

Board of **Directors**



H.E. Nasser Bin Khamis Al Jashmi
Under-Secretary of the Ministry of
Oil & Gas, Government of Oman,
Chairman of the Board of Directors
of Oman LNG L.L.C.



**H.E. Dr. Abdulmalik Bin
Abdullah Al Hinai**
Under-Secretary of the Ministry of
National Economy,
Government of Oman,
Deputy Chairman of the Board of
Directors of Oman LNG L.L.C.



H.E. Khalifa Bin Mubarak Al Hinai
Technical Advisor to
H.E. the Minister,
Ministry of Oil and Gas,
Government of Oman



Adel Bin Abdullah Al Raisi
Minister's Advisor for
Economic Affairs,
Ministry of National Economy,
Government of Oman



Tahir Bin Salim Al Amri
Director General of
Treasury & Accounts,
Ministry of Finance,
Government of Oman



Aley Bin Ahmed Al Marjeb
Director General of
Administration and Finance,
Ministry of Oil and Gas,
Government of Oman



Saif Bin Hamad Al Salmani
Director General of
Planning & Projects Evaluation,
Ministry of Oil and Gas,
Government of Oman



Doug Mckay
 Vice President,
 Shell International
 Gas & Power Limited
 (Oman, Qatar, Saudi Arabia)



Takashi Okubo
 General Manager,
 Oman Project Unit,
 Natural Gas Business Division,
 Energy Business, Mitsubishi



Dr. Andrew W. Wood
 Shell Country Chairman and
 General Manager of
 Shell Representative
 Office in Oman, Shell International



Yutaka Kimura
 General Manager, Natural Gas
 First Division, Energy Group,
 Mitsui & Co. Ltd



Bernard Clement
 Vice President, Middle
 East Exploration
 and Production, TOTAL



Tack Cheol SHIN
 Managing Director and
 Chief Executive Officer,
 Korea LNG Limited



Dr. Antonio Jose Da Costa Silva
 Chairman of the
 Management Commission,
 Partex Oil & Gas



Hisato Okubo
 Deputy General Manager,
 Natural Gas Business Development
 Energy, Metals &
 Minerals Company,
 Itochu Corporation



Olawale Animashaun
 Oman LNG's Legal Counsel,
 Secretary to the
 Board of Directors of Oman LNG

* ITOCHU Corporation attends
 all Board Meetings but does not
 have voting rights on the Board.

Chairman's Report

Oman LNG – 10 Years on:

A Trusted Partner throughout the LNG Value Chain



After the heady heights of US\$ 147 per barrel that occurred in 2008 a correction in 2009 was, at least in hindsight, to be expected. What wasn't forecast by many was the severity of the

financial collapse in the global banking sector and the consequential recessions in the developed economies east and west.

For Oman LNG the average contract prices of LNG returned to 2007 levels (average crude oil price was US\$ 62 per barrel in 2009 compared to US\$ 63.5/bbl in 2007). The price of energy did begin to recover from the 2nd quarter onwards in 2009 after dropping to almost US\$ 30/bbl and the year ended with reason for optimism for the future. Although below 2008 levels, the revenues realised in 2009 are a credit to both the hard work of the management and staff of Oman LNG and the trust that our buyers in Korea and Japan continue to have in the longer term relationships that they have developed with our company and country.

Oman LNG remains an excellent example of the effectiveness of public-private partnerships in realising national aspirations by building trust and confidence throughout the entire LNG value chain. That trust plays a pivotal role between our Company and foundation buyers in ensuring we continue to translate Oman's Natural Gas resources into valuable returns for Oman, its people and our other shareholders and stakeholders.

2009 was the company's 10th year of operation, or may

I say "Operational Excellence". The Company continued to pursue operational excellence with dedication and passion. The performance in safety and asset integrity, production reliability, customer satisfaction, professional development of staff and corporate social responsibility have improved year-on-year and compare with the best practices and results in our industry.

In Health, Safety and Environment our record of zero occupational health and environmental incidents are evidence of the attention given by management and staff to these important areas of corporate responsibility. Sadly, three safety incidents did result in 3 employees requiring medical treatment as a result of breaches in procedure and unsafe behaviour at work. These remind us that we can never take our HSE responsibilities seriously enough.

Corporate Social Responsibility is another strategic area for Oman LNG that underpins our license to operate. In 2009, we committed over US\$ 20 million to our Social Investment Programmes covering a wide range of activities. Oman LNG remains the largest single Social Investor among the private companies in the Sultanate, a responsibility which is managed with care and advised with great skill by the company's Social Investment Forum.

Oman LNG remains successful in attracting, developing and retaining Omani talent who now represent over 86% of the total employee pool. Over US\$ 5 million was invested in 2009 in their training and development as professional and competent employees who occupy most of the senior roles in the Company, including 5 of the 7 Executive Management Team positions.

Oman LNG continues to be a significant contributor to the Government's aspirations for growth and diversification of the wealth base of Oman and its people. I am pleased to record that Oman LNG's contributions to the economy of the Sultanate remain second only to oil. The directors of Oman LNG, its management team and staff are wholly committed to ensuring the sustained success of this Company in the challenging years ahead and wish to thank His Majesty

Sultan Qaboos Bin Said for his continued support, guidance and interest in the Company.



