



قطر للغاز
QATARGAS

THE PIONEER

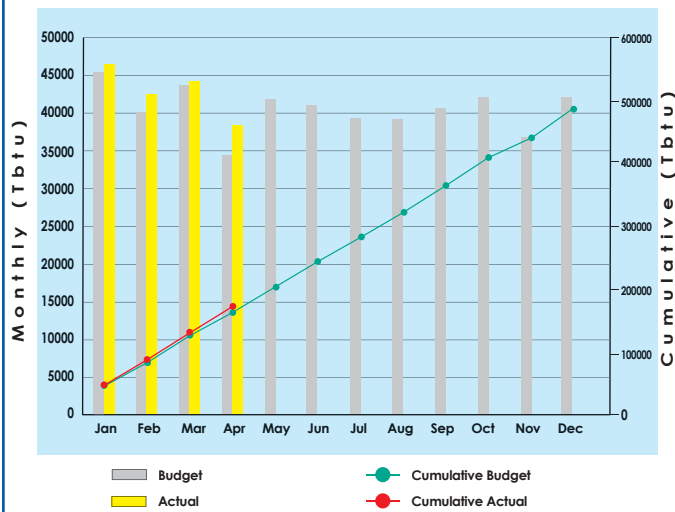
The magazine of Qatargas Operating Company Limited



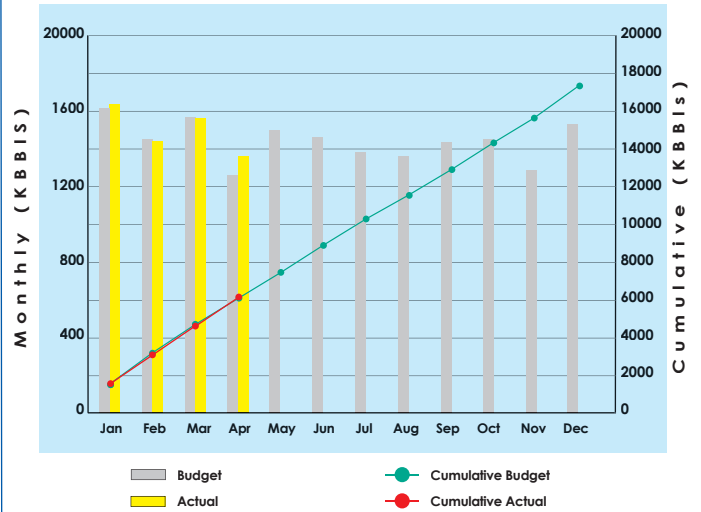
**Major safety milestone
achieved offshore**

Scorecard 2007

Net LNG Production 2007



Field Condensate Production 2007



Qatargas SEQ Monthly Safety Statistics

Event Description	Qatargas	Contractors
Date of last LTA	1-Jul-02	26-Apr-03
Days worked since last Lost Time Accident	1,734	1,435
Personnel hours worked since last Lost Time Injury	10,651,504	7,759,153
Hours worked since last Lost Time Injury (04-26-03)	16,634,428	

Event Description	Qatargas		QG 2007 Business Plan Targets		Contractors	
	Current Month	Year to Date			Current Month	Year to Date
Number of Lost Time Accidents (LTA)	0	0	0	0	0	0
Number of Medical Treatment Cases (MTC)	0	1	0	0	0	1
Number of Occupational Illnesses (OI)	0	1			0	0
Number of First Aid Cases (FAC)	0	1	0	0	0	3
Number of Off the Job Injuries (OJI)	0	0	0	N/A	N/A	
Number of Major Fires	0	0	0	N/A		
Number of Minor Fires	0	2	0	N/A	N/A	
Number of Vehicle Incidents	0	0	0	0		
Number of Env. Releases	1	1	0	N/A	N/A	
Number of Env. Spills	0	0	0	N/A		
Number of Moderate to High Risk Potential Incidents	3	8	100	N/A	N/A	
Number of Incident Notification	19	47	> 275			
Number of STOP cards	7	144	> 4000		0	
Days Lost due to LTA	0	0				
Hours Worked this Month	167,160				58,448	
Hours Worked this Year	460,424				169,904	
Hours Worked combined (QG/Contractor)			630,328			
	Year to Date		Industry Benchmark		Year to Date	
LTA Frequency Rate	0.00		0.20		0.00	
LTA Severity Rate	0.00		2.40		0.00	

Our aim is to create an "Incident and Injury Free" site at Qatargas. However, for statistical purposes, targets for motor vehicle incidents and medical treatments are based on Year 2002 actual figures.

Except for Near Miss Reports, we encourage reporting of all near misses so that the hazardous conditions can be eradicated as soon as possible, through corrective actions.

Total near miss cases also include those derived from different categories of incidents/accidents reported such as medical treatment, first aid, minor/major fire, vehicle incidents, spill/release etc.

These derived near misses were also included in the "Total Near-Miss reports" due to their potential to escalate into more serious incidents.

