



Hamad Rashid
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Since 1993, RasGas has built five LNG trains and a worldwide reputation as a reliable supplier of the product. Qatar's largest LNG producer expects more good news in 2009: the onset of mega-trains six and seven

The Oil & Gas Year: RasGas has chosen a broad and open business approach to supply its products to several parts of the world, including Asia, North America and Europe. Please explain the rationale behind this strategy.

Hamad Rashid Al Mohannadi: The strategy of RasGas is to support and meet the ever-increasing global demand for reliable, safe and clean energy and to economically deliver LNG to a diverse range of markets.

RasGas is a joint venture company between Qatar Petroleum and ExxonMobil that has successfully negotiated and developed long-term supply and purchase agreements, supporting the development of each of our trains. These agreements not only secured the project financing, but also enabled RasGas to secure a competitive advantage through its Liquid Market Strategy, supplying consumers in Europe and the United States on a long-term basis. This strategy positions us to capture market value by diversifying our supply portfolio and increasing our supply flexibility.

RasGas has evolved in the last 16 years with a substantial growth plan that has enabled us to move from small-scale projects to mega-projects with 7.8 million ton per annum (MTA) LNG trains. So far, we have completed five trains and each is scaled up to maximum capacity.

We are also able to supply the local market through gas pipelines as an operator, not just through a joint venture. With ExxonMobil as the developer we are currently developing the Al Khaleej Gas project (AKG-1 and AKG-2), which when completed will supply 2 billion cubic feet per day (56.5 million cubic metres) of sales gas to meet Qatar's domestic needs.

TOGY: What is the progress being made on your final LNG production facilities, the sixth and seventh trains? What will be the milestones established by this latest project?

Liquid assets

TOGY talks to

Hamad Rashid AL MOHANNADI,
Managing Director (CEO)
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HRA: Often referred to as 'Mega Trains,' trains 6 and 7 are well underway. Train six is expected to be online in the first part of 2009 and completion of train seven is expected in late 2009. Each train will produce 7.8 MTA of LNG.

Not only do the new trains represent the first entry of Qatari liquefied natural gas supply to the U.S. gas market, in addition to other markets, but they will also feature the first platforms to export gas from RasGas Block C.

Train seven will be our first LNG train to be solely fed from wells completed and hooked up under simultaneous operations SIMOPS (the host platforms are already in production, supplying earlier trains). This is significant from a technology point of view because we are now able to produce LNG while we are drilling these wells.

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When operational, the new trains will increase RasGas's LNG exports to 36.6 MTA, which represents a sizeable proportion of Qatar's target of 77 MTA by around the end of the decade. Qatar's overall output will represent almost 30 percent of the global supply, and RasGas will contribute almost half of that volume.

TOGY: What is your commitment to diversification and what initiatives do you have in place?

HRA: Though LNG is the major product from our LNG trains, other products – condensate,

propane, butane, etc – are also extracted throughout the process. Other non-LNG projects such as AKG-1, AKG-2 and Barzan will also be producing these liquids through the gas processing plants. Helium, as a non-hydrocarbon, is another important area of development in Qatar.

We recognise the importance of diversification from a producer's perspective, as well as the full value chain of our project developments. The successful diversifications and integrations of all elements of projects from wells to markets allow RasGas to establish both itself and the State of Qatar as the most efficient and reliable supplier in the world.

To put everything in context, when RasGas completes all of its projects, we will be producing an oil equivalent of roughly 2 million barrels per day. That's a very sizable contribution.

TOGY: *Putting into consideration the Ukraine-Russia gas dispute earlier this year, how does the fear of energy security and supply in Europe affect your outlook on LNG, a product that is delivered directly to customers and is contracted on a long-term basis? Is it an opportunity for LNG to take advantage?*

HRA: We were disappointed to hear about the dispute between these two countries earlier this year, though there was no significant impact to some of our customers given the high gas inventory level in Europe. We were in contact with all our customers across Europe to understand the situation and to see what assistance we could provide.

Given the flexible supply portfolio we have developed, we are able to send more LNG to where it is needed the most and continue to work with our customers to help satisfy their requirements. LNG is a secure product because it is transported by ship and doesn't go through the same political risks as pipeline gas. In cases of a gas crisis, we have been able to supply customers at times when they needed us the most.

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What these kinds of gas security situations tell us is that we have implemented the right strategy. We have long-term contracts and are flexible to move volumes on the spot market to capture new opportunities wherever available.

TOGY: *Qatar has major works such as Pearl GTL and the next LNG trains nearing completion and landmark projects such as Energy City on the horizon. What is your vision for Qatar emerging as the Gulf region's energy hub?*



RasGas train 6, to be completed in late 2009, will have a capacity of 7.8 Mta

HRA: Qatar definitely has an important role to play in supplying energy to the world. The story of developing LNG began with Japan's need for secure energy supplies. Since then, Qatar has come a long way by investing in additional LNG and has expanded from the Asia conventional market to supply Europe and the U.S. Qatar's contributions in transportation and receiving terminals are considerable as well. This strategy enables Qatar to add value to the market, not just volume.

Qatar's accomplishments are unprecedented considering the timeframe in which all of this has been done. In the past, there have been several countries capable of building up their oil industries in this span. But LNG is different due to the complexity and capital-intensive nature of its projects and the risk associated with those ventures. The question facing us today is: "Who will be the next Qatar?"

TOGY: *Beyond the completion of the last two LNG trains, and certainly beyond the development moratorium on the North Field, what are your long-term objectives for RasGas?*

HRA: I would like this company to continue to grow by developing pipeline projects for the local market as needed. This is already part of our future plans. I would like this company to focus on excellence and reliability of operation. Security of supply is one of our highest priorities. RasGas is committed to finding new opportunities within its Liquid Market Strategy, whether it is strengthening our relationships with current customers or to diversify our portfolio of customers.

RasGas also places a premium on social responsibility, and after years of supporting a variety of worthwhile causes we officially launched our Corporate Social Responsibility (CSR) programme in 2006. The goal of the RasGas CSR programme is to make a sustainable and positive impact in four spheres; community, education, environment and health, including sporting activities. I'm happy to say that this programme continues to grow and support a diverse range of worthy causes, including a variety of educational, humanitarian and social organisations and events.