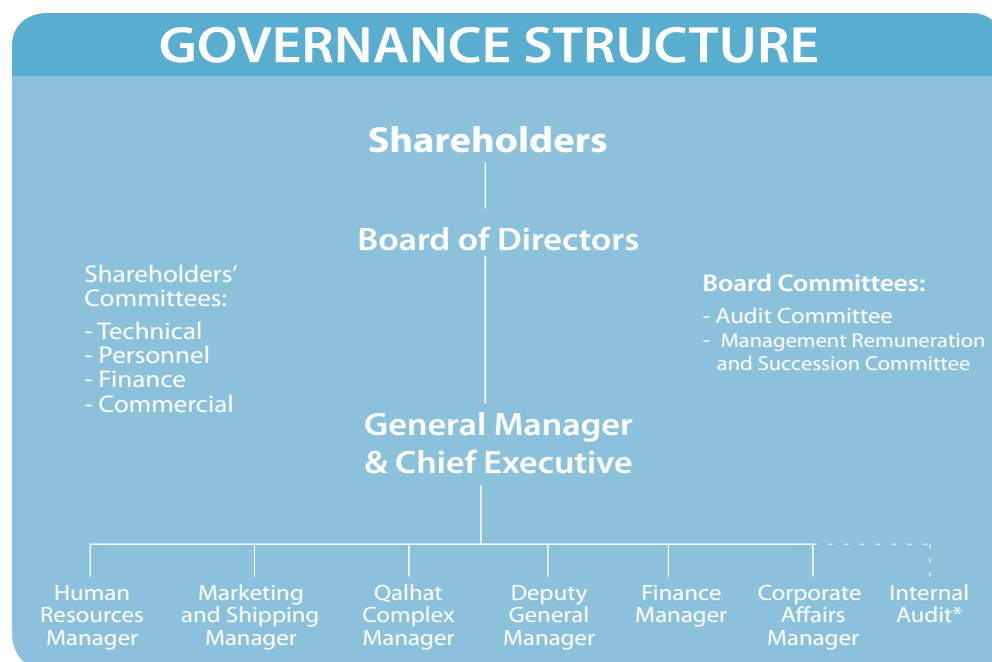
Nasser bin Khamis Al Jashmi,
*Undersecretary of the Ministry of Oil and Gas,
Chairman of the Board of Directors
of Oman LNG L.L.C.*

An aerial view of Qalhat Complex



Corporate Governance

Shareholders
Board of Directors
Management
Audit Activities



*Reports directly to the Audit Committee Chairman

Corporate Governance is the set of laws, regulations, rules, policies and delegated authorities which determine how the business of a corporation is conducted, administered and controlled through its executive management and staff to achieve the long term strategic objectives of the shareholders and other stakeholders, including creditors, employees, customers, suppliers and the community in which it operates without prejudice or bias to any one stakeholder.

Corporate Governance controls the relations between the company's stakeholders and strikes a balance between the interests of stakeholders on the basis of accountability, transparency and cooperation to ensure protection of the interests of all the stakeholders and to prevent the unfair dominance of the interests of any stakeholder over those of the others.

Oman LNG LLC is committed to the highest standards of Corporate Governance in the belief that by doing so it will achieve sustainable exceptional performance in all areas of profitability, corporate social responsibility and growth of its business and the development of employees.

In 1994, Oman LNG LLC was formed by Royal Decree, based upon a detailed Shareholders Agreement and the Constitutive Contracts. An Omani company, it is governed by the laws and regulations of the Sultanate of Oman. Other key documents which

form a part of Oman LNG's Governance Framework are the Gas Supply Agreements, Sales and Purchase Agreements, Loan Facility Agreement as well as Oman LNG's mission, vision, values and Statement of General Business Principles.

The resulting Governance Framework translates into non-executive and executive structures, policies, strategies, key business objectives and goals, delegated authorities and controls which are regularly reviewed and updated by the Board of Directors and Management to ensure the success of the enterprise and adherence with best practice.

The Shareholders

The Shareholders of Oman LNG LLC are the Government of the Sultanate of Oman (51%), Shell Gas B.V (30%), Total (S.A) (5.54%), Korea LNG (5%), Mitsubishi Corporation (2.77%), Mitsui & Co. Ltd. (2.77%), Partex (Oman) Corporation (2%) and Itochu Corporation (0.92%).

The shareholders convene an Annual General Meeting each year (usually immediately after the first annual meeting of the Board of Directors) at which the Financial Statements for the previous year are approved along with the final dividend declaration for that year and the appointment of the company auditor for the current year.

The shareholders' meeting for 2009 was held in Muscat, Sultanate of Oman on 25 March 2009.

The Board of Directors

The Board of Directors is responsible for ensuring that the business of the company is managed in accordance with the Shareholders' Agreement. The Board delegates some of its authority to the General Manager/CEO for the efficient and effective management of the company. The Board of Directors meets three times each calendar year, however if urgent matters arise between scheduled meetings, decisions can be taken through circular resolution of the directors.

Board Composition

The Board of Directors comprises a maximum of fourteen (14) non-executive members, as follows:

Government of the Sultanate of Oman: Seven (7) members, including the Chairman and the Vice-Chairman

Shell : Two (2) members

Other shareholders (except Itochu Corporation): One (1) member each

Itochu Corporation is represented at Board meetings by an Itochu nominee who has no voting rights.

Board Activities in 2009

The Board met three times in 2009. Its first and last meetings in March and November respectively, were at the company head office in Muscat, while its second meeting was held in Cascais, Portugal,

at the invitation of Partex. Board decisions were also taken via twelve board circular resolutions, one of which approved the formation of Oman LNG Foundation to manage the funds approved for the company's social investment activities.

The agenda of the meetings comprised recurring matters, including review and endorsement of the 2008 Financial Statement, final 2008 dividend declaration and the appointment of the external auditor for shareholders' approval. The Board, after due consideration of the global economic situation and its likely impact on company operations/forecasts took appropriate decisions to safe-guard shareholders' investments in the turbulent world economic climate. It also considered the preliminary report on the post Cyclone Gonu structural assessment of the design capabilities of the plant. At each meeting the directors received updates from management on challenges and performance in Health, Safety, Security and Environmental protection, Production, Marketing and Shipping, Human Resources, Finance and Investments, Corporate Affairs including Social Investments and Internal Audit.

2009 saw the highest number of changes in the membership of the Board since its inception. Six new directors joined the Oman LNG Board in 2009 - two representing the Government and four from other shareholders (two from Shell and one each from Mitsubishi and Mitsui). The Itochu representative to the Board also changed in 2009.

Shareholders' Committees

The Shareholders' Committees were established under the Shareholders' Agreement to assist the Board in an advisory capacity to manage the company. There are four committees which address Technical, Personnel, Financial and Commercial matters and meet prior to each board meeting. Each shareholder has the right to be represented on each shareholder committee.

