

**QATAR GAS TRANSPORT COMPANY LIMITED  
(NAKILAT) Q.S.C.  
DOHA - QATAR**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS TOGETHER WITH  
INDEPENDENT AUDITOR'S  
REVIEW REPORT  
FOR THE SIX MONTH PERIOD ENDED  
JUNE 30, 2010**

**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) Q.S.C.  
DOHA – QATAR**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2010**

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## **INDEPENDENT AUDITOR'S REVIEW REPORT**

**To The Board of Directors  
Qatar Gas Transport Company Limited (Nakilat) (Q.S.C.)  
Doha - Qatar**

### **Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements of **Qatar Gas Transport Company Limited (Nakilat) (Q.S.C.)**, which comprise the interim condensed consolidated statement of financial position as of **June 30, 2010** and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of selected explanatory notes (the "interim condensed consolidated financial statements"). Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with **International Accounting Standard No. (34), "Interim Financial Reporting"**. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

The interim condensed consolidated financial statements as of and for the six month period ended 30 June 2009 were reviewed by another auditor whose report dated 28 July 2009 expressed an unmodified conclusion on those interim condensed consolidated financial statements.

The consolidated financial statements as at and for the year ended 31 December 2009 were audited by another auditor whose report dated 24 March 2010 expressed an unqualified opinion on those consolidated financial statements.

### **Scope of Review**

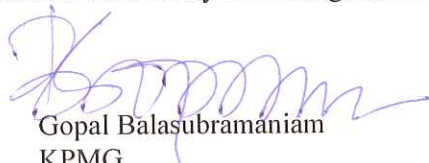
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with **International Accounting Standard No. (34), "Interim Financial Reporting"**.

Without modifying our conclusion above, we draw attention to note 14 to the interim condensed consolidated financial statements with regards to the financial information of the joint ventures for the six month period ended June 30, 2010 which were based on the accounts certified by the management.

21 July 2010  
Doha  
State of Qatar

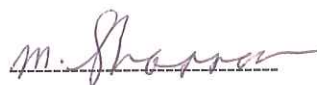
  
Gopal Balasubramaniam  
KPMG  
Qatar Auditors' Registry No. 251

**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) Q.S.C.**  
**DOHA – QATAR**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2010**  
**(Amounts expressed in thousands of Qatari Riyals)**

		<b>June 30, 2010 (Reviewed)</b>	<b>December 31, 2009 (Audited)</b>
<b><u>ASSETS</u></b>	<b><u>Note</u></b>		
<b>Current Assets:</b>			
Cash and bank balances	3	2,245,913	1,778,939
Trade and other receivables		158,758	101,642
Due from joint venture companies		4,142	1,704
<b>Total Current Assets</b>		<b>2,408,813</b>	<b>1,882,285</b>
<b>Non-Current Assets:</b>			
Loans to joint venture companies		1,110,191	1,108,006
Investment in joint venture companies	4	1,997,636	2,076,984
Available-for-sale investments		92,706	107,108
Construction in progress	5	1,001,744	3,624,184
Property and equipment	6	25,184,049	22,204,496
Other assets		241,841	245,531
<b>Total Non-Current Assets</b>		<b>29,628,167</b>	<b>29,366,309</b>
<b>Total Assets</b>		<b>32,036,980</b>	<b>31,248,594</b>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Current Liabilities:</b>			
Borrowings	7	747,167	458,140
Accounts payable and accruals		188,128	186,989
Due to related party		10,925	607
<b>Total Current Liabilities</b>		<b>946,220</b>	<b>645,736</b>
<b>Non-Current Liabilities:</b>			
Borrowings	7	25,128,520	24,556,405
Fair value of interest rate swaps	8	3,504,643	2,130,977
Provision for employees' end of service benefits		7,513	6,195
<b>Total Non-Current Liabilities</b>		<b>28,640,676</b>	<b>26,693,577</b>
<b>Capital and Reserves:</b>			
Share capital	9	5,537,873	5,537,812
Legal reserve	10	105,280	105,280
Fair value reserve		46,238	60,640
Translation reserve		28,626	28,626
Proposed cash dividend		-	277,013
Retained earnings		834,663	504,796
<b>Total equity before hedge reserve and non-controlling interests</b>		<b>6,552,680</b>	<b>6,514,167</b>
<b>Interests</b>			
Hedging reserve	11	(4,107,148)	(2,609,248)
<b>Non-controlling interests</b>		<b>4,552</b>	<b>4,362</b>
<b>Total Liabilities and Equity</b>		<b>32,036,980</b>	<b>31,248,594</b>

