

Al₂O₃ together

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Al₂to₃gether

«Al₂to₃gether» is a name that symbolizes the work spirit of Qatalum, and reflects the Company's superiority and its ability to overcome challenges, as one team. «Al₂to₃gether» also helps remind employees of these great achievements on a daily basis. This magazine is a step in this direction, where team spirit is enhanced, and will provide an open forum to discuss the ideas and ambitious plans we aim to achieve, for the good of both the company and its employees. Last, but not least, the motto of our magazine is inspired by a symbol of aluminium oxide «Al₂O₃» which is the main raw material used by the aluminium industry in Qatar.



Exceptional Performance in Aluminium Production

The Qatalum smelter is the first producer of aluminium in Qatar. The bauxite we use is being turned into a selection of valuable products.

Qatalum Work Method

Qatalum utilises the latest technology in its operations of sustainable production. It takes into account international standards and continues to cope with the latest Industry-related developments.

Qatalum manufactures alloys that conform to the specifications of the finest auto manufacturers in the world, not to mention construction companies' requirements. Qatalum products have become among the most popular and effective worldwide. We look forward to the continuous development of our different operations, along with the progressive development of comprehensive health and safety standards.

In order to meet the highest quality standards, Qatalum opens the doors for the views of partners and customers, and always exerts every effort and uses all potentialities to achieve the planned objectives, as well as growth and development, conducive to creating the «perfect aluminium industry.» This emanates from our belief in the future of the aluminium and related industries.





CHAIRMAN'S MESSAGE

Since its inception, Qatalum has managed to overcome a number of challenges that it has encountered during the establishment and operation phases. With 704 operational production cells, Qatalum has reached its maximum production capacity and achieved the main objective of our strategy.

I attribute Qatalum's success to our ability to identify and respond to the demands of the aluminium industry, and I personally feel that we are well on our way to creating a strong, knowledge-based industry in Qatar. By effectively using leading technology and expertise, Qatalum is growing into a sustainable economic catalyst that is at the heart of turning Qatar's gas energy into a valuable commodity – solid aluminium.

Our achievements

For the past two years Qatalum has been expanding and working on improving its status in the aluminium industry. We have been very active, participating in, attending and sponsoring a number of regional and

international conferences, as well as working on huge beneficial investments.

2010 was a particularly eventful year for Qatalum, starting with the scheduled ramp-up to full production that followed production of first metal in December 2009. On 12 April 2010, HH the Emir officially inaugurated the Qatalum facility, in the presence of HRH Crown Prince Haakon of Norway, as well as a number of high-level guests including international customers, suppliers and contractors.

In July, Qatalum was awarded ISO 9001:2008 certification, an important step in meeting the registration requirements of the London Metal Exchange (LME).



Committed to the community

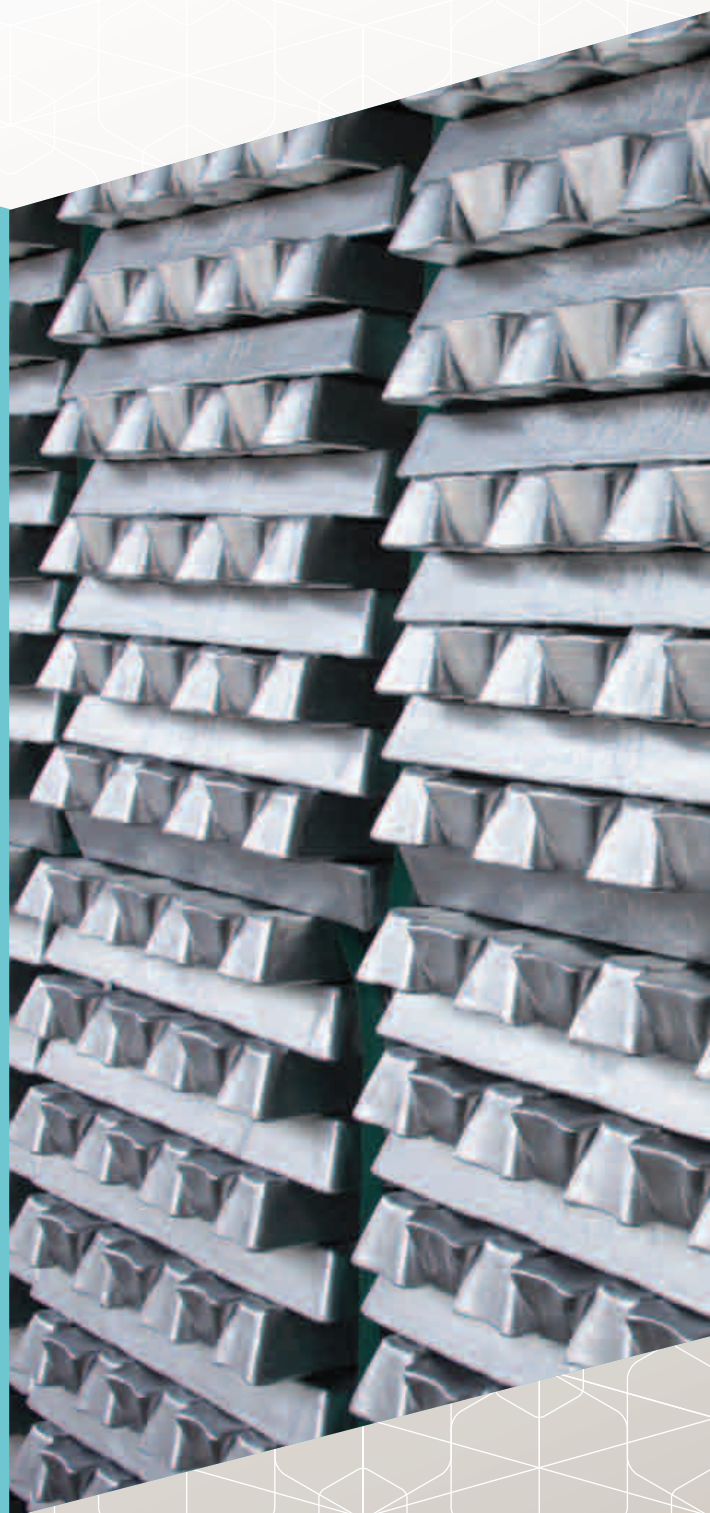
The aluminium industry is a knowledge-based industry that relies heavily on its human capital. In line with the vision of HH Sheikh Hamad bin Khalifa Al Thani, the Emir of Qatar, and Qatar's National Vision of 2030, Qatalum has in place a solid Qatarisation policy to recruit talented young Qataris, and an HR policy that offers our employees the very best working conditions and opportunities for development.