To improve efficiency, the Personnel, Financial and Commercial Committees meet jointly, whilst the Technical Committee sits separately. After sitting jointly for about three years and with the Board and shareholders being satisfied, the Terms of Reference of the Joint Committee was formally approved by a Board Circular Resolution in June 2009. Since September 2008 the Joint Shareholders' Committee is chaired by a shareholder representative, whilst the Technical Committee continues to be chaired by the General Manager and Chief Executive Officer.

The Shareholder Committees do not take decisions for

the company, but review and endorse management recommendations for the Board of Directors to approve. The committees each met three times during 2009. As planned, these meetings were prior to the meetings of the Board.

Board Committees

There are two Board Committees:

- 1) Audit Committee and
- 2) Management Remuneration and Succession Committee.

The Audit Committee

The purpose of the Audit Committee is to provide an independent oversight of the systems of internal controls and financial reporting processes through a review of the quality, independence and effectiveness of internal and external audits. The Audit Committee reports directly to the Board of Directors via its Chairman and comprises non-executive members as follows:

Government of the Sultanate of Oman: Three (3) representatives, including the chairman

Shell: One (1) member

Non-Shell shareholders: One (1) representative chosen in rotation

Any Shareholder: One (1) technical representative agreed by the shareholders.

The Audit Committee met four times in 2008. The meetings were attended by the Chief Internal Auditor and the General Manager and CEO. The Finance Manager was present when the Statutory Financial Audit and Management Letter was presented by the Statutory External Auditor.

Audit Activities in 2009

To ensure independence, the Chief Internal Auditor reports directly to the Chairman of the Audit Committee. The Internal Audit Department adopts a risk based methodology in proposing and executing its audit programme in order to provide assurance that a fit-for-purpose and effective internal control framework is in place to support the achievement of company's objectives. Several assurance audits were also carried out by external parties, including the company's External Auditors, Shareholders, International Standards Organisation (ISO) and Technical Advisors.

During the 2009 meetings, the various audits carried out during the year were reviewed for levels of compliance with the control framework. In addition, the Audit Committee reviewed and approved an updated Internal Audit Charter prepared with the guidance of the Institute of Internal Auditors and

endorsed an updated "Non-Audit" Service Policy in order to safeguard the independence and objectivity of the company's External Auditors. Also, the committee tracked managements' compliance with timely and proper closure of agreed audit actions.

The Committee further reviewed audit reports, management letter and associated Financial Statements for 2008 by the Statutory External Auditors for endorsement by the Board of Directors. Furthermore, it recommended the re-appointment of Deloitte and Touche as External Auditors for 2009 based on their satisfactory performance in auditing the 2008 accounts and as they had not yet been engaged for the maximum of four years as stipulated by company policy.

Management Remuneration and Succession Committee

The Management Remuneration and Succession Committee was established in November 2008 by Board Resolution to ensure that Oman LNG continues to identify, and develop its leadership talent for the future and provides the current leadership with rewards and incentives commensurate and competitive with current market practices.

The Committee reports directly to the Board of Directors via its Chairman and comprises non-executive members as follows:

Government of the Sultanate of Oman: Three (3) representatives, including the chairman

Shell: One (1) member;

Non-Shell Shareholders: Two (2) representatives chosen in rotation.

The first sitting of the Committee was held in 2009.

The Company Management

The General Manager/Chief Executive and the executive management of the company implement an Enterprise-wide Risk Management (ERM) approach which provides a proactive framework of risk management for managing and mitigating risks and their potential impacts on the achievement of company strategic objectives and goals.

Each identified risk is assessed and measures are introduced to provide all reasonable assurance that the risk will not materialise and in the event that it does, that any adverse impact is minimised. The process and identified risks are reviewed annually at the start of the Business Planning Cycle.

The agreed management and mitigation measures are subsequently reflected through any necessary amendments to relevant company policies, procedures and practices.

Chief Executive's Summary



The Management and staff of Oman LNG were faced with turbulent market uncertainties as 2009 began. Energy demand and prices had collapsed after severe economic decline in the wake of

the global financial crisis. It wasn't until the 3rd quarter of the year that some fragile stability returned and the needs of our buyers regained some semblance of predictability.

Commercially, 2009 was a year for remaining calm and espousing sensitivity to the predicament of our key buyers in Korea and Japan who were grappling with unexpected energy oversupplies that threatened their ability to absorb all their commitments. Together Oman LNG and its buyers succeeded in adjusting the annual delivery plans with the full cooperation of our Gas Supplier to accommodate the needs of our buyers whilst ensuring fulfilment of our contracts.

Operationally, 2009 was another successful year of continuing improvements in plant reliability, safety performance, environmental management and meeting our corporate social responsibilities to our stakeholders, thanks to the professionalism, dedication and enthusiasm of our staff and contractors.

Our Challenges in 2009

2009 began with major economic setbacks across the world, ranging from slowdowns in developing economies to deep recessions in developed countries. In our key markets of Korea, Japan and southern Europe, GDP growth went into decline and demand plummeted. Weak, if somewhat uncertain recoveries appeared mid-year and continued to year end. Energy prices bounced back from the low US\$

30's to between US\$70 and US\$ 80 per bbl in the 2nd half of 2009. However, the favourable arbitrage differential that existed in earlier years between the Atlantic and Asia-Pacific markets remained an opportunity of the past. Nonetheless, Oman LNG was able to tap into its portfolio of market relationships to continue generating value through diversions by identifying opportunities in unconventional markets in India and the region.

At home, drops in credit availability and confidence in the private sector did contribute to a slowdown in economic diversification. However, recovered oil and gas prices and the government's unfaltering commitment to its public sector projects and privatisation through public-private partnerships buoyed economic growth and domestic demand for energy and talent. Certainly the opportunities for our current and future employees continued to grow and challenge our "employee value proposition".

Our Responses

The management and staff of Oman LNG focused on seven critical areas to secure our market position and prepare for future success. To be operationally excellent we focused on Achieving HSE Excellence, Ensuring Operational and Asset Integrity and Delivering Cost Leadership.

To address the uncertainties of our markets we put our energies into:

- Meeting our Commercial Challenges and
- Developing and Retaining the Right Talent.
And to continue to earn the trust of all our stakeholders we did not let up on:
- Meeting Government and Society's Expectations and
- Building Organisational Effectiveness.