Please note the attached graphs giving an annualized overview of KPI statistics



A remarkable safety achievement - Five years without LTA at NFB

On 6th April, we passed a significant milestone in our ongoing journey towards making Qatargas an incident and injury free company when North Field Bravo (NFB) platform completed five years without a Lost Time Accident. This outstanding achievement reiterates our firm commitment to safety and demonstrates that in Qatargas, we 'walk the talk' when it comes to safe working practices.

This achievement is all the more remarkable considering the various challenges NFB has had to deal with, including the major facilities shutdown, various well operations and the ongoing Plateau Maintenance Project (PMP) on Wellhead 3.

I strongly believe that this achievement is the result of a work culture based on

hard work and commitment to teamwork, strong management support, personal ownership of systems and facilities and continuous improvement.

Over ten years have passed since we started producing LNG and as we celebrate 'A Decade of Achievement' in 2007 we can pause to reflect on what has been achieved offshore in both production and safety milestones.

Our safety record is something we can all be proud of, something that sets us apart. However, what I would like to reiterate on this occasion is that we must not allow our pride in this achievement to turn into complacency. We must not shift our focus from ensuring that work is carried out in a safe manner. As I have often said, we must take responsibility for our own safety and for that of our

colleagues and continue to be vigilant in looking out for issues related to safety.

New and complex challenges lie ahead of us. Drilling operations, Qatargas 2 tie-ins, the arrival of new platforms and increased manpower traffic offshore, will bring new risks that will have to be mitigated and delivered safely.

However, with the right attitude, and our uncompromising approach towards safety, I am confident that we can maintain and improve our safety performance at all our work locations.

Congratulations, Offshore Operations Department for an excellent achievement. Keep up the good work.

Faisal M. Al Suwaidi

Chairman and Chief Executive Officer

North Field Bravo - a decade of safe supply

The Qatargas offshore production, separation and treatment facilities on the North Field are located about 80 kilometers North-East of Qatar's mainland.

Twenty production wells have been drilled and completed to supply 1,600 million standard cubic feet (45 million cubic meters) of raw natural gas per day from the field's reservoir, underneath the seabed.

The processed gas is transferred to shore with the associated condensate via a single 32-inch sub-sea pipeline, where it becomes the feedstock for the onshore LNG plant.

Existing facilities

Commissioned in 1996, the main Qatargas offshore facilities (North Field Bravo) include:

- Three wellhead platforms, two of which are located adjacent to the production facilities and one remote platform located about six kilometers away.
- A process and utilities platform (PU), is the heart of the offshore facilities complex. This three-deck platform includes two gas and condensate trains and the required utilities facilities.

- A process platform (PR) for processing the gas and condensate produced from the remote wellhead platform (the third train).
- A living quarters (LQ) that provides accommodation, recreational and office facilities for up to 100 people.
- A flare tower and two bridge-support platforms.

Expansion Projects

Massive developments are being undertaken offshore to meet the raw gas





A group of offshore employees



Stanley Tindale, Offshore Installations Manager

requirements of the Qatargas 2, Qatargas 3 and Qatargas 4 projects.

A total of thirty wells will be drilled for Qatargas 2 from three wellhead platforms, with ten wells each. So far, all ten wells on wellhead 4 and six wells on wellhead 5 have been completed. Installation of the topsides on wellhead 5 is scheduled for 4th quarter of 2007. Qatargas 3 and Qatargas 4 will have a further three wellheads with eleven wells for each.

The Qatargas 2 production facilities will receive power from North Field Bravo and will be operated from the existing control room.

Current activities

With the shutdown of offshore Train 3 during April-May, the PR platform is a site of intense and crucial activities that require meticulous planning and flawless execution.

The tasks aimed to be achieved during the shutdown included internal modification for Train 3 preparations for rig arrival and Qatargas 2 tie-ins.

Internal modifications on Train 3

As part of the debottlenecking of the offshore Train 3, modifications are being carried out on the 3-phase separator and glycol contactor. Upon completion of debottlenecking by the end of 2007, the capacity of Train 3 will increase from the existing 480 million standard cubic feet per day (MMscfd) to about 600 MMscfd. Detailed inspection and maintenance activities are being done at the same time.

Preparation for rig arrival

For the first time since start-up in 1996, a drilling rig will arrive at NFB to start work on the first of the two additional wells to be drilled for Qatargas 1 as part of the Plateau Maintenance Project (PMP). These new wells to be drilled from Wellhead 3 will help relieve the load on the existing wells and maintain production plateau until 2021. The first one is scheduled to be completed by August 2007 and the second before year end.

There will be two more shutdowns on the offshore Train 3 in 2007 – the first one in July-August when rig will begin work on the second well and another one in November when the rig leaves NFB.