Building on a foundation of cooperation

As a 50-50 joint venture between a Qatari and a Norwegian company, Qatalum is built on a long history of cooperation between the two countries, and a foundation of 40 years of cooperation between Qatar Petroleum, providing the energy source, and Hydro, providing the know-how and experience. This collaboration gives us the best of both worlds: the knowledge and experience of Hydro, combined with the passion and dedication of the people of Qatar.

Qatalum and its partners see the value of working together to achieve their goals, and, more importantly, they envision that the whole may be greater than the sum of the parts – that Qatalum has the potential not only to fulfil their needs, but to create something even greater in the long run.

Abdel-Rahman Ahmed Abdel-Rahman Al-Shaibi
Chairman of Qatalum





MESSAGE OF THE VICE CHAIRMAN

First of all, allow me to congratulate Qatalum and its workforce on the achieving full production. This event forms a historic turning point in the global aluminium industry, and a key turning point in the production of aluminium. Now that full production has been achieved, Qatalum is ready to move on to the operations stage – the next leg of its journey, with the first goal being to achieve stability in production.

During the important establishment and production stages, which were Qatalum's first achievements, we encountered some difficulties and challenges that we managed to overcome thanks to Qatalum's partners. As a result, we emerged stronger than ever before, as those challenges gave us more experience to be able to successfully move forward in our journey.

The Qatar Aluminium smelter is a spectacular example as it was built on the basis of 40-year cooperation ties between Qatar Petroleum and Hydro. In just seven years the project has gone from plans on paper to a plant operating at full capacity to produce aluminium of the highest quality.

Both partners have contributed to maximizing the value of Qatalum's assets – Qatar Petroleum

by providing the plant's site and supplying the gas energy that it is turning into the valuable commodity of solid aluminium, and Hydro by providing the know-how and cutting-edge technology that is the basis of Qatalum's operations.

Qatalum is looking forward to a bright future where it will occupy a leading position among the world's major aluminium suppliers – it has laid the necessary foundations for success, and with its dedicated partners, its persistent and capable management, and a team armed with skills and motivation, there is no limit to what it can achieve.

Hilde Merete Aasheim
Qatalum Vice Chairman





CEO MESSAGE

The issuing of our new magazine «Al₂to₃gether» has come at a truly good time, coinciding with Qatalum reaching its full production capacity after seven years of hard work and dedication. The magazine also aims to highlight the important role played by natural gas in the aluminium production process.

Since I joined Qatalum, I personally have had the honour to become a member of the dedicated team that exerts every effort to achieve the objectives of Qatalum, to ensure continued success, to overcome the difficulties and challenges it faces, and to create a revolutionary brand in aluminium production in the region.

On this historic occasion, and as Chief Executive Officer, I would like to reiterate my commitment to working together with the Qatalum team to achieve the vision of His Highness Sheikh Hamad bin Khalifa Al Thani, Emir of Qatar, and of Qatar's National Vision 2030. The Qatalum team is looking forward to achieving the ambitions of the State of Qatar in building the country's aluminium industry to make it one of the world's most important aluminium suppliers. I look forward to being part of the empowerment of the aluminium industry, to being able to create a future that is full of job opportunities, and to supporting the community and putting in place rules for professional excellence.

The Qatalum Way is built upon four pillars: the values of respect, trustworthiness, proactivity and enthusiasm. Together, the Qatalum team is working to openly and cooperatively to garner the respect of the industry and the world based on our trustworthiness – delivering on our promises; our proactivity – making sure we anticipate the needs of our clients and the community and always meet the highest standards; and our enthusiasm – making sure we do everything, no matter how big or small, with a positive attitude.

And it is our commitment to this Way that is enabling Qatalum to make significant strides in building Qatar's newest knowledge-based industry. We already have a highly qualified workforce at the plant, and we expect this number to increase as Qatar's aluminium industry grows. It is only through the skills and talents of Qatalum's workforce that the owners' vision for our industry in Qatar will be met. This is through the efficient conversion of natural gas into value-added primary aluminium – Gas to Solids (GTS).

Qatalum will need a lot of good people with knowledge, interest, drive, and initiative for the technological development in the aluminium plant in the years to come, and we are actively contributing to the development of Qatar's aluminium knowledge, through an agreement with Qatar University.

Our aim goes beyond building and operating a world-class aluminium smelter. We also want to make a lasting contribution to the future growth and prosperity of Qatar, adding value through people development, economic diversification and sustainable processes and results.

I am pleased to welcome you to this first issue of our magazine «Al₂to₃gether»

Thank you

Tom Petter Johansen
Chief Executive Officer



MESSAGE OF THE DEPUTY CHIEF EXECUTIVE OFFICER

I am exceptionally proud that after seven years of hard work, development and a demonstrated ability to overcome challenges, Qatalum has reached its crowning achievement – full production. I feel it is fitting that at this time we are introducing the first issue of the new Qatalum magazine «Al2to3gether»



This publication, issued by the Public Relations Department of Qatalum, represents a new means for the company to ensure continued transparent communication, both internally and externally.

I worked at Qatar Petroleum for 25 years before joining to Qatalum, where I am proud to represent the Qatari partner in the joint venture. Since the inception of the Qatalum project, QP has believed in its potential to be a major contributor to Qatar's economy, and has offered its full support, as has the government of Qatar.

In terms of employment, Qatalum has an active Qatarisation programme that targets Qataris with an interest in the industry who are skilled and motivated to succeed. This magazine aims to raise awareness of Qatalum's achievements and opportunities in this area, and also to encourage

Qataris of all ages and skill levels to become involved and develop their skills.