Our Results

In this annual report we are happy to share with you the progress we have made in these areas. We remain a trusted partner throughout the LNG value and in the growth, development and diversification of the economy of the Sultanate and its people.

The management and staff of Oman LNG are extremely grateful for the continuing guidance of our shareholders, the Board of Directors and its Chairman for their support

throughout 2009. We also recognise the opportunities that have been created for all of us through the continuing success of Oman, made possible by the vision and stewardship of His Majesty Sultan Qaboos bin Said.



Dr. Brian Buckley

General Manager & CEO

Management **Team**



From left to right:

Shukri Al Mandhary

Human Resources Manager

Joost Van Tilburg

Qalhat Complex Manager

Amor Al Matani

Deputy General Manager

Dr. Brian Buckley

General Manager & Chief Executive

Maqbool Al Lawati

Corporate Finance Manager

Ali Al Hashar

Corporate Affairs Manager

Adnan Rajab

Marketing & Shipping Manager



Environment
Beach cleaning is a frequent activity



Safety
Everyone has a role to play



Compliance
Recipient of GCC's Best in Compliance to Environmental Standards Award

HSSEQ Excellence

Health
Safety
Security
Environment
Quality



Do not walk under a suspended load



Do not smoke outside designated smoking areas



Conduct gas tests when required



Work with a valid Work Permit when required



No alcohol or drugs while working or driving



While driving, do not use your mobile and do not exceed speed limits



Obtain authorisation before entering a confined space



Verify isolation before work begins and use the specified life protecting equipment



Wear your seat belt



Follow prescribed journey Management plan



Protect yourself against a fall when working at height



Obtain authorisation before overriding or disabling safety critical equipment

12 Life Saving Rules

Key Highlights

In 2009, Oman LNG continued its resolve for continuous improvement in HSSE performance. Some of the highlights achieved were:

HEALTH

- Staff medical fitness assurance: Oman LNG achieved 97% against a target of 85% in 2009.

SAFETY

- 0.6 Million Man-Hours achieved without a Lost Time Injury (LTI) by end 2009.
- LTIF for 2009 was 0.72.
- Introduced the 12 Life-Saving Rules that clearly define the "do's and don'ts" in the activity areas with the highest

potential for harm to people. The 12 rules are being enforced to ensure compliance by everyone who works with Oman LNG and allows them to return home safely every day.

- 3 major campaigns amongst staff and contractors on:
 - Road Safety.
 - Good House Keeping.
 - Hazard Awareness.
- Executed 6 maintenance shutdowns without LTI or TRC (3 Trains and 3 GTGs).

SECURITY

- Oman LNG completed the installation of new 'state-of-the-art' security facilities and systems to safeguard company

assets and people. The project was based on extensive advice from the Royal Oman Police and our Security Advisors.

ENVIRONMENT

- Oman LNG won the coveted GCC Award for Compliance with Environmental Regulations in late 2008.
- Company is fully compliant with MECA requirements in all its environmental permits and "Licenses to Operate".
- No environmental incident occurred in 2009.
- Very low (pacesetting) flaring rates, averaging 0.23% of total feedgas to plant in 2009.

QUALITY

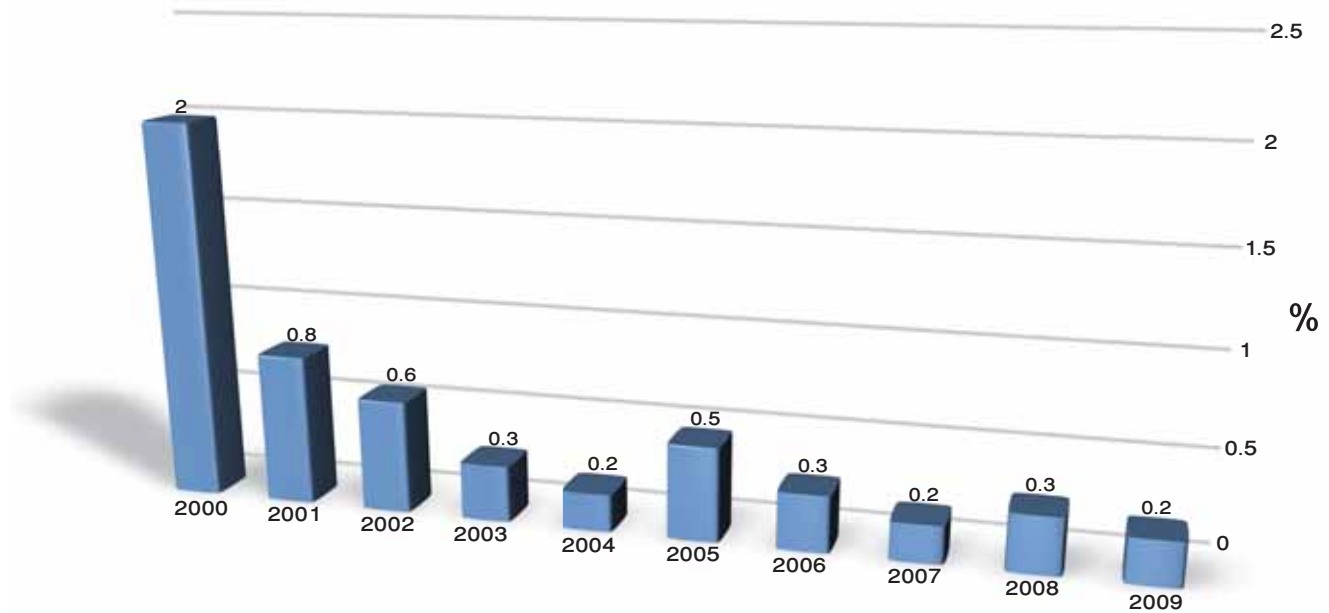
- Successful re-certification audits of our:
 - ISO 9001:2000 Quality Management System.
 - ISO 14001:2004 Environmental Management System.
- Successful re-certification audits of our:
 - ISO 17025 Laboratory Management System

Key Performance Indicators

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Loss Time Injuries	0	0	0	2	0	0	0	0	0	2
Total Recordable Cases	8	4	2	6	2	1	4	2	3	3
First Aid Cases	7	7	10	8	11	4	5	6	7	6
Near Miss Reports	98	142	146	161	187	273	285	335	273	187
Unsafe Act Audit Findings	N/A	15	72	118	571	1370	1764	1519	1739	2530

- The accumulative flaring of 2009 is **0.23%** of total feedgas intake against a target of 0.28%.