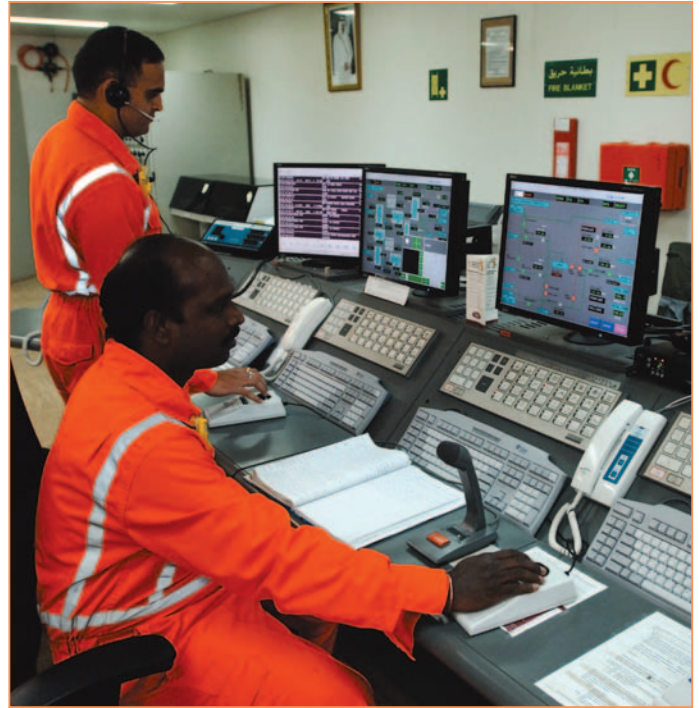
Qatargas 2 tie-ins

A total shutdown of the offshore facilities is planned for end of May, when the power and communications tie-ins for Qatargas 2 will be carried out. This shutdown however, will last for only up to twenty four hours.

Life on NFB – all about team spirit

Living on an offshore platform has its own unique attributes. Fifty percent of the crew's life is spent on the platform. This invariably creates a strong bond between the crew members. The multi-cultural workforce on NFB is more like a family than 'a work team'. This is one of the main factors that make NFB's outstanding safety achievements possible. Stan Tindale, Offshore Installation Manager sums up

MILESTONE



this spirit saying; “Everyone realizes we depend on each other and if anyone gets hurt, everyone feels guilty.”

The offshore team comprises 63 core crew members including Qatargas employees and long term contractors.

Most of them have been working on NFB since start-up in 1996. In fact NFB has one of the least employee turnover figures among the Qatargas departments. According to Stan; “This is indicative of the excellent team work, caring approach, high standards of safety and ‘no blame’ culture that create a very conducive work environment on NFB.”

Talking about NFB’s commitment to Qatarization, he said; “We are proud to say that many nationals who have passed through our ranks have moved on to higher positions within the company. Working on NFB clearly gives them an edge over their peers in gaining first-hand experience and a real feeling of the whole operation from the well up so to speak. They gain valuable knowledge and competencies as they move

up from lower positions and then have the opportunity to take this knowledge forward with them into their new positions.”

The North Field Bravo has a range of facilities for recreation and entertainment. This includes satellite television in every room, a well equipped gymnasium, library, internet facility, a mini shop for supplies and even a squash court.

A medic is available at all times to administer primary medical care. In case of medical emergencies, a helicopter can be arranged within an hour to transport personnel to Doha.

Safety – a way of life on NFB

Like everywhere else in Qatargas, safety is the top priority at NFB. “Absolute belief in IIF, promoting a ‘no blame’ culture and admitting mistakes especially when it comes to safety and reporting incidents form the corner stone of our safety culture”; says Stan. “At NFB, we look out for one another. If someone comes to you and points out an unsafe act, it is never taken as an offence.

On other facilities around the world, people consider accidents as a fact of life, but at NFB, we firmly believe that all incidents can be prevented”; he continued. “This message is cascaded down from the top management right down to even the maintenance contract technician.”

Five years without LTA

On 6th of April North Field Bravo crossed another major safety milestone by completing a fifth consecutive year without a Lost Time Accident. This remarkable achievement is the result of a pro-active and systematic approach to safe working practices. The muster drills conducted weekly, man overboard drills, med-evac drills and the major safety exercises prepare personnel to handle any emergency situation that may arise.

Several safety tools like STOP cards, job safety analysis and tool box talks contribute to maintaining the excellent safety performance on NFB. The strong support from the management gives employees the



confidence to adopt a 'no compromise on safety' attitude and encourages them to 'speak up' when it comes to unsafe acts. "We don't leave anything to chance. Every single alarm is investigated," says Stan.

Commenting on this achievement, Jacques Azibert, Chief Operating Officer – Operations says; "We have a well managed team of professionals working at our offshore facilities. They have what I would call 'autonomy' with regard to safety performance and they have gained this autonomy because of their excellent performance." Commending the offshore team, Mr. Azibert continued; "This is a result of the team spirit, open communications and a responsible attitude towards safety. The offshore team has succeeded in setting an example for others to follow in terms of safety culture"; he concluded.

Continuous Improvement

The offshore department constantly strives to enhance performance by being

receptive to new ideas and open to changes. These attributes contribute greatly to the success of any organization. The NFB team has demonstrated these qualities on several occasions.

Safety Representative

About three years ago, the 'Safety Representative' concept was introduced on NFB. The crew elects safety representatives from among themselves, who they are comfortable talking to regarding safety concerns. The safety representatives take these concerns up with the management. This concept encourages open communication and promotes the 'no blame' culture. Since anonymity is maintained, people are comfortable to bring sensitive issues to the attention of the safety representatives.

There has been a noticeable upturn in smaller issues being reported since this concept was introduced.