These interim condensed consolidated financial statements were approved on **July 21, 2010** by:

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**Abdullah Bin Hamad Al Attiyah**  
Chairman

  
**Muhammad Ghannam**  
Managing Director

The accompanying notes form an integral part of these interim condensed consolidated financial statements.



**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) Q.S.C.**  
**DOHA – QATAR**

**CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2010**  
**(Amounts expressed in thousands of Qatari Riyals)**

	<b>Note</b>	<b>Six Month Period Ended June 30, 2010 (Reviewed)</b>	<b>Six Month Period Ended June 30, 2009 (Reviewed)</b>
<b>Income:</b>			
Revenue from wholly owned vessels		1,276,712	498,564
Share of operating profits from joint ventures	4	113,989	80,220
Income from marine and agency services		13,796	14,246
Profit from Islamic banks		18,653	38,496
Interest and dividend income		27,907	19,662
Other income		8,356	3,162
<b>Total Income</b>		<b>1,459,413</b>	<b>654,350</b>
<b>Expenses:</b>			
Operating costs of wholly owned vessels		(194,568)	(56,840)
General and administrative		(37,698)	(27,158)
Depreciation of property and equipment	6	(257,325)	(103,495)
Amortization of other assets		(3,690)	(3,690)
Finance charges		(619,768)	(260,268)
<b>Total Expenses</b>		<b>(1,113,049)</b>	<b>(451,451)</b>
<b>Profit for the period from operations</b>		<b>346,364</b>	<b>202,899</b>
(Loss) / Gain on derivative instruments from joint ventures	4	(16,307)	30,678
<b>Total profit for the period</b>		<b>330,057</b>	<b>233,577</b>
<b>Total profit for the period attributable to:</b>			
Owners of the parent		329,867	233,377
Non-controlling interests		190	200
<b>Total</b>		<b>330,057</b>	<b>233,577</b>
Basic and diluted earnings per share (expressed in QR. per share)	12	<b>0.60</b>	<b>0.42</b>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) Q.S.C.**  
**DOHA – QATAR**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2010**  
(Amounts expressed in thousands of Qatari Riyals)

	<b>Six Month Period Ended June 30, 2010 (Reviewed)</b>	<b>Six Month Period Ended June 30, 2009 (Reviewed)</b>
Total profit for the period	<b>330,057</b>	233,577
<b><u>Other comprehensive income / (loss)</u></b>		
Available-for-sale investments	<b>(14,402)</b>	4,359
Cash flow hedging reserves	<b>(1,373,667)</b>	2,425,032
Group share of joint ventures' changes in fair value of cash flow hedging derivatives	<b>(124,233)</b>	347,396
<b>Total comprehensive income /(loss) for the period</b>	<b><u>(1,182,245)</u></b>	<b><u>3,010,364</u></b>
<b>Total comprehensive income / (loss) for the period attributable to:</b>		
Owners of the parent	<b>(1,182,435)</b>	3,010,164
Non-controlling interests	<b>190</b>	200
<b>Total</b>	<b><u>(1,182,245)</u></b>	<b><u>3,010,364</u></b>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) Q.S.C.**  
**DOHA – QATAR**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2010**  
**(Amounts expressed in thousands of Qatari Riyals)**