Flaring (as % Weight of Feedgas)



Accident Simulator



Agreements
6 Ex Ship LNG
Master & 1
FOB signed



Diversions
5 cargoes diverted
to Pacific Rim
& 1 to Turkey



Milestone
1,133 cargoes
delivered from 2000
to end of 2009

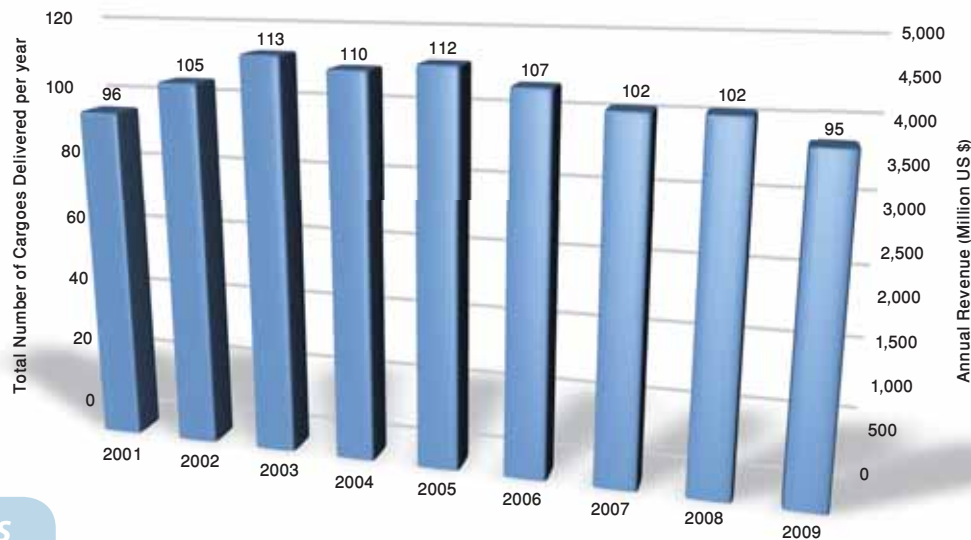
Commercial Activities

*LNG Cargoes
NGL Cargoes
Shipping Capacity
Diversions
New Agreements*



Participation at local and international gas exhibitions

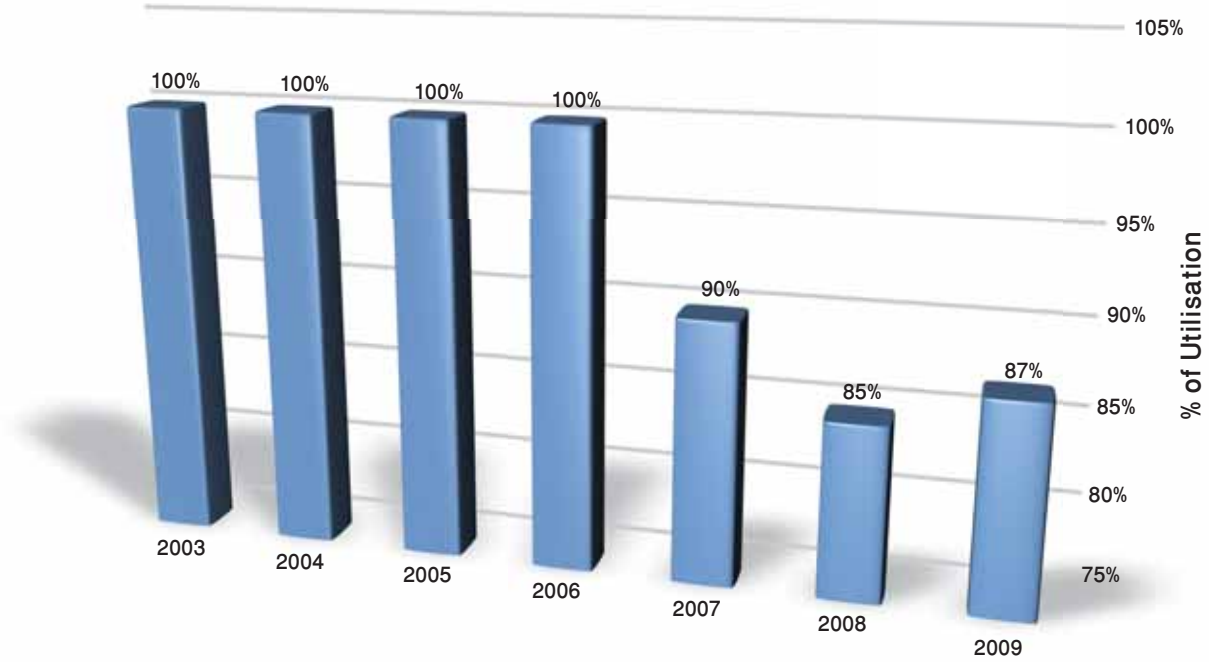
**Total Number
of Cargoes
Delivered per
year**