Electronic Permit to Work (PTW) system

The electronic PTW was introduced on NFB as pilot scheme about six months ago. Since then, this system has been successfully implemented except during shutdowns.

Major milestones

- 1996 - Start-up of North Field, 960 MMscfd of gas from two wellheads
- 1999 - Wellhead 3 and PR platform were commissioned bringing the total production to 1400 MMscfd
- 2002 - Re-completion of well NFB 8
- 2003 - Debottlenecking of Trains 1 & 2 raising the production to 600 MMscfd each
- 2004 - Replacement of the main 32" export valve (ESV 1608)
- 2007 - Debottlenecking of Train 3 (ongoing)
- 2007 - Drilling of two new wells as part of PMP (ongoing).

Qatargas achieves safety milestone on Laffan Refinery

On April 9 The Laffan Refinery Project achieved a significant safety milestone of six million man-hours worked, without suffering a Lost Time Incident, (LTI) on the new 146,000 barrel per day refinery presently being constructed in Ras Laffan Industrial City in Qatar.

The Chief Executive Officer and Chairman of Qatargas; Mr. Faisal M. Al Suwaidi acknowledged the achievement of the project team and the EPCC Contractor for their outstanding safety performance achievement.

Speaking from Qatargas Headquarters in relation to the safety performance milestone, Mr. Faisal M. Al Suwaidi said; “Safety, health and environmental issues have been given top priority throughout the project, both by Laffan Refinery PMT and Qatargas.”

He continued; “An intensive safety, health and environmental management program has been implemented on the project site to mentor and train the workforce in safe working practices. The integrated project team has been committed to making this a very successful project to date and it seems that they intend to deliver to Qatargas, a first-class facility.”

Gary Drimie, the project's Safety, Health & Environment Manager at Laffan Refinery said; “This is a significant safety performance achievement for Qatargas,



“Qatargas constantly encouraged the contractors to continue building their safety and health performance in Qatar to meet and exceed international standards.”

- Salman Ashkanani, Laffan Refinery Venture Manager

the project team, and the contractor. It demonstrates an understanding of the principles of integrated safety management in the workplace, which only a trained and competent workforce can achieve in an industrial construction environment. GS-Daewoo, our Contractor, has also demonstrated a willingness to learn from Qatargas during the execution of the project and they have accepted

the guidance and mentoring of the experienced safety management team assembled for the project.”

Asked to comment, Mr. Salman Ashkanani, the Laffan Refinery Venture Manager said that; “Qatargas recognized Contractors with exemplary safety and health programs and constantly encouraged these companies to continue building their safety and health

performance in Qatar to meet and exceed international standards.”

In April of 2005, a consortium consisting of GS & Daewoo Engineering & Construction Companies (GS-Daewoo) was awarded the engineering, procurement, construction and commissioning of Laffan Refinery. The project is now well advanced and on target for completion in August next year. ■



Qatargas hosts eighth 6MMT Technical Meeting with Japanese Buyers

The eighth six million tonne (6MMT) Technical Meeting between Qatargas and its eight long term Japanese Liquefied Natural Gas Buyers was held in Doha on 20th and 21st February. In addition to the buyers' representatives' headed by Mr. T. Myokei, Manager Generation Management Section, Operation Department, TPAC, Chubu Electric Power Co., Inc., the meeting was also attended by representatives from the

buyers' agent QALSA and Qatargas ship-owners.

The objective of the meeting is to enhance the technical cooperation between Buyers and Qatargas and to ensure the smooth and reliable deliveries of LNG.

The topics discussed during the two day meeting focused mainly on Ship and Shore related matters and also, the exchange of technical information between Qatargas and the Buyers.

20 presentations were made by the participants from Qatargas and Buyers' sides.

The main speaker and Chairperson from Qatargas was Shipping Manager Mr. Abdullah Al-Sulaiti. Other Qatargas participants included Business Scheduling Manager, Chief SEQ Officer, Commercial Manager from South Hook LNG Terminal Co., Ltd., Technical Manager QGII, Expansion Startup Manager, JLO Manager and JLO Business Coordinator.



“Now Qatargas is stepping into the next decade of the Qatar LNG Project. Therefore this 8th 6MMT Technical Meeting is very important to make the Qatar LNG Project even better in the coming decade”

- Mr. A. Al-Sulaiti, Shipping Manager

“Qatargas is now celebrating a ‘Decade of Achievement’. I believe the 6MMT Technical meetings with our Japanese Buyers have greatly contributed to Qatargas’ success.

Now Qatargas is stepping into the next decade of the Qatar LNG Project. Therefore this 8th 6MMT Technical Meeting is very important to make the Qatar LNG Project even better in the coming decade,” said Mr. A. Al-Sulaiti.

From the Japanese side, the main speaker Mr. T. Myokei thanked Qatargas for hosting the meeting and reliable supply of LNG to the Japanese Buyers for the past 10 years.

