full chain will give Qatar the most flexible supply to the whole world. Because when you have the ships and the LNG you can divert your ships to whatever country needs it immediately. They do not wait a long time to receive our cargo.

PM COMMUNICATIONS: And not being dependent.

H.E. ABDULLAH BIN HAMAD AL-ATTIYAH: With independence and security of supply, we do not compete with Russia, Algeria or any country. That independence and security of supply is for the entire world. All of these producers are creating a security of supply for the entire world. The world needs more suppliers to feel safe and I think the market is very wide. It can accommodate all producers and I also think consumers need different suppliers.

PM COMMUNICATIONS: But at the same time you have said, on several occasions, that the gas price is not fair, it is too low.

H.E. ABDULLAH BIN HAMAD AL-ATTIYAH: Yes. We are saying that we should create a benchmark, at least with oil. We say that today gas should be rising, as related to oil. The gas is green. It is one of the best choices to reduce emissions and implement the Kyoto Protocol. Gas is at the top of the agenda of solutions so it should have special treatment. Otherwise if you are pushing the gas price down, no supplier will continue with uneconomical solutions. We are not saying that we need a premium. We are saying that at least gas should be related to oil. Then you can create



stabilisations and convince producers to put more investment for more production to cope with the new demand in the world.

PM COMMUNICATIONS: To get this message going across it was a question, at a point, of a gas organisation... a kind of gas-OPEC. Is this still something that you see in the future?

H.E. ABDULLAH BIN HAMAD AL-ATTIYAH: We are not saying a gas-OPEC. The international gas organisation is very important to the entire world. Then you are creating a body through which consumers and producers can create a dialogue. You can see how important organisations like OPEC, the International Energy Agency (IEA) and all international agencies are today creating more stability. Then you can create a body for consumers and producers to talk, through which you can create a real dialogue. This organisation is not against consumers; it is for the consumers. In the future the consumers will feel the importance of this organisation, how they will need it to talk about gas supply, demand, investment and technology. All of these are concerns that the organisation will talk about to the world, giving the world more confidence about the future.

PM COMMUNICATIONS: Let's go back to the market. We've spoken a little about the politics. With the recession, we have seen a lower gas demand and the price in the US and the UK is low.

H.E. ABDULLAH BIN HAMAD AL-ATTIYAH: We are saying that gas should be treated fairly, at least in comparison to oil. Then you will eliminate diversions. You see more diversions in the US and UK because they are liquid markets. In the East they treat gas relative to oil. Should the world implement a cause that gas should be regulated to oil, you will create stability and you will not find diversions. But if you are now in the US or the UK, because they are liquid markets, and the price of gas sometimes gets very depressed then yes, you will find a lot of diversions. At the end of the day producers should make some money from their natural resource.

PM COMMUNICATIONS: Do you believe that the increase of shale gas in the US has also affected your market?

H.E. ABDULLAH BIN HAMAD AL-ATTIYAH: If you relate oil to gas you will see the price stabilise and it will be a free market. If you have more gas to use locally, you will use it. If you have to import gas, you will import it. Then you will have more stabilisations without the fluctuations. For instance sometimes you see gas going for \$2 or \$15 in the US The fluctuations are not good for the consumers. Stabilisation avoids shocks. Very high prices are not good for consumers and very low prices are not good for producers.

PM COMMUNICATIONS: You have said that China is the future, at least in terms of market. You have signed protocols for 25 years of delivery, championing energy supply security.

H.E. ABDULLAH BIN HAMAD AL-ATTIYAH: We are a big believer in China and India. They are two of the major developing countries. They have the highest, fastest growth in the world. We already signed with India to supply 7.5 million tonnes many years ago and now in the last five or six years we have become the main gas supplier to India. Now in China we have signed for 5 million tonnes and we have signed a memorandum of understanding (MOU) for another 7 million tonnes. This shows how China and India are playing a major role in energy and their consumption of energy is growing. We always believed that China and India are very close to us in relations. We are very proud that we began to supply Japan almost 13 years ago, Korea, India and



Taiwan as well and we have never defaulted on a single shipment. This is a very basic aspect of security of supply, safety of operations and we are very proud that all of our customers appreciate that we have never defaulted or delayed cargo.

PM COMMUNICATIONS: Moreover China can also become one of the tools, if I may put it this way, in following and completing His Highness' Vision 2030. Part of your responsibility is diversification of the energy sector and good investments such as QPI going into the upstream. How can your protocols with China open opportunities for Qatar to develop downstream in China?