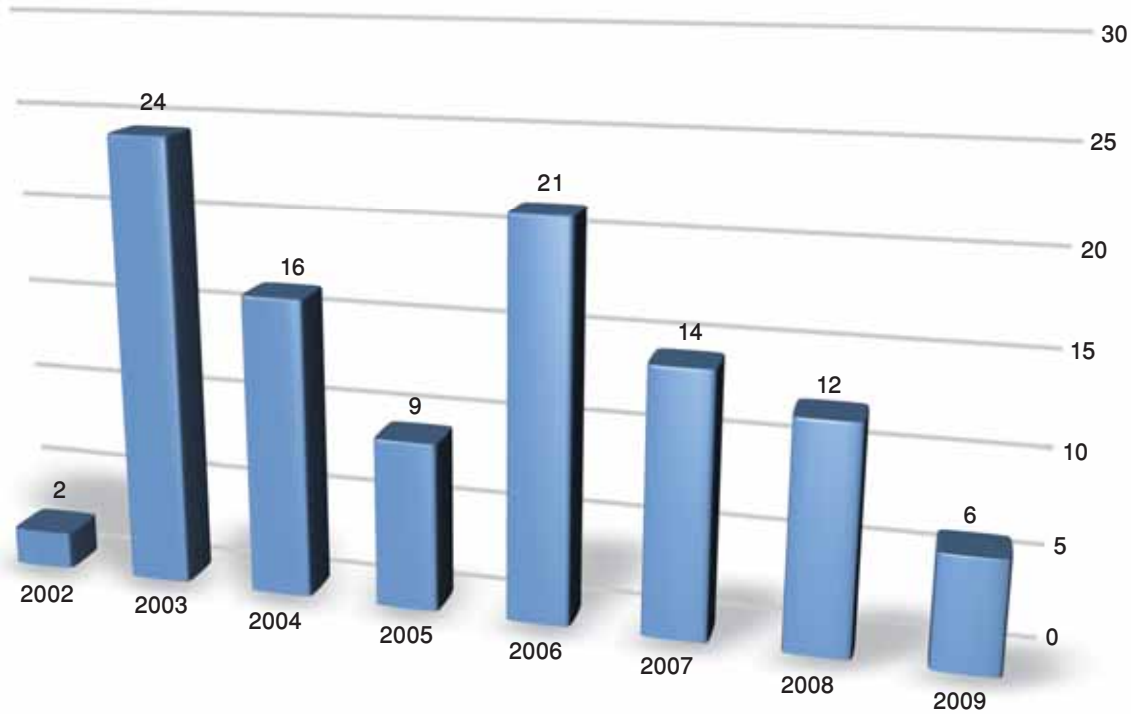
Key Highlights

- All contractual Oman LNG cargoes delivered as per the Annual Delivery Programme.
- 6 Ex Ship LNG Master Agreements and 1 FOB were signed.
- 5 cargoes diverted from the Atlantic Basin to markets east of Suez, 1 cargo to Turkey.
- 133 cargoes (including Qalhat LNG cargoes) were produced and delivered from our Production site at Sur.
- 81% of the shipping capacity was utilised.

Utilisation of Shipping Capacity



Number of Diversions (Including Swaps & Spots)





LNG Production
8.6 mtpa



Safety
A new security project inaugurated to maximise safety of people and other assets



Maintenance
Skilled Omanis lead regular shutdowns for maintenance

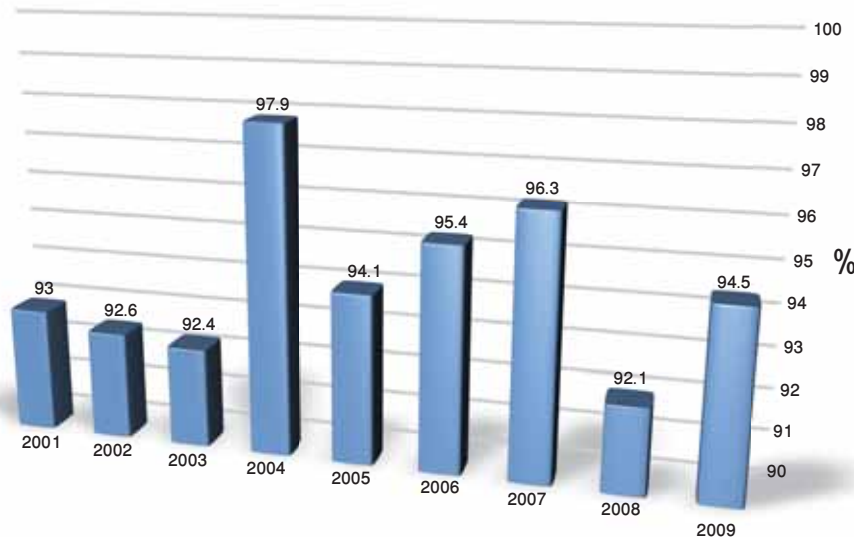
Operational Integrity

Reliability
Availability
Capacity
Asset management



Qalhat Complex

% of Plant Available Capacity



Key Highlights

Operations

8.6 million tonnes of LNG produced in 2009; its nameplate capacity is 10.4 mtpa (million tonnes per annum).

- Plant utilisation of 82.6% of name plate capacity.
- Unused nameplate capacity

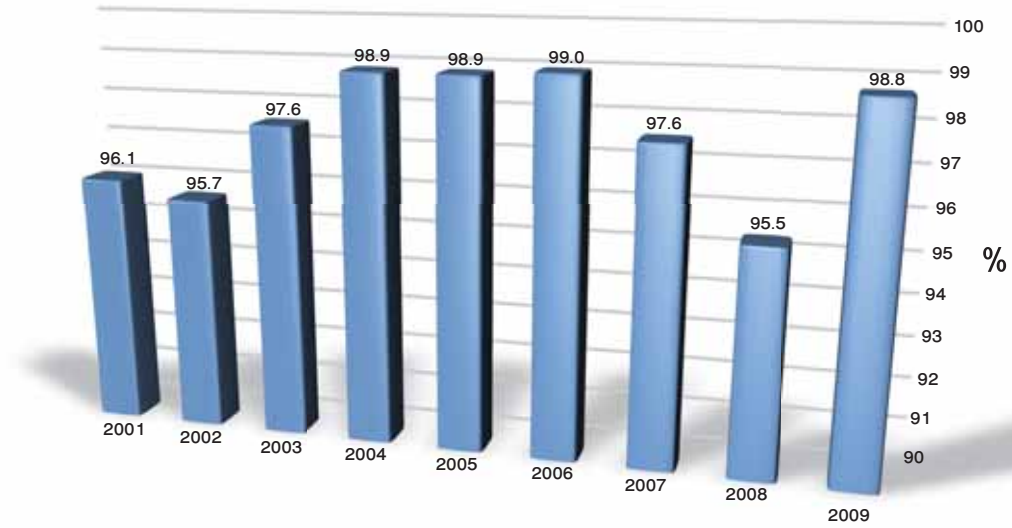
of 1.8 mtpa.