Qatalum is working hard to build a new knowledge-based industry in Qatar, through such initiatives as the Qatalum Summer Internship Programme. «Al2o3gther» magazine is another way for us to build a foundation of knowledge and share information about what is happening at the plant, as well as within the industry locally, regionally and internationally, and I invite all of you to be a part of this journey with us.

Thank you,

Khalid Mohammed Laram
Deputy Chief Executive Officer





BUILDING A DREAM

THE FIRST **SEVEN YEARS** OF THE QATALUM STORY

It has been close on seven years since Qatar Petroleum and Hydro first decided to work together to build a brand new, state-of-the-art aluminium smelter in Qatar, and as the plant reaches full production, we take a look back over the years and see just what an incredible journey this has been, and highlight some of the major project milestones.



The beginning 2004–2006

In December 2004, Qatar's oil and gas giant Qatar Petroleum (QP) signed an agreement with Norwegian Norsk Hydro ASA – a global supplier of aluminium – to build Qatar's first aluminium plant. Plans were to build a world-class aluminium plant with the capacity to produce 570,000 tonnes of primary aluminium each year.

Fifteen months later, following a social impact assessment, the two companies signed a second agreement – this time to form a joint venture for the development, single phase construction and operation of one of the world's largest and most competitive primary aluminium plants.

From this point on, things began to move more



quickly. In September 2006 an environmental impact assessment was filed with the Qatar's Supreme Council for Environment and Natural Reserves, who ratified it in November. The same month, QP and Hydro appointed Canadian company SNC-Lavalin International Inc as the main contractor for the construction of the plant's main buildings and related project infrastructure.

Picking up steam 2007–2008

Final approval for construction, to laying of foundation stone (2007)

2007 was the first of many very busy years for the Qatalum project. Having finalised agreements and appointed contractors for the primary construction, the team began work on the plant itself.

In July 2007, a little over 2.5 years after the signing of the initial agreement, QP and Hydro gave their final approval for Qatalum's construction to begin, and awarded the contract for its 1,250 MW Power Plant to a consortium comprising General Electric and Doosan Heavy Industries Construction Company.

One month later, in August, construction began on the Qatalum Construction Village in Mesaieed Industrial Park – a massive 490,000 square meter project intended to house up to 10,000 workers.

August was a very busy – and productive – month for the project, as Qatalum finalised a USD 2.6 billion project financing deal, and the project's Executive Committee appointed a management team.

In November, the laying of the foundation stone by Qatar's Heir Apparent Sheikh Tamim Bin Hamad Al-Thani marked the start of three years of construction work. In a seminar for academics and students at Qatar University held to mark this historic occasion,





Qatalum also took the first steps in its quest to lay the foundation for a sustainable knowledge-based industry, indicating the partners' interest in providing scholarships and setting up research facilities to further industry-related studies.

New offices to academic alliances (2008)

The first major milestone for Qatalum in 2008 was moving its offices from Doha to the project site in April. Later the same month Qatalum management introduced The Qatalum Way – a management system designed around the four values of respect, enthusiasm, proactivity and trustworthiness, based on four key performance areas: ethics, drive, ability and attitude – intended to ensure Qatalum reached its defined goals, and a key reference point that would serve as the company's guiding light in the challenging work that lay ahead.

Two months later, in June, Qatalum made its first appearance at the annual Qatar Environment Fair, where the organisation highlighted aluminium's environmental advantages, as well as Qatalum's progress and technology.

On 24 July Qatalum celebrated its first anniversary since the incorporation of Qatar Aluminium Ltd. Much had been accomplished during that first year: by the end of June construction of Qatalum was 26 percent complete; site preparations were fully complete; and civil works were continuing, with around half of the approximately 10,000 workers on site staying at the Construction Village. A great deal of specialised equipment was also being produced at locations outside of Qatar in preparation to be shipped into the country for installation in late 2008. Most impressively for a project of this size, everything had been done on time and on budget!

As construction on the Qatalum plant continued apace, structures began to rise visibly and Qatalum's HSE department took on one of their first big projects: running a series of free-of-charge "Safe work at heights" training classes for those construction workers who would be called upon to work on the

taller structure beginning to take shape. Between 9 November and 17 December almost 4,000 workers and line management went through the four-hour training session.

One year after Qatalum talked about the importance of academic collaboration in order to build a strong aluminium industry in Qatar, the smelter, together with part-owner Hydro, signed a three-year agreement with Qatar University to establish a faculty chair of aluminium production at the university's College of Engineering – the first step to making Qatalum's long-term vision of building a sustainable, knowledge based industry a reality.

The aim of this shared chair professorship is to attract young Qatari talent to the aluminium industry with the hope that these students will be the leaders at Qatalum in 2018.

The end in sight 2009–2010

On track for full production – a year of milestones (2009)

2009 was an eventful year for Qatalum, in the full sense of the word, and one in which many milestones were achieved.

One of the first milestones for the year came in the form of the installation, in April, of basic water saving devices (flow reducers) at 230 water usage points in Qatalum's Construction Village, together with associated efficient irrigation measures, so as to significantly reduce the use of scarce potable water, increase the re-use of treated water for greenery, and reduce the expensive haulage (removal) of waste water to distant municipal disposal grounds. This not only had the effect of reducing expenditure for a village that supported up to 10,000 people at one time, but was also in line with Qatalum's commitment to environmentally efficient solutions.

In August, in an example of Qatalum's commitment to staying ahead of global industrial obligations



on energy efficiency by investing in cutting-edge technology, high-power converters (rectifiers) were installed at the smelter to control and convert AC power from the power grid or onsite power plant into DC power for the electrolytic process that produces molten aluminium in the pots. Weighing in at more than 400 tonnes, these were some of the biggest and most powerful rectifiers ever built in terms of their size-to-voltage output. October saw Jan Arve Haugan, head of Hydro's international smelter portfolio, take over from Truls Gautesen as Qatalum's Chief Executive Officer, and also saw the plant receiving its first shipment of raw material at its berth in Mesaieed.

December was a very important month at Qatalum, starting with its hosting of the quarterly meeting of the Gulf Aluminium Council (GAC). But arguably the biggest milestone achieved in 2009 was the first production and export of primary aluminium. On 4 December Qatalum cast its first batch of 10 kilogram aluminium ingots, and, after more casts and fine-tuning, the first batch of high quality ingots were exported from the State of Qatar on 18 December, Qatar's National Day.