	Share Capital	Legal Reserve	Fair Value Reserve	Translation Reserve	Proposed Cash Dividend	Retained Earnings	Total Equity Before Hedge Reserve & Non-Controlling Interest	Hedging Reserve	Non- Controlling Interest
Balance as at January 01, 2009 (Audited)	5,537,655	46,438	50,040	24,042	-	251,930	5,910,105	(5,915,253)	4,464
Profit for the period	-	-	-	-	-	233,377	233,377	-	200
Other comprehensive income / (loss)									
-Changes in fair value of investments	-	-	4,359	-	-	-	4,359	-	-
-Movements in fair value of cash flow hedging derivatives	-	-	-	-	-	-	-	2,425,032	-
-Group share of joint ventures' changes in fair value of cash flow hedging derivatives	-	-	-	-	-	-	-	347,396	-
Capital contribution	99	-	-	-	-	-	99	-	-
Balance as at June 30, 2009 – (Reviewed)	<u>5,537,754</u>	<u>46,438</u>	<u>54,399</u>	<u>24,042</u>	-	<u>485,307</u>	<u>6,147,940</u>	<u>(3,142,825)</u>	<u>4,664</u>
Balance as at January 01, 2010 (Audited)	5,537,812	105,280	60,640	28,626	277,013	504,796	6,514,167	(2,609,248)	4,362
Profit for the period	-	-	-	-	-	329,867	329,867	-	190
Other comprehensive income / (loss)									
-Changes in fair value of investments	-	-	(14,402)	-	-	-	(14,402)	-	-
-Movements in fair value of cash flow hedging derivatives	-	-	-	-	-	-	-	(1,373,667)	-
-Group share of joint ventures' changes in fair value of cash flow hedging derivatives	-	-	-	-	-	-	-	(124,233)	-
Dividend paid to shareholders for 2009	-	-	-	-	(277,013)	-	(277,013)	-	-
Capital contribution	61	-	-	-	-	-	61	-	-
Balance as at June 30, 2010 – (Reviewed)	<u>5,537,873</u>	<u>105,280</u>	<u>46,238</u>	<u>28,626</u>	-	<u>834,663</u>	<u>6,552,680</u>	<u>(4,107,148)</u>	<u>4,552</u>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) Q.S.C.**  
**DOHA – QATAR**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2010**

(Amounts expressed in thousands of Qatari Riyal)

	Note	Six Month Period Ended June 30, 2010 (Reviewed)	Six Month Period Ended June 30, 2009 (Reviewed)
<b>Cash Flows from Operating Activities:</b>			
Profit for the period		330,057	233,577
Adjustments for:			
Depreciation of property and equipment	6	257,325	103,495
Amortization of other assets		3,690	3,690
Finance charges		619,768	260,268
Share of income from joint ventures		(97,682)	(110,898)
Profit from Islamic banks		(18,653)	(38,496)
Interest, dividend and other income		(36,263)	(22,824)
Provision for doubtful debts		-	108
		1,058,242	428,920
Working Capital Changes:			
Trade and other receivables		(64,105)	(12,415)
Accounts payable and accruals		(25,182)	(35,282)
Due from joint venture companies		(2,438)	2,305
Due to related party		10,318	6,133
Inventory		-	(905)
Cash generated from Operating Activities		976,835	388,756
Finance charges paid		(681,483)	(579,928)
<b>Net Cash from / (used in) Operating Activities</b>		<b>295,352</b>	<b>(191,172)</b>
<b>Cash Flows from Investing Activities:</b>			
Loans to joint venture companies		3,114	(475,189)
Investment in joint venture companies	4	(510)	(6,642)
Dividend received from joint venture companies	4	48,007	22,728
Acquisition of property and equipment	6	(649)	(1,235)
Investment income received		63,033	79,823
Time deposits maturing after ninety days		(51,892)	9,098
Construction in progress		(544,314)	(3,949,099)
<b>Net Cash used in Investing Activities</b>		<b>(483,211)</b>	<b>(4,320,516)</b>
<b>Cash Flows from Financing Activities:</b>			
Proceeds on second cash call against capital		61	99
Dividend paid to shareholders		(257,593)	-
Unpaid dividend transferred to separate account		(19,420)	-
Proceeds from borrowings		994,137	4,112,069
Repayment of borrowings		(132,995)	-
<b>Net Cash from Financing Activities</b>		<b>584,190</b>	<b>4,112,168</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>396,331</b>	<b>(399,520)</b>
<b>Cash and Cash Equivalents at Beginning of the Period</b>		<b>1,752,991</b>	<b>1,953,215</b>
<b>Cash and Cash Equivalents at End of the Period</b>	3.1	<b>2,149,322</b>	<b>1,553,695</b>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.