The Japanese delegates were invited to visit Qatargas facilities on 22nd Feb and senior Qatargas officials including Mr. Jacques Azibert, COO-Operations, Mr. Abdelkader Haouari, Expansion Startup Manager, Mr. Hamad

Al-Humaidi, Onshore Operations Manager, Saeed Al-Marri, Head of Product Sales and Mr. Ali Yousuf Al-Baker, A/Head of LNG Sales Administration received the delegation. In addition to the Qatargas facilities, the delegation also toured Ras Laffan Industrial City Port followed by a reception hosted at Qatargas.

The next 6MMT Technical Meeting will be held in Hiroshima, Japan in December 2007.



Largest LNG vessel ever to arrive in Japan

Qatargas congratulated Chubu Electric on receiving the largest LNG vessel ever to arrive in Japan. On 16th April 2007, the S.S. Al-Areesh arrived at Chubu Electric's Chita Terminal.

Al-Areesh, a 152,000 m3 size LNG vessel, is by far the largest LNG carrier to arrive at any Japanese terminal.

Mr. Jassim Darwish, Deputy General Manager of Qatargas' Japan Liaison Office read out a letter of appreciation from Qatargas' Chief Operating Officer – Commercial & Shipping to Chubu Electric. The letter expressed that such an outstanding achievement has been made possible thanks to the close relationship between Qatargas and Chubu Electric. Memorial gifts were exchanged at the ceremony held on board Al-Areesh.



First Arrival of a Qatar Project Vessel to Mizushima LNG Terminal



March 27th 2007 was yet another memorable day for Qatargas. Qatargas' LNG carrier, the S.S. Al-Bidda made her first call at Mizushima LNG Terminal of Chugoku Electric on 27th March.

A commemorative ceremony was held on board to mark the occasion. The Deputy General Manager of Qatargas' Japan Liaison Office, Mr. Jassim Darwish attended the ceremony representing Qatargas.

In his speech, Mr. Darwish, emphasized that Qatargas' success would not have been possible without the strong support of the Japanese Buyers and Qatargas will continue to do its best to meet their requirements.

Paper presented at Laurance Reid Gas Conditioning Conference

Nasreddine Hakim, Senior Process Engineer / Process & Facilities Engineering, presented a paper at the Laurance Reid Gas Conditioning Conference (LRGCC) held at the University of Oklahoma, Norman from February 25-28, 2007.

The paper titled "Qatargas DIPA solvent losses" discussed the probable causes for high consumption of DIPA in Acid Gas Removal Units and the

methods to reduce the losses. Some of these methods have been successfully implemented at Qatargas and the results have exceeded expectations.

The paper was presented to an audience of more than 300 professionals from various industries world wide, and was co-authored by Abdelkader Benmoulay (Head of Operations Process) and F. Oehlshlaeger (Shell Global Solutions International).



South Hook LNG Terminal Co. Ltd. Excom visits Milford Haven

South Hook LNG Terminal Co Ltd., recently hosted a very successful site visit to Milford Haven, Pembrokeshire, Wales for the South Hook Excom Board on March 2nd 2007.

Led by Mr. Faisal Al Suwaidi, the Excom Board were given a full tour of the facilities being built, including the inside of the tanks and the new administration building which will be the future home

of South Hook LNG. It has been two years since Excom last visited the site all together and everyone commented on how far the project had progressed since the last visit.



Qatargas website gets a makeover

The Qatargas website (www.qatargas.com) has been re-launched after a complete makeover. In addition to the latest news and events, the new site contains a wealth of information regarding Qatargas' existing operations and facilities and the ongoing expansion projects including Qatargas 2, Qatargas 3, Qatargas 4 and Laffan Refinery. Information regarding the new generation Q-Flex and Q-Max LNG vessels that are currently under construction is also available on the new site.

A special section has been dedicated to safety and environment which talks about Qatargas' commitment to safety and environmental best practices. Downloadable versions of various publications produced by the company and latest images of all the projects are also available online.



The redesigning of the site is part of Qatargas' ongoing communications enhancement initiative. The visual

and design aspects of the site were developed in line with the company's new branding standards.

The Qatargas Brand

Since Qatargas started to produce and supply Liquefied Natural Gas (LNG) its brand has been building in value. Today the brand represents a company that delivers LNG and other related products safely and reliably from Qatar.

Qatargas has recently initiated a branding exercise aimed at creating and maintaining a corporate identity both externally and internally.

The new look and feel is already evident in the various publications, advertisements and other communication tools that have been recently developed. This change will become more visible during the coming months. In parallel, the branding will be rolled out internally as well.

Over the past decade, Qatargas had earned a reputation of being a safe, reliable and secure supplier of LNG

to the world. The primary objective this initiative aims to achieve is for the brand to reinforce what we do everyday— safely and reliably deliver LNG.

Qatargas employees can find more information about branding by clicking on 'Qatargas brand and templates' under 'Quick Links' on the intranet home page.