Two days later, Qatalum's first electrolysis cell started production of liquid aluminium metal, marking the start of primary aluminium production in Qatar.

The first shipment of aluminium foundry alloys – which was sent off to Mumbai, India before Christmas – marked the historical beginning of aluminium exports from the State of Qatar, confirming Qatalum's ability to deliver its product on time and within budget.

Steady progress and unexpected challenges (2010)

2010 was full of impressive achievements and unexpected challenges for Qatalum. Throughout the year Qatalum participated in a number of regional and international industry events, demonstrating its desire to play an active role as a global aluminium smelter. Qatalum also implemented its revised HR Policy – one that addressed the particular needs of its

international and local staff, and was geared towards attracting and retaining a specialised workforce.

The first major event of the year – and a historic milestone – was the official opening of the facility. On 12 April 2010, HH the Emir officially inaugurated the Qatalum facility in Mesaieed Industrial City, in the presence of HRH Crown Prince Haakon of Norway, who was an honoured guest at the ceremony, as well as a number of high-level guests including international customers, suppliers and contractors.

In July Qatalum achieved another milestone – being awarded ISO 9001:2008 certification by accredited ISO auditors, Det Norske Veritas (DNV) Business Assurance Middle East, in order to meet the registration requirements of the London Metal Exchange (LME).

Less than a month later Qatalum's primary aluminium production was shut down following a power outage that lasted for nearly five hours. Qatalum employees and suppliers worked around the clock to restore the pots affected by the power failure. At the same time, the Qatalum Casthouse stepped up re-melting of cold metal sourced from external suppliers, while Hydro postponed planned maintenance and increased production at other plants, in order to ensure that bulk of the planned shipments to Qatalum's customers were met. Once the root causes of the incident had been identified and rectified, measures were put in place to prevent such incidents from happening in the future and the ramp-up of the plant continued.



Qatalum stands exceptionally high among the industry leaders in safety (TRIIR Total recordable injury/illness rate of 1.5 million worked hours, year-to-date.) However, during the shutdown the inherent lessons learned from these practices were magnified as the Qatalum team had to cope with a previously largely inexperienced high-risk situation.

The operational staff showed great caution and teamwork, getting through the challenges with no significant injuries and setting high standards for the future. A similarly high standard was maintained with environmental concerns, with environmentally safe storage being prepared in a matter of days for over twenty thousand tonnes of material generated due to the power outage in August.

Despite the setbacks caused by the power outage, Qatalum continued with its planned activities in September, which included participating in the Aluminium 2010 trade fair in Essen, Germany, attending the GAC Board Meeting, and attending the 25th International Aluminium Conference in Bahrain. In addition, the plant managed to restart aluminium production a mere six weeks after the shutdown.

In November, as Qatalum staff continued to work at getting the smelter back up and running, the plant's reputation for excellence even in the face of potentially daunting challenges, drew the attention of academics the world over. Six chemistry professors from prominent international universities paid a visit to the Qatalum site to learn what they could about the new technologies exploiting the vast natural gas resources of Qatar. Later in the same month, Khalid Mohammed Sultan Ahmed Laram was appointed as the plant's new Deputy CEO.

Steady progress and unexpected challenges 2010

2010 was full of milestone achievements and unexpected challenges for Qatalum. Throughout the year Qatalum participated in a number of regional and international industry events, demonstrating its desire to play an active role as a global aluminium smelter. Qatalum also implemented its revised HR Policy – one that addressed the particular needs of its international and local staff, and was geared towards attracting and retaining a specialised workforce.

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Less than a month later Qatalum's primary aluminium production was shut down following a power outage that lasted for several hours, during which Qatalum employees and suppliers worked around the clock to restore the pots affected by the power failure. At the same time, the Qatalum Casthouse stepped up re-melting of cold metal sourced from external suppliers. Once the root causes of the incident had been identified and rectified, measures were put in place to prevent such incidents from happening in the future and the ramp-up of the plant continued. Throughout this time Qatalum remained focused on maintaining its high environmental standards, reflecting its commitment to environmental safety.



Qatalum occupies a leading position in the industry leaders in terms of safety, registering no diseases or injuries in 1.48 million working hours. A similarly high standard was maintained with environmental concerns, with environmentally safe storage being prepared in a matter of days for over twenty thousand tonnes of material generated due to the power outage.

In September, Qatalum participated in the Aluminium 2010 trade fair in Essen, Germany, and attended both the Gulf Aluminium Council Board Meeting and the 25th International Aluminium Conference in Bahrain. In addition, the plant managed to restart aluminium production a mere six weeks after the shutdown.

In November, Qatalum's reputation for excellence drew the attention of academics the world over, and a delegation of six chemistry professors from prominent international universities – two from Qatar's Weill Cornell Medical College, one from Cornell University's main campus in Ithaca, New York, and three visiting professors from abroad – paid a visit to the Qatalum site to learn what they could about the new technologies exploiting the vast natural gas resources of Qatar.

Led by Dr Michael Pungente, Professor of Chemistry at Qatar's Weill Cornell Medical College, the delegation included Dr James Roach, also from Qatar's Weill Cornell Medical College, Dr Frank Di Salvo of Cornell University in Ithaca, New York, Dr Vassilia Partali and Dr Hans-Richard Sliwka from NTNU University in Trondheim, Norway, and Dr Philip Leopold from the Stevens Institute of Technology in Hoboken, New Jersey. Later that same month, Khalid Mohammed Sultan Ahmed Laram was appointed as the plant's new Deputy CEO.

Full production and beyond 2011

Following its success in overcoming the challenges of 2010, Qatalum entered a new phase in 2011, moving from ramp-up to full production and achieving a

number of milestones along the way. By mid-January the plant had ramped up 352 cells – the whole of Potline 2 and half of its total capacity.

Throughout 2011, Qatalum once again participated in a variety of high-profile regional and international industry events.