**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) Q.S.C.  
DOHA – QATAR**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2010  
(Amounts expressed in thousands of Qatari Riyals)**

1. **Legal Status and Activities:**

Qatar Gas Transport Company Limited (Nakilat) (QSC) ("QGTC" or "the Company") is a Public Shareholding Company, incorporated in the State of Qatar on June 9, 2004, under Commercial Registration Number 28566, in accordance with Article No. 68 of the Qatar Commercial Companies Law No. 5 of year 2002. The approval for the formation of the Company was made under decision No. 70 of the Ministry of Business and Trade (formerly Ministry of Economy and Commerce). The Company is governed by its Memorandum and Articles of Association and Law No. 5 of 2002 concerning commercial companies. The shares of the Company started trading on the Qatar Exchange (successor of Doha Securities Market) on April 7, 2005.

The main purpose of the Company is to work in the industry of gas transport either through direct acquisition of ocean going vessels or by investing in joint ventures with other parties.

These interim condensed consolidated financial statements incorporate the financial statements of the Company and entities controlled by the company (its subsidiaries) and its joint venture entities referred to as the "Group".

Although mostly the joint venture entities are located abroad, their trading activities are mainly derived from contracts with local companies in Qatar. The Group can be therefore viewed to provide services within the same economic environment and subject to the same economic risk.

2. **Basis of Preparation and Significant Accounting Policies:**

These interim condensed consolidated financial statements are prepared in accordance with IAS 34 "Interim Financial Reporting" under the historical cost convention except for certain financial instruments which have been stated at fair value. The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended December 31, 2009 and these interim condensed consolidated financial statements should be read in conjunction with the 2009 annual financial statements and the notes attached thereto, except for the adoption of certain revised new interpretations which are effective as of January 01, 2010. Adoption of these interpretations did not have any effect on the financial position or performance of the Company other than certain presentation and disclosure changes.

These interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the six months ended **June 30, 2010** are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2010.

3. **Cash and Bank Balances:**

	<b>June 30, 2010 (Reviewed)</b>	<b>December 31, 2009 (Audited)</b>
Cash on hand	148	396
Current account	846,761	609,949
Time deposits	1,354,305	1,142,078
Other bank balances (a)	25,279	26,516
Other bank balances (b)	19,420	-
<b>Total</b>	<b>2,245,913</b>	<b>1,778,939</b>

**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) Q.S.C.**  
**DOHA – QATAR**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2010**  
**(Amounts expressed in thousands of Qatari Riyals)**

3. **Cash and Bank Balances (continued):**

The effective interest and profit rates on the time deposits varies between **0.3% to 6.3%** (2009: 0.25% to 6.5%).

Cash does not include preplacement of funds with a joint venture of **QR 209.9 million** (2009: QR 313.2 million).

- (a) Cash payable to shareholders for unclaimed proceeds of their shares auctioned related to the second IPO call.
- (b) Cash payable to shareholders for unclaimed dividend.