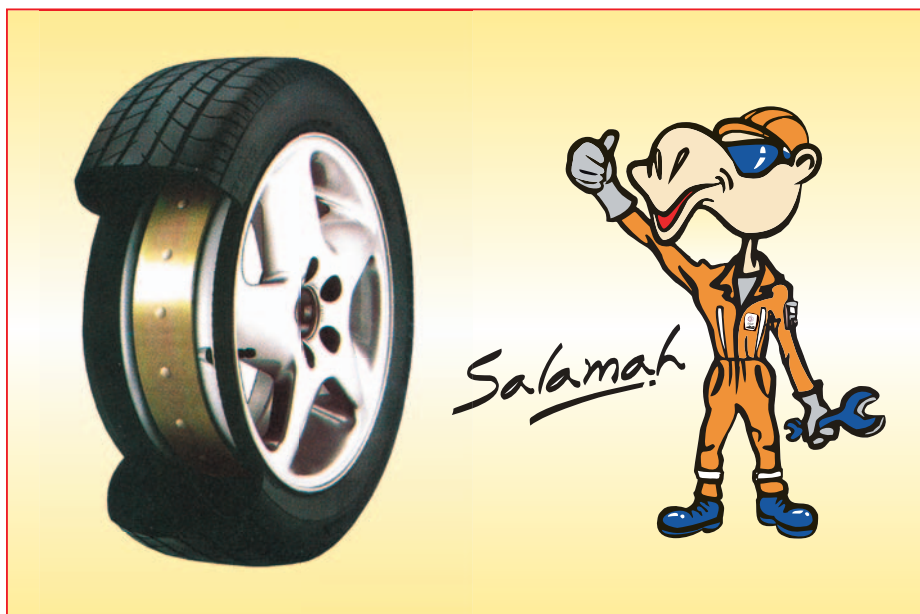
Road safety - a priority at Qatargas

Safety is a core priority at Qatargas, be it at the production facilities, in the housing community or on the road. The increasing number of fatalities and injuries resulting from road accidents has been a major concern in the state of Qatar in recent years. Qatargas has been taking a leadership role in promoting safe driving habits and embracing new technology aimed at both preventing road accidents and minimizing injuries.

One such initiative is the introduction of 'TYRON safety bands' inside the tires of all Qatargas owned and leased vehicles. TYRON wheel safety bands are made up of steel, zinc and reinforced plastic. They are rustproof and anticorrosive and provide a simple and effective protection against blowouts and punctures.

This product affords the driver full control of the vehicle in the event of a blowout at any speed. Having this safety band installed on the wheels allows the driver to drive up to a hundred kilometers at 100 km/h if required without causing any damage to the wheel or the vehicle.

The Qatargas Safety, Health and Environment (SHE) Committee is moving ahead with this initiative. The safety bands have been installed on all of Qatargas' vehicles including emergency vehicles (Fire and Ambulance), chauffer driven leased vehicles, and all of Qatargas' buses and coaches including



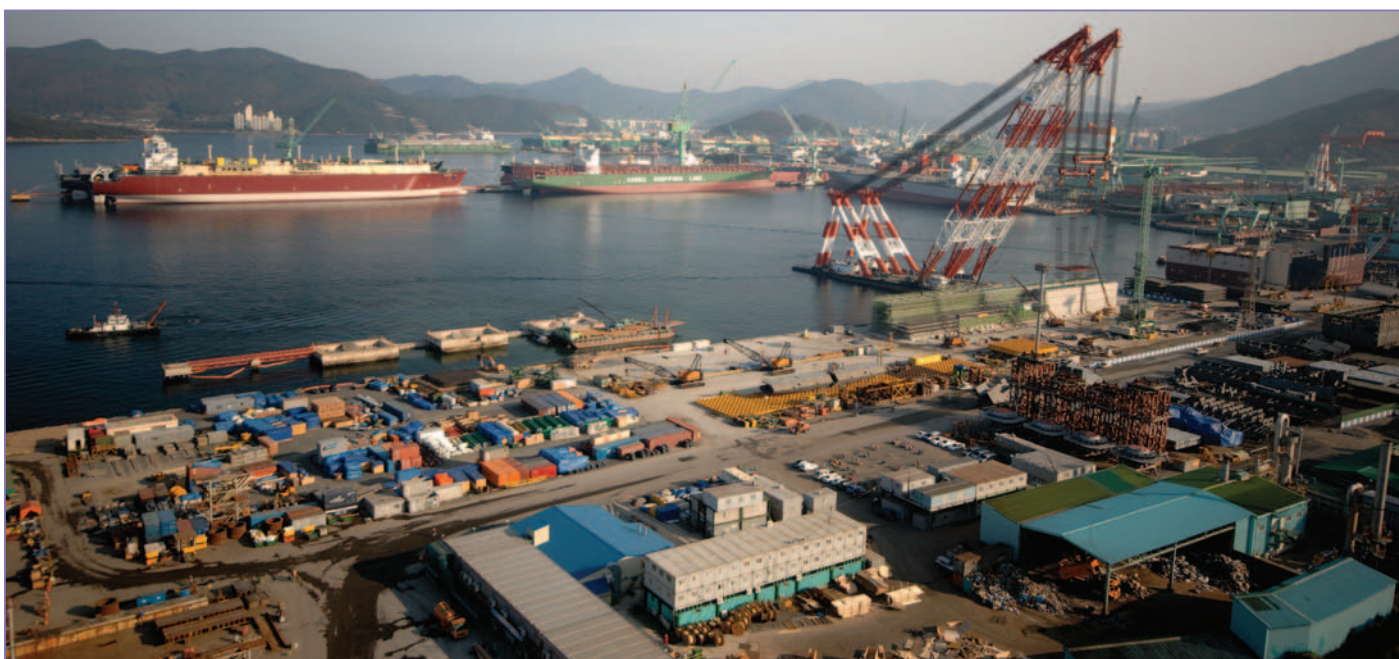
the leased buses transporting children from the community to schools in Doha.