- Achieved the longest uninterrupted run of a train, which now stands at 371 days.
- Leading performance in LNG industry for lowest number of trips (for 3 trains).

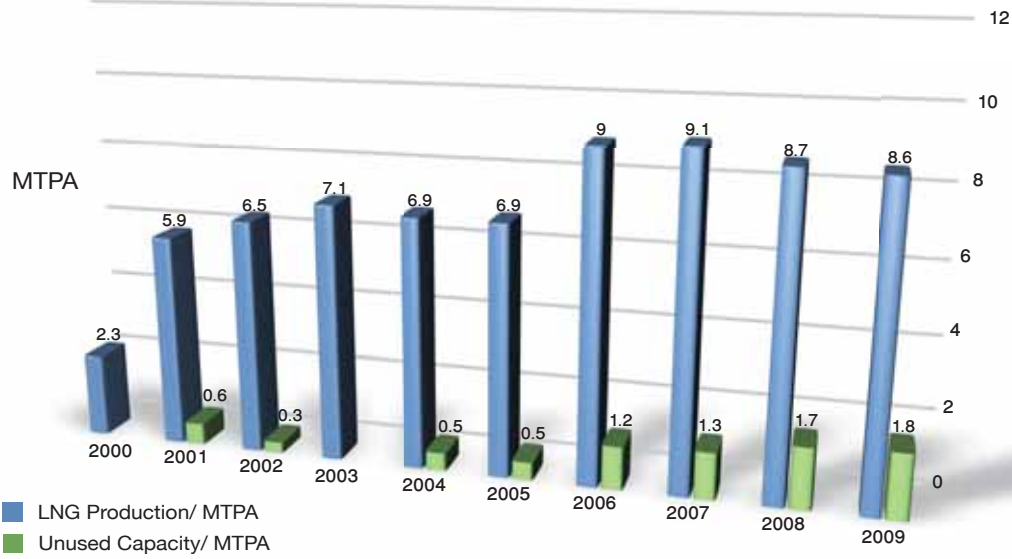
Reliability:

- Plant Reliability at 98.75% which was above target of 98.35%.
- Complex Availability reached 94.75% which was above target of 94.10%.

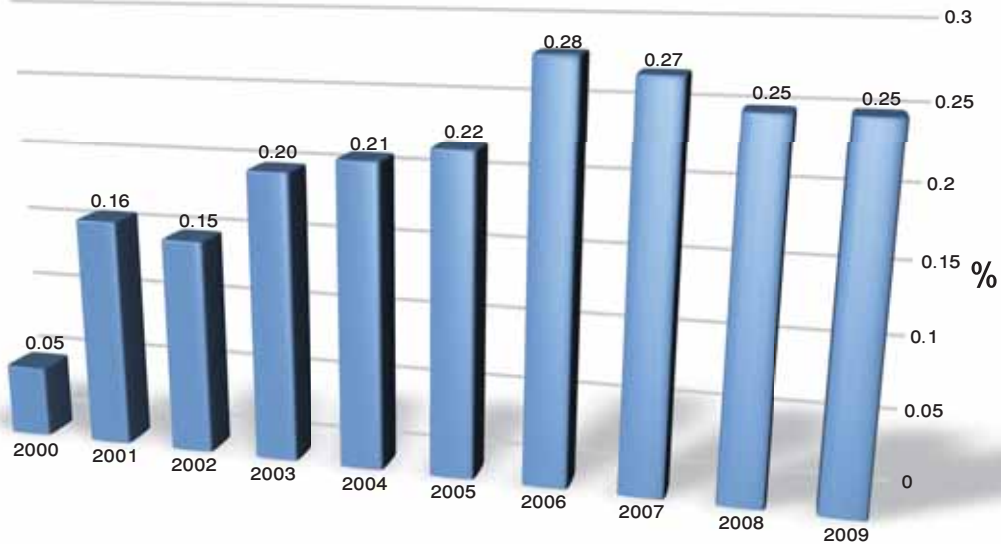
Plant Reliability (%)



LNG Production and Capacity



NGL Production





Recruitment

23 new recruits;
38 staff pursuing
further studies;
112 registered
for professional
accreditation



Omanisation

86.4% by end
of 2009



Award

Recipient of Best
Employer-2009

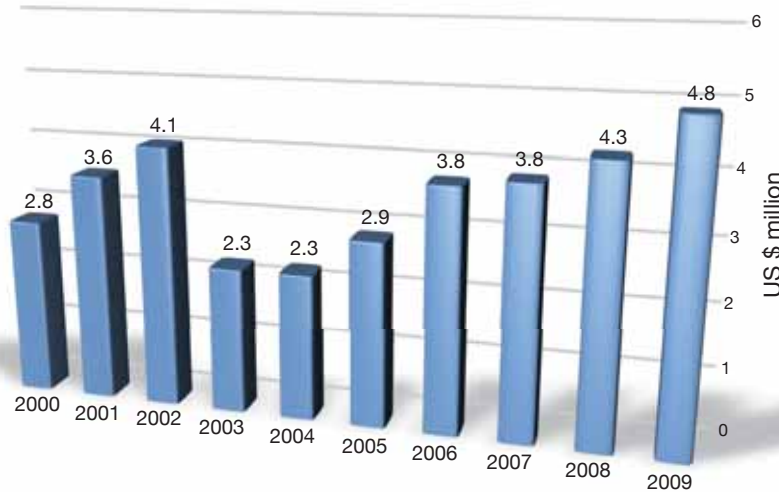
Staff Development

Recruitment
Retention
Learning
Development



An in-house technical training session at the Learning & Development Centre

Investment in Training & Development



Key Highlights

- Recruitment: 9 Omani staff and 14 short-term non-Omani contractors
- Leavers: 9 Omani staff and 18 non-Omani staff left employment
- Omanisation increased from 85.3% in 2008 to 86.4%.

HR Award:

Oman LNG was recognised with the HR Excellence Award 2009 of "Employer of the Year".