H.E. ABDULLAH BIN HAMAD AL-ATTIYAH: We are already committed. QP and Shell have signed an MOU with China to develop our world scale petrochemical refinery complex in China. We are already in the process of converting this MOU to a non-disclosure agreement (NDA) soon. We are very committed to invest in China. We are discussing different projects with different groups in China. We are big believers that China is the best place to invest. We have confidence in the Chinese government that has converted China into a haven for investment. The Chinese respect their obligations and agreements and personally I am very happy working with Chinese companies. I have built a very good and positive experience with China.

PM COMMUNICATIONS: Diversification is part of your responsibility as Minister of Energy & Industry. The industrial sector here is developing on the back of a cheap and plentiful energy supply. Where do you see the industry complex developing?

H.E. ABDULLAH BIN HAMAD AL-ATTIYAH: Qatar is becoming very diversified in the energy sector. Today we are very happy to see Qatar as the biggest LNG and GTL producer. We will be one of the biggest liquefied biogas (LBG) and condensate producers. In petrochemicals and downstream, Qatar is approaching its target to reach over 20 million tonnes in a few years from now. Qatar will become one of the most important petrochemical producers in the world. We are one of the biggest producers of fertilizer, methanol, methyl tert-butyl ether (MTBE) and other products. We are commissioning the biggest aluminium smelter in the world, Qatalum. We are also big steel producers. If you see our export map for all of these products, we already export to 85 countries. We are reaching most of the world.

PM COMMUNICATIONS: What opportunities do you see developing in the industrial sector here? What is missing?

H.E. ABDULLAH BIN HAMAD AL-ATTIYAH: We have built the best basic industry. Out of these products you can have thousands of small and medium sized industries using the basic, local raw materials. Take aluminium for instance. Just think about how many small industries that can benefit from this aluminium. Or take the plastic business, which is huge. You can do anything you want from furniture to the most sophisticated products. Today we are producing the basic while trying to help the private sector. We want to invest in small and medium sized industries to take advantage of the basic industry. Now we are trying to change the methodology. Traditionally people in the Gulf do not have a good connection with industry. They have always been involved in trade, real estate and services. Now, we have to change the culture to industrial. Industrial is not profitable in the short term. But in the mid- to long term it is very profitable. It creates stability and avoids the shocks that happen in real estate and shares in the stock market. The industrials always create stability and a transfer of know-how and technology, where it has an added value.

PM COMMUNICATIONS: You are building all the necessary pillars for society led by the National Vision 2030 and the wise leadership of His Highness. You



have world-class education that will make the next generation leaders in their sector... but then you have to find places where they can stay and work.

H.E. ABDULLAH BIN HAMAD AL-ATTIYAH: I agree. Today Qatar, with the vision of His Highness the Emir Sheikh Hamad bin Khalifa Al Thani and even the support of Her Highness Sheikha Mozah bint Nasser Al Missned, we have seen a lot of change in this country in just the last 10 years. We have seen changes in education, science, technology and research. Today Qatar is becoming one of the centres and capitals of education in the entire Middle East. We are the first country to attract the best universities in the world to accommodate them in Qatar. Today we believe His Highness' vision; what is Qatar beyond oil and gas? Everyone knows that oil and gas is a depleted resource. The vision of His Highness is that after oil and gas Qatar can be a leader in education, health, services, tourism and sports. All of these businesses can convert Qatar beyond oil and gas. His Highness the Emir is putting all of his efforts to build the best infrastructures in the world including airports, boats, transportation, Qatar Airways, to connect the entire world to Qatar. I think this is the best way to invest. Qatar is not the only oil producer in the world. Many countries are able to produce even more than Qatar. But the difference is in how you use the money and not just letting it sit and accumulate. Here all of the money goes for the country. The leadership of His Highness has converted Qatar into the best. Today we are very proud that in the latest report on Qatar by Transparency International (TI), we rated number one in the entire Middle East.

PM COMMUNICATIONS: Your organic growth and vision have been rewarding. Looking back, would you change anything of how you have evolved and developed in the energy sector?

H.E. ABDULLAH BIN HAMAD AL-ATTIYAH: No. I am very happy with what has happened today. If I had to go back, I would do the same thing. We have done a great job. The energy sector is growing very fast for the wealth of the country and the people of Qatar. With the support of His Highness the Emir, I think we will reach our milestones.

PM COMMUNICATIONS: We wish you all the best. Thank you very much.