This initiative demonstrates Qatargas' exemplary commitment to safety, and sends out a clear message that 'safety

does not stop at the Qatargas fence'.

Qatargas employees can view details regarding this product (and view a DVD) on the Intranet in the SEQ Department page.

Mega-ship project achieves five year milestone



“When we started this project a little over 5 years ago; many thought the dream unreachable, the idea implausible. The shipyards, although very polite, thought us more than a little mad. Today marked a seminal moment in this altogether remarkable project”

- Andy Richardson, QG2 Shipping Project Manager

These were the words sent to the shipping project teams in Doha and South Korea, after the milestone event of Steel Cutting in Samsung Heavy Industries (SHI). “Haloul” is the first Q-Max and the first fully owned QGTC LNG carrier and when delivered will be the largest LNG Carrier ever built in the marine industry at 266,000m³ capacity.

Qatar is on target to become the world’s leading supplier of LNG and the LNG Value Chain from the upstream production to

the terminals has been linked by a reliable fleet, unique in size and in regard to its high quality and cutting edge technology.

Of the six LNG carriers under construction in SHI at this time, two are for OSG Nakilat and the remaining four for TK Nakilat. These ships are of the so-called Q-Flex size, at 217,500m³ capacity. The first of these “Tenbek”, will be ready in October 2007, and the last is due for delivery in mid-2008 when it will go into service for the RasGas 3 Train 6 venture.

Haloul will be 23% larger than the Q-Flex design and some 83% larger than the “Ejnan” the final conventional sized vessel built for RasGas 2 Train 5.

Technological breakthroughs

It’s worth mentioning the most distinguished technological breakthrough onboard the new ships is the LNG re-liquefaction system. This equipment has been specified for the new generation of large-size LNG ships, each of which is to

be propelled by a pair of slow-speed diesel engines. These engines on the large Q-Flex and Q-Max ships run on fuel oil, therefore there is no requirement for cargo boil-off gas to be used in the propulsion system. Instead, the boil-off has to be re-liquefied by an onboard plant, and directed back to the cargo tanks. This all leads to high efficiency and economy which enhances profitability significantly. However, it's also considered as one of the most difficult challenges for such new technology to be adopted; since it hasn't been used in a marine environment before.

Hands on Safety

Haloul may carve Qatar's name in the world's technology pioneers book but people's safety is still our first priority in this project. Despite an unprecedented new build schedule we continue to work on our responsibility to people's safety during the project. One positive, however; is that our new role will give us a golden opportunity to strengthen the communications with the shipyard directly, to shorten the previous process of communication through the Owners. Our aim is to assist the contractors and suppliers working for Qatargas to commit to the same SHE & Quality principles and establish such programs in their activities so they can meet Qatargas' standards.

Welcoming Lloyd's Register

There's no doubt that choosing Lloyd's Register (LR) to be the classification society partner for the new Q-Max is a wise decision. LR has proved for many years that it is recognized as one of the best performing classification societies in the world. Not to mention that having it as a project companion to face the challenges which lay ahead, will indeed add a priceless value. LR is sure to provide



Picture taken for LR/QG site teams during Steel Cutting Ceremony



Picture taken for SHI QG site team during Steel Cutting Ceremony

the necessary consultancy support in addition to the continuous monitoring role to maintain the high quality standards and reliability of our vessels either during construction or in service.

Converting dreams to reality

Andy Richardson commenting on the milestone said; "As we look forward to the challenges and opportunities ahead we

should take this moment to look back and thank ourselves, each and everyone, for the energy, commitment and enthusiasm that has got us to where we are now."

"Looking at this dream becoming soon a reality is giving us a deep sense of pride; but it also keeps reminding us that proper planning and safe execution in any project is the only way to build the rigged bridge to the promising future."

Qatargas 2 project boasts record setting performance on its drilling & completions program

From the start of Qatargas 2 drilling on North Field Qatar 5-1 data well in early 2004, the project has moved briskly through the planned scope of work that includes one appraisal well, two onshore disposal wells and thirty gas development wells. Using as many as five rigs during the campaign, the subsurface team drilled three pre-jacket mud line suspension wells for data acquisition and schedule efficiency, successfully drilled and evaluated an appraisal well and finished the onshore waste water disposal wells. The QG2 Venture's gas supply wells are being drilled on three wellhead platforms with ten wells per platform, fifteen wells each for LNG trains 4 and 5.

Safety has been the primary focus in this campaign. For the five rigs in operation through the project, the crews performed some five million man hours of work in three years with only one lost time accident, with two of the rigs working for more than two years without any recordable incidents.