3.1 **Cash and Cash Equivalents:**

	<b>Six Month Period Ended June 30, 2010 (Reviewed)</b>	<b>Six Month Period Ended June 30, 2009 (Reviewed)</b>
Cash and bank balances	2,245,913	1,580,818
Less:		
-Time deposits maturing after 90 days	(51,892)	-
-Other bank balances (a)	(25,279)	(27,123)
-Other bank balances (b)	(19,420)	
	<u><b>2,149,322</b></u>	<u><b>1,553,695</b></u>

4. **Investment in Joint Venture Companies:**

Balance – January 01, 2009 (Audited)	1,464,444
Refund of investment in joint venture entity during the year	(641)
Share of operating profit for the year	281,107
Gain on derivative instruments from joint ventures	19,939
Loss adjusted against loan to joint venture	30,411
Share of hedging reserve for the year	366,370
Share of exchange difference arising on translating foreign operations	4,584
Dividend received	(89,230)
	<u><b>2,076,984</b></u>
Balance – December 31, 2009 (Audited)	2,076,984
Investment in joint venture entity during the period	510
Share of operating profit for the period	113,989
Loss on derivative instruments from joint ventures	(16,307)
Profit adjusted against loan to joint venture	(6,536)
Share of hedging reserve for the period	(122,997)
Dividend received	(48,007)
	<u><b>1,997,636</b></u>
<b>Balance – June 30, 2010 (Reviewed)</b>	<u><b>1,997,636</b></u>

**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) Q.S.C.**  
**DOHA – QATAR**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2010**  
**(Amounts expressed in thousands of Qatari Riyals)**

**5. Construction in progress:**

	<i>Vessels Under Construction</i>			<i>Dry Docking Facility Under Construction</i>	<i>Software System Implementation Cost</i>	<i>Building under Construction</i>	<i>Total</i>
	<i>Ship-Building Cost</i>	<i>Other Program Cost</i>	<i>Sub Total</i>				
At January 1, 2009 (Audited)	16,116,279	1,479,698	17,595,977	64,618	3,245	-	17,663,840
Additions during the year	5,320,011	859,742	6,179,753	23,397	11,626	1,136	6,215,912
Transfer to property and equipment	(18,229,012)	(1,996,754)	(20,225,766)	-	-	-	(20,225,766)
Transfer to loan to JV	-	-	-	(29,802)	-	-	(29,802)
At December 31, 2009 (Audited)	3,207,278	342,686	3,549,964	58,213	14,871	1,136	3,624,184
Additions / (Deletion) during the period	489,764	126,484	616,248	(2,829)	85	285	613,789
Transfer to property and equipment	(2,894,205)	(325,647)	(3,219,852)	-	(14,956)	(1,421)	(3,236,229)
At June 30, 2010 (Reviewed)	802,837	143,523	946,360	55,384	-	-	1,001,744

**Notes** (a) (b)

**Note (a):** Represents payment made to shipbuilders in accordance with the terms of the shipbuilding contracts for a vessel currently under construction.

**Note (b):** Included in other program costs is **QR 75 million** (2009: QR 141 million) being interest expense capitalized net of interest income earned from temporary placement of borrowed funds.

**6. Property and Equipment:**

	<i>Vessels</i>	<i>SAP</i>	<i>Building</i>	<i>Plant &amp; Office Equipments</i>	<i>Furniture and Fixtures</i>	<i>Vehicle</i>	<i>Total</i>
<b>Cost:</b>							
At January 01, 2009 (Audited)	2,260,029	28,671	216	3,533	723	52	2,293,224
Additions during the year	-	-	-	1,324	238	30	1,592
De-recognition of assets	-	-	-	(27)	(13)	(52)	(92)
Transfer from Construction in progress	20,225,766	-	-	-	-	-	20,225,766
At December 31, 2009 (Audited)	22,485,795	28,671	216	4,830	948	30	22,520,490
Additions during the period	-	365	-	284	-	-	649
Transfer from Construction in progress	3,219,852	14,956	1,421	-	-	-	3,236,229
At June 30, 2010 (Reviewed)	25,705,647	43,992	1,637	5,114	948	30	25,757,368



**QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) Q.S.C.**  
**DOHA – QATAR**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2010**  
**(Amounts expressed in thousands of Qatari Riyals)**

6. **Property and Equipment (continued):**

	<i>Vessels</i>	<i>SAP</i>	<i>Building</i>	<i>Plant &amp; Office Equipments</i>	<i>Furniture and Fixtures</i>	<i>Vehicle</i>	<i>Total</i>
<b>Accumulated Depreciation:</b>							
At January 01, 2009 (Audited)	6,143	1,434	86	942	128	15	8,748
Charge for the year	300,129	5,734	43	1,269	119	11	307,305
Related to de-recognized assets	-	-	-	(27)	(13)	(19)	(59)
At December 31, 2009(Audited)	306,272	7,168	129	2,184	234	7	315,994
Charge for the period	<b>252,049</b>	<b>4,379</b>	<b>164</b>	<b>657</b>	<b>71</b>	<b>5</b>	<b>257,325</b>
<b>At June 30, 2010 (Reviewed)</b>	<b>558,321</b>	<b>11,547</b>	<b>293</b>	<b>2,841</b>	<b>305</b>	<b>12</b>	<b>573,319</b>
<b>Net Carrying Amount:</b>							
At June 30, 2010 (Reviewed)	<b>25,147,326</b>	<b>32,445</b>	<b>1,344</b>	<b>2,273</b>	<b>643</b>	<b>18</b>	<b>25,184,049</b>
At December 31, 2009(Audited)	22,179,523	21,503	87	2,646	714	23	22,204,496

7. **Borrowings:**

These consist of the following:

	<b>June 30, 2010 (Reviewed)</b>	<b>December 31, 2009 (Audited)</b>
Loan	1,802,556	1,820,764
Senior bank facilities	14,343,978	13,768,617
Subordinated bank facilities	1,525,800	1,107,025
Senior bonds – Series “A”	3,095,299	3,095,299
Subordinated bonds – Series “A”	1,092,458	1,092,458
KEXIM Facility	1,662,437	1,741,600
KEIC Covered Facility	2,386,785	2,422,408
Less: Issuance cost of bonds	(33,626)	(33,626)
<b>Total</b>	<b>25,875,687</b>	<b>25,014,545</b>
<b>Classified as:</b>		
Payable within one year	747,167	458,140
Payable after one year	25,128,520	24,556,405



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8. **Fair Value of Interest Rate Swaps:**

The Group has entered into interest rate swap agreements with several financial institutions. As at **June 30, 2010** the total notional amount of swap agreements is **QR 15,928 million** (2009: QR 15,928 million) and net fair value is negative **QR 3,505 million** (2009: QR 2,131 million).

9. **Share Capital:**

	<b>June 30, 2010 (Reviewed)</b>	<b>December 31, 2009 (Audited)</b>
	<b>Number of Shares</b>	<b>Number of Shares</b>
Authorised share capital	<b>560,000,000</b>	560,000,000
Issued share capital	<b>554,026,360</b>	554,026,360
	<b>Amount</b>	<b>Amount</b>
Issued and paid up capital with a par value of QR 10 each.	<b>5,537,873</b>	5,537,812

At **June 30, 2010**, a total of **478,153** issued shares are 50% paid (2009: 490,337 issued shares were 50% paid).

10. **Legal Reserve:**

The Articles of Association of the Company provides for a legal reserve at 10% of net profit for the year until it reaches 50% of paid up share capital. This reserve is not available for distribution except for circumstances specified in the Articles of Association and the Commercial Companies Law. No legal reserve has been computed for the purpose of these interim condensed consolidated financial statements.

11. **Hedging Reserve:**

This represents the Group's share of the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedge that was recognized by one of its subsidiaries and its share from the joint venture companies.