In February, Qatalum, together with the Qatar University Materials Technology Unit (MTU), Hydro and the Norwegian University of Science and Technology (NTNU) launched a research project on aluminium production in Qatar.

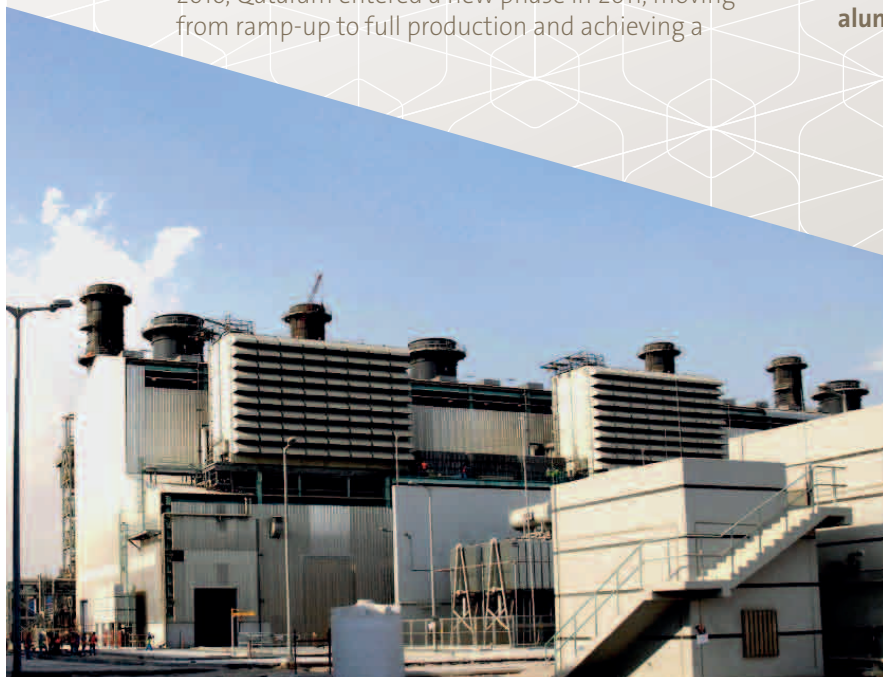
In June Qatalum gained approval from the London Metal Exchange (LME) Executive Committee as an LME deliverable brand. Following this, Qatalum saw the successful completion of its Summer Internship Programme.

On 1 July Tom Petter Johansen was appointed as Qatalum CEO.

On 24 August, the last section of potline 2 and section 4 of potline 1 became fully energised, and on 25 August the capacity group took over the final section of the plant after conducting intensive testing and further improvements over the previous 18 months.

On 21 September, after seven years of hard work and dedication, Qatalum finally achieved its full production capacity.

The past seven years have been eventful, and filled with exceptional performance and numerous achievements, much of which can be attributed to the solid support of Qatalum's owners, Qatar Petroleum and Hydro, and the dedication of everyone involved at all levels of the project. Having now achieved full production, Qatalum continues to draw continuously closer to fulfilling the vision of HH Sheikh Hamad bin Khalifa Al Thani, the Emir of Qatar, and Qatar's National Vision of 2030, and looks forward to building the country's fledgling aluminium industry to make it one of the world's key aluminium suppliers.





BRIGHT FUTURE FOR ALUMINIUM

Since the advent of the modern aluminium industry in 1886, approximately 800 million tonnes of the metal have been produced, around 73 percent of which is still in use today. And today, thanks to aluminium's versatility, the global aluminium industry is still growing.

Aluminium has a huge array of uses and is found in thousands of products around the world. Population growth, urbanisation, energy consumption and environmental impacts are among the factors driving the worldwide increased demand for aluminium.

The transport and construction sectors are the main consumers of aluminium products, accounting for 31 percent and 23 percent, respectively, of total demand, followed by the packaging industry, representing 18 percent. Each of these sectors suffered heavily in the recent global financial crisis as sales of vehicles and consumer goods decreased sharply and construction projects were put on hold.

Environmental Drivers

One of the major reasons for aluminium's continued growth in modern times is that it is a relatively environmentally friendly material. Utilising aluminium instead of traditional

materials, such as steel – results in lower CO2 emissions. The use of aluminium in transport industries, particularly the automotive industry, is estimated to have reduced CO2 emissions by around 250 million tonnes per year.

The increasing concern over the impact of rising energy consumption on the environment has resulted in growing interest in efficient and environmentally friendly construction and infrastructure development.

And as population growth and urbanisation drive demand for all types of goods, aluminium's status as a light-weight, high strength, and recyclable material makes it the material of choice, particularly when it comes to reducing weight.

Thanks to its beneficial properties, demand for aluminium remains high.



Global and regional markets

The face of the global aluminium industry is changing slowly but steadily, although with increasing pace in recent years. China remains the main producer of the metal, accounting for over 30 percent of primary production worldwide, but since the end of 2009, the GCC has firmly established itself as an important source of the metal, and by the end of 2010, the total operating capacity of the GCC's five smelters had risen to almost 10 percent of the world total.

Investments in the Gulf's aluminium industry are currently estimated at around \$30 billion and could reach as much as \$55bn by 2020 due to upcoming smelter expansions and new projects.

There is also a growing number of foreign investors who are looking at the Gulf region with an eye to entering it with investment projects, in light of the availability of aluminium and energy sources, particularly natural gas, as well as its strategic geographic location and proximity to Europe, which already sources around six per cent of its aluminium demand from the region.

The relative importance of the Gulf region as aluminium producer is based on a combination of three factors: the region has access to abundant and competitively-priced energy; it has sound infrastructure; and it has a prime location close to buoyant emerging markets. And the wave of investment in aluminium projects in the region is part of a larger trend to shift production away from traditional, high-cost production bases in North America and Europe towards countries with access to cheaper and more plentiful energy supplies.



Qatalum

Qatar is a recent entrant into the aluminium industry, through the construction of the state-of-the-art Qatalum aluminium smelter – a joint venture between Qatar Petroleum and Norway's Hydro – with the aim of producing high-quality primary aluminium.

The smelter was constructed in line with Qatar's long-term economic diversification strategy, and its recently achieved first phase production capacity of 585,000 tonnes per annum of primary aluminium will make Qatar one of the GCC's most important aluminium producers.