The QG2 Subsurface Team which includes specialists in geoscience, reservoir engineering, drilling, completions and data management, provides the design basis and oversight for the RasGas drilling team who develops a detailed execution plan for each well, then drills and completes the wells for QG2. Close and effective cooperative efforts between the two teams has resulted in record setting performance in North Field development wells that included the NFQ 6-5 well being drilled to total depth and cased in only 35 days versus a typical 50 days, and



the NFQ 5-1 well which cored 600 feet in a single run. The successful utilization of "Fast Drill" by RasGas resulted in reducing the average time to drill a QG2 well by 27%. Taking advantage of an established RasGas drilling organization has reaped benefits in experience, efficiency, cost, lessons learned and safe operations.

March 21, 2007 marked the release of the rig Ensco 54, some 185 days ahead of schedule and with significant cost savings, after finishing the program for QG2's Wellhead 4 jacket with ten wells drilled, completed and tested. The Ensco 54 crew secured the wells ready for hook-up with the topsides which is targeted for installation in September this year.

On the Wellhead 5 jacket, the Noble Jimmy Puckett rig has now drilled nine of the ten wells; five of those are completed and completions work is ongoing for the next four. The overall Wellhead 5 operations are four months ahead of plan, which has allowed moving two wells forward in the program, ahead of production operations: the two wells were originally planned to be drilled after topsides installation, which would involve simultaneous drilling and producing operations (SIMOPS).

The offshore installation work scheduled this summer and fall involving topsides installation of Wellhead 4 and Wellhead 5, plus the two gas pipelines connecting the platforms and the onshore facilities, is



A completed well with the external valves removed awaiting stab over of the topsides facilities.



A well test flare illuminates the rig profile.

well into the planning stage. Thanks to the successful drilling program, the reservoir gas supply for the startup of the first onshore QG2 LNG train 4 will be ready on time. The well tests indicate the wells can deliver the 2.9 BCF of gas required for the two 7.8 MTA trains for the full project life.

Program on Wellhead 6 is well advanced also with nine of the ten wells drilled by the rig Ensco 88, and with completions underway, it is likely the Ensco 88 program will be finished in October this year.

The culmination of the drilling and completion success has resulted in numerous benefits to the project. The

total drilling program completion date has moved forward from an early estimate of September 2009 for the last well, to an expected finish in early 2008. This has eliminated requirements for SIMOPS drilling and production on Wellheads 4 and 6, and there is a good possibility that all SIMOPS can be eliminated. Providing the Wellhead 4 wells early will enable offshore start up from that platform rather than Wellhead 5, resulting in higher initial rates, and better pipeline management for flushing, corrosion prevention and hydrates control. The forecasted cost for the drilling program is below plan, despite some increase of scope

in coring and testing for appraisal and disposal wells.

Work continues with the same vigor on the drilling and completion of the remaining wells. Data quality control, evaluation of well results and organization for delivery to shareholders is critical to preserving the history of the subsurface development. The handover of the wells to the Qatargas OPCO team, cooperative surveillance planning and a smooth transition to startup are key goals for the Project. Those efforts are underway in concert with the OPCO start up team as they coordinate the myriad components of this integrated mega project.



Celebrating 2 years without LTA at NJP, Feb 2007.



Celebrating 2 years without LTA at NJP, Feb 2007.

Qatargas 3&4 commences fabrication of the platform topsides

On 13th March 2007, the Qatargas 3 and Qatargas 4 Project achieved another significant milestone when the first steel plate was cut, commencing the start of fabrication on the Topsides.

The contract for the three topsides was awarded to J. Ray McDermott (JRM) in 2006. Following six months of Detailed Engineering and Procurement activity, the fabrication phase of the contract is now in full swing at the JRM fabrication yard located in the Jebel Ali Free Zone, just outside of the city of Dubai.

To commemorate this milestone, J. Ray McDermott hosted a “Start of Fabrication Ceremony” on 27th March. Qatargas attendees at the ceremony included Kerr Johnston, Chief Operating Officer,

QG3&4 JADT and Abdul Monem Al Khuzaei, Manager, Supply Department and several members of the QG3&4 Offshore Facilities Team.

The visitors were given a tour of the J. Ray McDermott facility. The occasion was marked with the rolling of the first steel plate. Abdul Monem Khuzaei did the honors by pushing the button on the pipe rolling machine which commenced the rolling process.

Another significant element of the QG3&4 Topsides Project is the inclusion of Qatari National trainees. Ali Darwish Mashadi and Abdul Hakeem Ba Noaman, members of the QG Training Program, are seen in the photo with Kerr Johnston, Abdul Monem Al Khuzaei and Bill

Boyington, Offshore Project Manager. Ali and Hakeem are assigned to the JRM Engineering Team where they are receiving hands-on experience in the design and fabrication of the offshore facilities.

Commenting on the achievement, QG3&4 Senior Project Manager, Mike Britton said; “This is excellent progress. All the members of the Offshore team, have done terrific work, and I’d like to congratulate them on behalf of the whole QG3&4 Team. It is also pleasing to have Qatari National Trainees so closely involved in this key part of the Project. The chance to share skills in this way is extremely valuable and rewarding for all concerned.”

