

FOR IMMEDIATE RELEASE

MPHC reports QR 57 million net profit for the three months period ended 31 March 2020

- *Robust liquidity position with closing cash and cash equivalents of QR 1.2 billion as at 31 March 2020*
- *Challenging global macro-economic conditions continued to impact the financial performance with weaker crude prices and unprecedented spread of COVID-19 pandemic*
- *Total assets stood at QR 14.8 billion as at 31 March 2020*
- *Continued focus on cost optimization with stricter measures to optimize operating and capital expenditure across the segments*
- *Several measures have been taken, amidst COVID-19 pandemic, to ensure health and safety of manpower and business continuity*
- *Earnings per share (EPS) of QR 0.005 for the three months period ended 31 March 2020, as compared to QR 0.026 for the same period last year*

Doha, Qatar; April 27, 2020: Mesaieed Petrochemical Holding Company (“MPHC” or “the Group”; QE: MPHC), one of the region’s premier diversified petrochemical conglomerates, today announced a net profit of QR 57 million for the three months period ended 31 March 2020.

Business performance and macroeconomic backdrop

MPHC’s business performance during the first quarter of 2020 has continued to be impacted by the declining selling prices against a backdrop of challenging macroeconomic dynamics, which affected MPHC performance since 2019. The negative macroeconomic environment was further augmented during the period, due to the unprecedented decline in the crude oil prices, together with the negative commodity prices movement caused by the spread of COVID-19 pandemic which impacted global demand.

MPHC responded by leveraging its inherent strengths: its competitive advantage of having uninterrupted, long-term access to competitively priced feedstock, and its marketing partnership with a leader in chemical product marketing and distribution, and improved Group’s access to global markets. In addition, MPHC launched a series of major new cost optimization initiatives across its businesses that will generate efficiencies, while maintaining its exemplary HSE record. In the current distressed situation, the sales and marketing team, provided an assurance to the Group by ensuring the contracts are effectively and efficiently secured and proved to be logistically viable by successfully ensuring the sales volumes remained intact.

However, the performance for the three month period ended 31 March 2020 was also impacted by the planned turnaround and preventive maintenance shutdowns implemented in certain MPHPC's joint venture facilities, which caused the production volumes to decline, by 37% as compared to the same period last year, to reach 190 thousand MT.

These preventive maintenance programs are essential to ensure HSE standards, plant life, quality assurance and reliability to maintain long-term operational efficiency targets leading towards optimum plant performance. Also, there were no plant stoppages due to any demand related reasons, nor, were there any changes to the planned maintenance timelines, amid COVID-19 spread, and all the facilities successfully completed their respective planned turnarounds within the budgeted timeline.

Commenting on the financial and operational performance for the first quarter of 2020, **Mr. Ahmad Saif Al-Sulaiti, Chairman of the Board of Directors, MPHPC**, said: *"In a difficult market, further affected by the unprecedented dual headwinds of COVID-19 and oil price volatility, we remained resilient and continued to implement our five-year business strategy to strengthen MPHPC's market position, while driving cost optimization and generating improved shareholder value. In this regard, during this quarter, we successfully implemented planned preventive maintenance shutdowns within the defined budgets, which would ensure our operational excellence prevails."*

In response to limit the spread of COVID-19 pandemic, we have established crisis management committees at each operating entity level to ensure safety of employees and business continuity. Our marketing partner, is closely monitoring the situation, as the pandemic situation evolves, and acting prudently to minimize the disruptions to the supply chain. Looking ahead, we are in process of implementing new cost optimization measures on our operating and capital expenditures more critically, across all the joint ventures, which will ensure our resilience and agility to adjust to the continuously evolving market."

Financial and operational performance

MPHC reported a net profit of QR 57 million for the three months period ended 31 March 2020, down by 83%, compared to the same period last year, with total revenues of QR 516 million (assuming proportionate consolidation), down by 36%, as compared to the same period last year. The Group recorded an earnings per share (EPS) of QR 0.005 for the three months period ended 31 March 2020, as compared to QR 0.026 for the same period last year.