Qatalum is one of three new aluminium projects in the Gulf region to have started production since 2008 (the other two being Sohar Aluminium in Oman and Emirates Aluminium (Emal) in the UAE), and is part of the reason that, by 2012, the Middle East is expected to account for around ten percent of the world's primary aluminium production, compared with just four percent in 2007.

The smelter's strategic location allows it to serve customers in Europe, Asia, the US and the Middle East. As a joint venture between Qatar Petroleum and leading Norwegian aluminium producer, Hydro, Qatalum not only benefits from access to Qatar's abundant gas supplies, but also from both companies' expertise in the region and the industry.

The Qatalum aluminium smelter is one of the most efficient and environmentally friendly smelters in the world, due to the excellent recyclability of aluminium and the company's implementation of Hydro's leading-edge, low environmental impact technology.

Statistics

While the region's primary production as a percentage of the world market is rising fast, the downstream aluminium products sector is significantly underdeveloped. The Middle East accounts for just 1.7 percent of the global aluminium products industry, producing around 200,000 tonnes per year of flat rolled products, 400,000 tonnes per year of extrusion products and just 100,000 tonnes per year of casted products.

The Middle East has historically been a net exporter of aluminium due to the lack of a mature downstream industrial sector to absorb locally produced aluminium. Currently, approximately 83 percent of the region's primary aluminium is exported as billets and ingots to be converted into finished products elsewhere.

But downstream processing adds the most value to aluminium, and by allowing this processing



to take place in other countries, the Gulf states are not maximising the revenue-generating potential of their aluminium industries. By developing a downstream industry, the Gulf smelters could raise the region's captive consumption to at least 50 percent.

Now that Qatalum has reached full production, Qatar aims to develop a downstream metals sector of its own, and is also encouraging the private sector to invest in metals production near the smelter – something that Bahrain, as the early pioneer of aluminium production in the region, achieved many years ago. Today, some 50 percent of output from Bahrain's smelter is sold locally to a well-developed downstream sector. And Qatar is certain to follow suit.

Qatalum is committed to being a part of this development process, and to helping to create a strong and robust intermediate and downstream aluminium industry for Qatar and the region. It aims to be a strong catalyst for the development of aluminium-related industries. The development of primary aluminium production is expected to generate \$1.5bn a year in revenues for Qatar, equivalent to 5.5 percent of its gross domestic product, and if a downstream industry is also developed, that contribution is sure to increase accordingly.

Positive Outlook

All in all, the long-term demand outlook for the regional – and global – aluminium sector is positive.

There are a number of areas for which Qatalum's primary aluminium production is promising, in terms of providing the materials needed for downstream industry, and one of its main areas of focus, particularly given the amount of development still underway in the region, is in building and construction.





QATALUM PARTICIPATES IN INDUSTRIAL INVESTMENT CONFERENCE AND EXHIBITION

Qatar has grown from a small oil producer in the 1990s into one of the world's largest exporters of liquefied natural gas (LNG), with a capacity of 77 million tonnes a year. Oil and gas have made Qatar the second highest per-capita income country in the world, as well as one of the fastest growing countries. Currently, oil and gas accounts for more 50 percent of the country's GDP, nearly 85 percent of export earnings and 70 percent of government revenues.

In October 2010, Qatar hosted the Industrial Investment Conference and Exhibition, which was organised by the Ministry of Energy and Industry in cooperation with Qatar Petroleum. It was attended by Qatari businessmen and companies interested in establishing new industrial investment projects, as well as foreign investors who have their own industrial projects and are willing to invest in Qatar with Qatari businessmen or companies. The conference provided a place for them to meet and discuss potential projects, as well as the future of the industrial sector in Qatar.

The Industrial Investment Conference aimed to develop oil and gas-related industries in Qatar by promoting viable and feasible industrial projects in different manufacturing industrial sectors, particularly those with new technologies, high profitability and competitiveness such as petrochemicals (intermediate and downstream), metals (aluminium, iron and steel), industrial services, and the environment

As part of its participation in the event, Qatalum gave a presentation entitled "Qatalum, its role in developing intermediate and downstream

aluminium projects", which examined the types of industries that could be promoted and established based on the primary aluminium produced by Qatalum. As a world-class smelter, Qatalum needs world-class suppliers and services in order to maintain its high level of competitiveness.

The World Economic Forum's 2008–2009 competitiveness report ranked Qatar as the most competitive Arab economy (26th worldwide), while Transparency International ranked Qatar as the best Arab country, and 22nd overall, with regard to transparency in its Transparency Report, ahead of France, the UAE and Spain.

These rankings are of particular interest to investors, and conference organisers were looking to capitalise on the country's excellent ratings to attract industries that will ensure optimal utilisation of locally available raw materials and feedstock; that will enjoy a good and large market in Qatar and GCC markets; and that are complementary to existing industries and will support local industries.



QATALUM TECHNOLOGY

“The Technology and environmentally-friendly applications used by Qatalum can be an example not only to other industrial interests, but also in the classroom,” according to Dr Michael Benjat, Professor of Chemistry at the Weill Cornell Medical College in Qatar.

A delegation of six professors of chemistry visited Qatalum and toured the plant where they got acquainted with the smelter’s advanced technology and latest know-how, which utilises Qatar’s huge reserves of natural gas.

The delegation, led by Dr Benjat, included Dr James Roche, also from Weill Cornell Medical College in Qatar, Dr Frank Di Salvo from Cornell University in Ithaca, New York, Dr Vasilyabartale and Dr Hans-Richard Celeoka from the Norwegian University of Science and Technology in Trondheim, and Dr Philip Leopold from the Stevens Tech Institute in Hoboken, New Jersey.

According to Dr Benjat, there are many reasons why the professors wanted to visit the plant. “Those of us who are involved in chemistry research and teaching here in Doha are all interested in learning about

any new technologies exploiting the vast natural gas resources of Qatar. Several of us teach inorganic chemistry, and aluminium production part of the subject matter we teach, so being able to see a state-of-the-art smelter first hand will be an invaluable experience,” he explained.