The negative hedging reserve represents an accounting entry from the revaluation to fair value the interest rate swaps. The hedging reserve is expected to decrease over time as loans are repaid and the notional amount of the swaps decreases. The reserve on designated hedges is not expected to impact either statement of income or retained earnings. The negative hedge reserve arises on interest rate swaps that relates to variable interest bearing loans taken to build ships. The Group also enters into long-term time charter agreements to lock-in the future cash inflows from vessels. This strategy is expected to result in a more stable stream of cash flows in the future and minimize uncertainties associated with shipping spot rate movements or interest rate movements.

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12. **Earnings Per Share:**

Basic earnings per share are calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period.

	<b>Six Month Period Ended June 30, 2010 (Reviewed)</b>	<b>Six Month Period Ended June 30, 2009 (Reviewed)</b>
Profit for the period	<u>329,867</u>	<u>233,377</u>
Weighted average number of shares outstanding during the period	<u>553,787,284</u>	<u>553,524,424</u>
Basic and diluted earnings per share (expressed in QR per share)	<u>0.60</u>	<u>0.42</u>

There were no potentially dilutive shares outstanding at any time during the period and hence the diluted earnings per share is equal to the basic earnings per share.

13. **Commitments and Contingencies:**

**A) Capital Commitments:**

One of the subsidiaries of Qatar Gas Transport Company Limited (Nakilat) (QSC) had at **June 30, 2010** outstanding commitments for the construction of its vessels.

Details of the commitments are as follows:

	<b><u>USD '000'</u></b>	<b><u>QR '000'</u></b>
Commitments to shipbuilders	<u>59,282</u>	<u>215,877</u>

**B) Swap Commitments:**

The Group has entered in to several interest rate swap contracts in respect of interest payable on the variable interest rate bearing loans.

**C) Guarantees:**

(i) Cross Guarantees

Qatar Gas Transport Company Limited QSC has issued cross guarantees to the banks and shipbuilders with regard to loans, interest rate swaps and shipbuilding contracts entered / contracted by joint venture entities.

(ii) Bank Guarantee at **June 30, 2010** amounted to **QR 0.1 million** (2009: QR 0.1 million).

**D) Time Charter:**

The Group entered into various time charter agreements with two time charterer parties for the time charter of its vessels for an initial term of approximately 25 years from delivery date of each vessel with an option to renew.

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13. **Commitments and Contingencies (continued):**

**E) Undrawn Facilities:**

As at **June 30, 2010**, the Group had the following undrawn facilities:

	<u><b>USD</b></u>	<u><b>QR</b></u>
Senior bank facilities	5 million	18 million
Subordinated bank facilities	26 million	95 million

Commitment fees relating to these undrawn facilities have been paid.

14. **Critical Accounting Judgments and Key Sources of Estimation Uncertainty:**

14.1 **Critical judgment in applying the Group's Accounting Policies**

In application of the Group's accounting policies, management is required to make certain judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The associated assumptions are based on factors that are considered to be relevant at the time of preparing these interim condensed consolidated financial statements. Actual results may differ from these estimates. The underlying assumptions are reviewed on an ongoing basis.

**Hedge effectiveness**

Management reviews hedging relationship between the interest rate swaps and the underlying interest cash flows on a regular basis. The hedge was found to be highly effective. As a result, the fair value of the derivative is recorded in equity under hedging reserve.

**Depreciation of Vessels**

The depreciable cost (cost minus estimated salvage value) of vessels is depreciated over the estimated useful life, which is based on management's expectation of the usage of the asset, expected physical wear and tear, and the dry docking and repairs and maintenance program.

14.2 **Key sources of estimation uncertainty**

In the process of preparing these interim condensed consolidated financial statements, the management has made use of certain key assumptions that may have an impact on the current reported results.

**Results of operations from joint venture entities**

The Company uses the equity method of accounting to account for its joint ventures. Due to time constraints, the financial information of the joint ventures included in these interim condensed consolidated financial statements is based on the management accounts of these joint ventures for the six month period ended **June 30, 2010** which were not independently reviewed.