The financial performance was impacted by the deteriorating global macroeconomic conditions, economic uncertainty, slowing GDP growth and trade conflicts, including COVID-19 and volatile oil prices, which continue to weighed on the demand for MPHPC products, resulted in declining selling prices which declined by 18% as compared to the same period last year.

During the period, the decline in production volumes, amid planned maintenance shutdowns, negatively affected the sales volumes which declined by 22% compared to the same period last year, to reach 227 thousand MT.

The decline in selling prices and sale volumes, on a combined basis, contributed to a decrease of QR 286 million in the net profits for the three month period ended 31 March 2020, as compared to the same period last year.

MPHC continued to benefit from the supply of competitively priced ethane feedstock and fuel gas under long-term supply agreements. These contracting arrangements are an important value driver for the

MPHC's profitability in a competitive market environment. Lower feedstock costs on account of decline in feedstock volumes due to planned shutdowns and lowered unit prices positively contributed QR 87 million to the net profits for the three month period ended 31 March 2020, as compared to the same period last year.

Compared to the fourth quarter of 2019, MPHC revenue declined by 24%, while net profit declined by 88%. The selling prices slightly declined by 1%, as the impact of COVID-19 and the present oil price crisis is partially felt in the prices. Sales volumes declined by 21% mainly due to the decline in production volumes, which declined by 40%, due to planned maintenance shutdowns.

In general, the full effects of COVID-19 outbreak has not been fully realized until 31 March 2020, as the effects began to realize in commodity markets, as the pandemic started to widespread in February 2020. In addition, the product prices have not yet factored in fully, the prevailing depressed oil prices till 31 March 2020.

Liquidity remained robust as cash and cash equivalents of MPHC stood at QR 1.2 billion as at 31 March 2020. The total assets amounted to QR 14.8 billion as at 31 March 2020, compared to QR 15.5 billion as at 31 December 2019.

New optimization initiatives

Given the current sluggish market and macroeconomic outlook, MPHC has initiated several cost optimization initiatives in relation to the optimizing operating expenditures, across all segments, to identify the operating expenses which are not critical in the current circumstances, in order to further optimize its cost base.

Similarly, MPHC is reviewing its capital expenditure programs to assess whether those expenditures can be either be avoided or delayed, without affecting the quality, safety, environmental aspects and reliability of the operations. This would provide the Group, with a broader access to free cash flows, which could be diverted towards better investment avenues and can be utilized as a buffer for any unwarranted adversities.

Operational highlights by segment

Petrochemicals: During the period, the Petrochemicals segment reported a revenue of QR 367 million, a decrease of 38%, compared to the same period last year. Net profit amounted to QR 27 million, with a decline of 89% compared to the last year.

Drop in crude prices and the overall challenging macroeconomic environment, negatively affected the selling prices, which declined by 20%, as compared to the same period last year. Sales volumes declined by 23% from last year, primarily due to the planned periodic turnaround of Q-Chem II facilities implemented during the quarter. Production dropped by 35% due to the periodic planned turnaround, which is necessary to maintain the plant lives and ensure HSE standards.

Chlor-alkali segment: During the first quarter of 2020, segment revenue declined by 28%, compared to the same period of last year, to reach QR 149 million. The decline in revenue was mainly due to the decrease in sales volumes by 20% and selling prices by 10%. The decline in sales volumes was attributed to the planned maintenance shutdowns within QVC facilities. The decline in selling prices was mainly due to the adverse macroeconomic sentiments, causing supply-demand imbalances leading to negative effects on the commodity prices. During the period, the segment reported a net profit of QR 22 million, down by 71% from previous year, attributable to the overall drop in segment revenue.

Earnings Call

MPHC will host an IR earnings call with investors to discuss its first quarter 2020 results, business outlook and other matters on 04 May 2020 at 1:30 p.m. Doha Time. The IR presentation that accompanies the conference call will be posted on the publications page of MPHC's website.