The Qatalum plant is quite clearly a very significant step forward in the development of Qatar’s infrastructure and an excellent example of the aim of increasing the sustainability of the economy and further development of value-added enterprises. Everyone is concerned with the environmental effects of industrial activity, and the fact that the whole Qatalum operation is held to stringent controls provides an excellent illustration of the importance of environmentally-sound industrial practices to the government of Qatar.

DEPARTMENT OF HEALTH, SAFETY AND ENVIRONMENT

Under the region's harsh climatic conditions, including soaring temperatures throughout the summer months, risks for workers increase significantly. To address this issue, Qatalum's Health, Safety and Environment Department launched an awareness campaign intended to combat the risks of those who have to work in extreme conditions, and to keep the necessary precautions and potential warning signs uppermost in the minds of all Qatalum staff.

As part of the campaign, the Department distributed flyers and brochures with memorable catchphrases such as "We can't change the weather, so let's change our approach altogether" as it looked to ensure that employees remain alert to the dangers of heat-related illnesses.

The campaign focused on providing information on how much rest and liquid is needed when working in elevated temperatures, how to recognise the signs and symptoms of heat stress or heat exhaustion and the more severe heat stroke in oneself or one's co-workers, and highlighting factors leading to heat stress, such as high temperature and humidity; direct sun or heat; limited air movement; physical exertion; and poor physical condition.

Qatalum Management believes that people are the hope for the future and the foundation upon which the prosperity and development of the State of Qatar are based, and we are committed to offering our employees a positive working environment, and minimising the possible negative effects even of something beyond our control, such as the weather.

Qatalum is committed to building a knowledge-based industry in Qatar and the region, and this gathering and sharing of information is in line with that goal. We aim to continue measuring the effects of the extreme heat on our employees, conducting further studies in the future to help us better understand the best way to deal with this circumstance, and the best way to ensure optimum worker safety at all times. Hopefully, the work and research we do here will be helpful to others faced with similar problems.



We can't change
the weather!
Let's Change
our approach
altogether

What is HEAT STRESS?

When the body loses fluids, it becomes unable to cool itself by sweating, and several heat-induced illnesses such as heat stress or heat exhaustion and the more severe heat stroke can occur, and can result in death.



QATALUM TO HOST AND ORGANISE **ARABAL 2012**

In 2012, Qatalum will be organising and hosting the 16th International Arab Aluminium Conference and Exhibition (Arabal)

The premier trade event for the Middle East's aluminium industry – which offers the perfect opportunity to demonstrate the importance of Qatar's growing aluminium sector.

Arabal is the only conference in the world attended by every single primary aluminium manufacturer in the Gulf Region, which makes it the conference of choice for anyone interested in the Middle East aluminium industry.

QATALUM PARTICIPATION IN **ALUMINIUM CHINA EXHIBITION 2011**

Qatalum participated in Aluminium China Exhibition 2011, which was held at the Shanghai International Exhibition Center in Shanghai from 13 to 15 July.

Aluminium China is an important annual industry event that brings together international industry players, and allows Qatalum to meet peers from around the globe to discuss opportunities and challenges, as well as to exchange information and receive updates on what is happening within the industry worldwide.

There has been a significant increase in the number of emerging aluminium producers, as well as an increase in global demand for the metal, particularly in Asia, making events such as this that bring together everyone involved are vital to its continued growth.

The aluminium industry is fast-growing, and events such as this that bring together everyone involved are vital to its continued growth.



Dr HALVOR KVAND

More than two years ago Qatalum entered into an agreement with Qatar University to sponsor an Aluminium Faculty Chair position in the University's Department of Chemical Engineering for a three-year period. The aim of the agreement was to strengthen Qatar University's capability to graduate qualified engineers – both Qatari nationals and expatriates – who would want to have careers in Qatar's aluminium industry.



Dr Halvor Kvande was selected for this Professorship, and since his appointment to the position, he has worked to create interest and enthusiasm for aluminium production among Qatar University's young BSc students, and make them aware of the importance of the aluminium industry.

From the fall of 2009 to the spring of 2011 Dr Kvande presented a course on Aluminium Production Technology for 88 students (17, 25, 26 and 20 students, respectively). In addition to

his university teaching, Dr Kvande has also presented courses on aluminium both internally and externally for Qatalum employees.

Through its sponsorship of the Aluminium Faculty Chair, Qatalum aims to make a lasting contribution to the future growth and prosperity of Qatar, adding value through people development, economic diversification and sustainable processes and results, in line with the Qatari government's ideals as expressed in the Qatar National Vision 2030.

Through this and other education and training initiatives, Qatalum is looking to create a sustainable, knowledge-based aluminium industry in the country that will benefit citizens for years to come.



THE ROLE OF LEADERS AT QATALUM

Values help shape performance; they outline what is expected of us, and provide guidance for dealing with different situations. By way of determining how leaders translate and proactively model Qatalum's Values, we organised a workshop called "The Role of Leaders at Qatalum: Developing Commonality – the Qatalum HSE culture".

The aim of the workshop was to create awareness of Qatalum's values and to help assess the performance of the leadership, outline what is expected of it, and set guidelines on how to act in different situations by determining how to practically apply Qatalum's values.

The workshop discussed the commitment of the management to permanently putting into effect Qatalum visions and values, and its approach in outlining long-term vision strategy that is based on values and principles. These values are significant for any operating company as they help to set the criteria for performance evaluation and promotion of staff, as well as ensure that both management and staff know their tasks.

The workshop explained the leaders' development principle in accordance with Qatalum's fifth principle – Visible Leadership, and highlighted

the importance of clear and visible leadership (meaning an obvious presence and setting a good example); involvement and delegation; support and guidance; and feedback and recognition.

The workshop also addressed the issue of creating and sustaining a Qatalum HSE Culture, and the need for engagement and development of people by establishing a strong, direct relationship between team leaders and team members, and integrating best practice systems.

The workshop also included a number of exercises, where those attending had to identify and share examples of visible leadership at Qatalum, and then discuss, identify and share the myths and challenges related to visible leadership in the organization.