-Ends-

About MHPC

Mesaieed Petrochemical Holding Company Q.P.S.C. ("MPHC") was incorporated as a Qatari joint stock company on May 29, 2013 with an agreed effective date for the transfer of Qatar Petroleum's previous shareholding in the joint ventures of September 1, 2013. The registered office is located at P.O. Box 3212, Doha, State of Qatar.

The main activity of MPHC is to act as a holding company: (i) Q-Chem is currently owned by MPHC (49%), Chevron Phillips Chemical International Qatar Holdings L.L.C. ("CPCIQH") (49%) and QP (2%), and has one wholly-owned subsidiary, Q-Chem Distribution Company Limited, (ii) Q-Chem II is currently owned by MPHC (49%), CPCIQH (49%) and QP (2%), and has one wholly-owned subsidiary, Q-Chem II Distribution Company Limited, and an effective ownership interest of 53.85% in a joint venture, Ras Laffan Olefins Company Limited, which supplies ethylene to Q-Chem II; and (iii) QVC, which was incorporated in 1997 as a joint venture, and is currently owned by MPHC (55.2%), Qapco (31.9%) and QP (12.9%).

For more information about the earnings announcement, e-mail mphc@qp.com.qa or visit www.mphc.com.qa

DISCLAIMER

The companies in which Mesaieed Petrochemical Holding Company Q.P.S.C. directly and indirectly owns investments are separate entities. In this press release, "MPHC" and "the group" are sometimes used for convenience in reference to Mesaieed Petrochemical Holding Company Q.P.S.C.

This press release may contain forward-looking statements concerning the financial condition, results of operations and businesses of Mesaieed Petrochemical Holding Company Q.P.S.C. All statements other than statements of historical fact are deemed to be forward-looking statements, being statements of future expectations that are based on current expectations and assumptions, and involve known and unknown risks and uncertainties that could cause actual results, operations and business performance or events impacting the group to differ materially from those expressed or as may be inferred from these statements.

There are a number of factors that could affect the realisation of these forward-looking statements such as: (a) price fluctuations in crude oil and natural gas (b) changes in demand or market conditions for the MPHC's products (c) loss of market share and industry competition (d) environmental risks and natural disasters (e) changes in legislative, fiscal and regulatory conditions (f) changes in economic and financial market conditions and (g) political risks. As such, results could differ substantially from those stated, or as may be inferred from the forward-looking statements contained herein. All forward-looking statements contained in this press release are made as of the date of this document.

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

GENERAL NOTES

Mesaieed Petrochemical Holding Company's accounting year follows the calendar year. No adjustment has been made for leap years. Values expressed in US \$'s have been translated at the rate of US \$1 = QR3.64.

Amounts relating to income statement, including revenue, net profits, production, sales volumes, have been computed and reported for the purposes of this press release on proportionate basis, based on the share of ownership of MPHC in its respective joint ventures.

DEFINITIONS

Cash Realisation Ratio: Cash Flow From Operations / Net Profit x 100 • Debt to Equity: (Current Debt + Long-Term Debt) / Equity x 100 • Dividend Yield: Total Cash Dividend / Closing Market Capitalisation x 100 • EDC: Ethylene Dichloride • EPS: Earnings per Share (Net Profit / Number of Ordinary Shares outstanding at the year end) • EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation • Free Cash Flow: Cash Flow From Operations - Total CAPEX • HCL: Hydrochloric Acid • HDPE: High Density Polyethylene • NAO: Normal Alpha Olefins • NaOH: Caustic Soda • MT / PA: Metric Tons Per Annum • Payout Ratio: Total Cash Dividend / Net Profit x 100 • P/E: Price to Earnings (Closing market capitalisation / Net Profit) • Utilisation: Production Volume / Rated Capacity x 100 • VCM: Vinyl Chloride Monomer