QATALUM A REGISTERED TRADEMARK OF THE LONDON METAL EXCHANGE

Not content with having placed Qatar on the map of the aluminium-producing world, on 8 June 2011, Qatalum became a London Metal Exchange (LME) deliverable brand after having been approved by the LME Executive Committee.

The London Metal Exchange was established over 130 years ago in London and is the world's premier non-ferrous metals market, and it allows Qatalum, fabricators, merchants and consumers to insure against price risk

for non-ferrous, minor metals and steel. The Exchange provides a transparent forum for all trading activity and as a result helps to determine what the price of material will be months and years ahead. This helps Qatalum to plan for the future in the face of often volatile prices, allowing Qatalum to maintain production during times of low market demand. Such is the liquidity at the Exchange that the prices at the LME are recognised and relied upon by industry throughout the world.

SUMMER TRAINING PROGRAM IN QATALUM

This year Qatalum held a Summer Internship Programme in which students of Qatar University, Texas A&M University (Qatar), the University of Teesside (UK), and Qatar Technical Independent High School, participated.

This programme forms part of Qatalum's Qatarisation initiatives, and is intended to help the smelter achieve its aim of making a lasting contribution to the future growth and prosperity of Qatar, adding value through people development, economic diversification and sustainable processes and results. Qatalum believes that investing in the future of Qatar means investing in young Qatari nationals who are motivated and determined to succeed, and initiatives such as the Summer Internship Programme are intended to do exactly that. University students attended an informative eight-week programme, which kicked off in June, while the programme duration for high school students was four weeks. The programme aims to help build students' skills and knowledge and, in doing so, laying the foundation for a knowledge-based aluminium industry in Qatar and the region. One of the best ways to do this is to take young

people who are interested in working in the industry and give them a hands-on taste of exactly what it entails. Theoretical knowledge is important, but on-the-job training is also a major part of the industry, particularly when it comes to the health and safety aspects.

Before embarking on extensive on-the-job training, students were familiarised with the smelter's various departments during a two-day basic course covering its operations, as well as health, safety and environmental regulations. They also spent a day visiting the plant's facilities.

On-the-job training undertaken during the programme included administrative functions such as data entry, mail sorting and positioning, and the scanning and filing of documents; logistics, including smelter and site layout, and products and applications; and various marketing and sales roles. Students further received training on the Qatalum Production System (QPS) principles and QPS problem solving, as well as guidance on enhancing soft skills such as interview, presentation and time management skills.

QATALUM IN ALUEXPO - ISTANBUL

Qatalum participated in ALUEXPO 2011, the aluminium technology, machinery and products trade fair in Istanbul, Turkey in October.

During the show, Qatalum explored the growing markets of Turkey and the

Eurasian region. This was an important event for Qatalum, as it marked the company's first participation in such an event following the recent announcement that the smelter had started full production, and also in light of Turkey becoming an increasingly

important market for aluminium exporters.

Qatalum already has a number of Turkish clients on its books, and its current exports to Turkey are robust with a plan for a substantial increase by the end of the year.

QATALUM HOSTS IFTAR FOR DHREIMA CHILDREN

As part of its ongoing efforts to serve the entire Qatari community, and in line with the ideals of the holy month of Ramadan, Qatalum held a special Ramadan Iftar for the children of the Qatar Orphan Foundation (Dhreima).

The Iftar was held at the traditional Middle Eastern-style restaurant, Al Tawash, located in the heart of Souq Waqif. The date (13 August) was chosen because of the importance of Garangao day – a mid-Ramadan festival for children celebrated on the 14th night of Ramadan that is special to the Gulf region, particularly Qatar, and is believed to have its roots in the pearl-diving tradition of the region. On this night, children dress in traditional attire after Maghreb prayers and go out to collect goodies from those in the neighborhood, and sing songs promising blessings from Allah to all those who give them sweets and candies.



In keeping with this tradition, Qatalum organised special Garangao gifts and candy for all the children attending the Iftar, and also provided entertainment to match the celebratory nature of the festival, including clowns, balloon twisting, and a number of other exciting activities.

Dhreima expressed its thanks and appreciation to Qatalum for this noble gesture.

QATALUM CELEBRATES QNS 40th ANNIVERSARY

Qatalum received a Norwegian delegation, which included a group of distinguished guests, that paid a special visit to Qatar on the sidelines of the fortieth anniversary celebrations on founding of the Norwegian National School in Mesaieed Industrial City. There are currently about 450 Norwegians living in Qatar.

On this occasion, the school, which was established



on 13 October 1971, held special festivities to mark this important occasion, and to celebrate having entered a new era through the financial support of Qatalum.

The celebration was attended by Her Excellency Kristin Halverson, Minister of Education in Norway, who attended the school herself in the 1970s, and a number of Norwegian students and teachers in Qatar.

During her visit to Qatar, Halverson held a series of high-level meetings with the Qatari authorities and senior officials of the Higher Education Council, as well as with the Qatar Foundation.

The Norwegian delegation accompanying Halverson comprised a group of senior officials, including Norwegian Ambassador to Qatar HE Ms Osabjerk, political consultant Ms Sylvie Bratin, Ms Heidi Dabsland and Ms Burgstad, both managers at the Ministry of Education in Norway, and Ms Hilde Achim, Qatalum Vice Chairman. The delegation toured Qatalum's facilities, including the smelter and casthouse.

QATALUM TO SUPPORT THE QATAR DIABETES ASSOCIATION

As part of its corporate social responsibility, Qatalum has offered its support to the Qatar Diabetes Association (QDA) in the form of a donation cheque that will cover the cost of test meters and insulin injections for around 250 diabetes patients.

QDA was founded in 1995 as a charitable organisation, and is a member of the Qatar Foundation for Education, Science and Community Development. QDA's vision is to lead efforts in terms of patient care in Qatar and the region, as well as to promote prevention, care and management of diabetes. The Association also disseminates up-to-date information, and undertakes studies and scientific research in service of society, and for the development of scientific research methods.

Qatalum's sponsorship of QDA is in line with the important role played by the QDA, and is part of the

smelter's keenness to provide the best educational and awareness services to the community in general, and to diabetes patients in particular. Qatalum has pledged its unlimited support to the Association, which is resounding proof of the company's community development strategy and involvement in charitable activities.





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