Retention & Development:

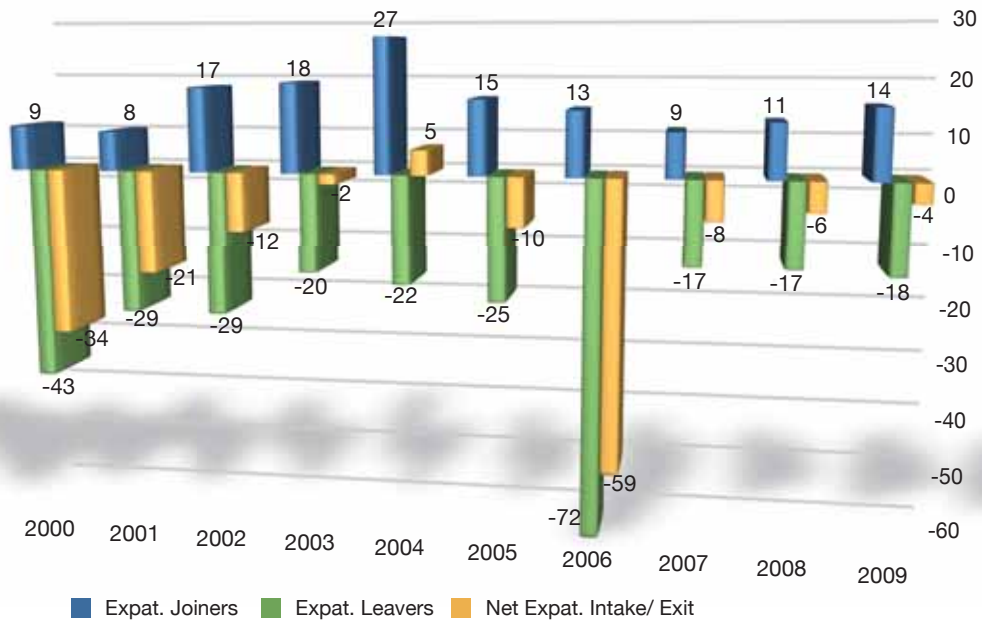
- Long service awards in 2009 celebrated the loyalty of 65 employees who together completed a total of 575 years

of work with Oman LNG.

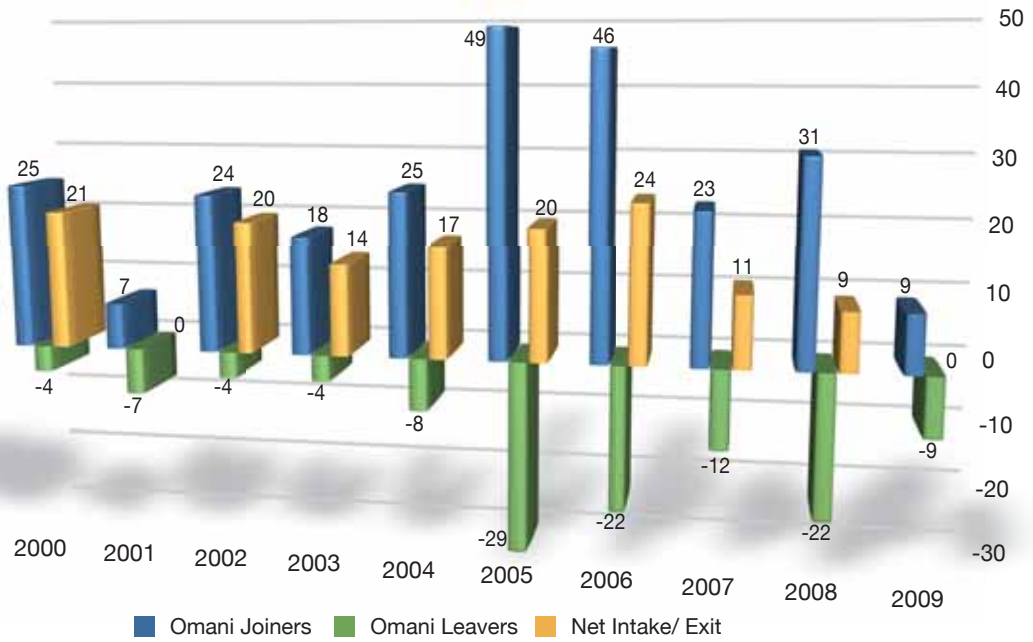
- 3 staff went for further studies to the UK on full scholarships.
- 35 staff received full self-learning sponsorship for undergraduate and graduate studies (BSc/MSc.)
- 112 staff were registered for professional accreditation with recognised Institutions.

- 22 staff awarded diplomas under Company's BTEC-accredited training scheme.
- Oman LNG granted Grade A award by Edexcel for its BTEC programme at the Company's Learning Centre at Sur.

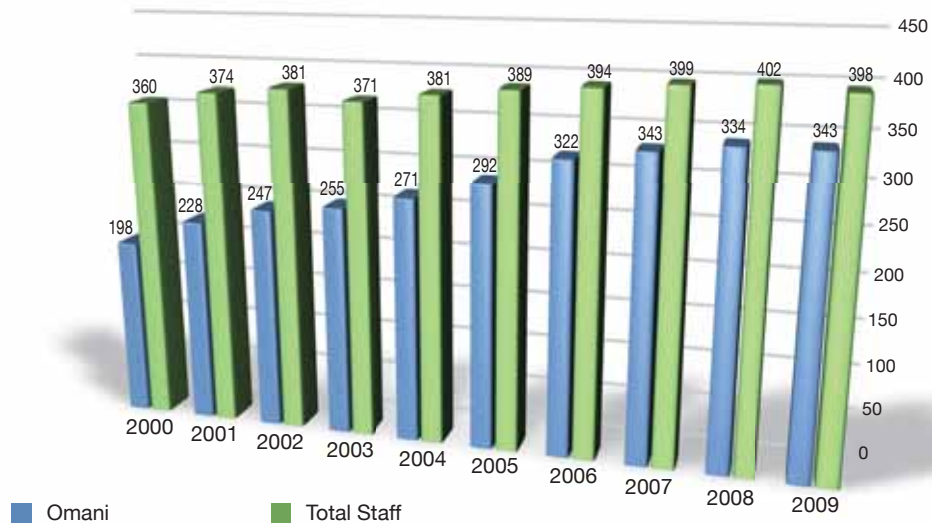
Expatriate Joiners & Leavers



Omani Joiners & Leavers



Employment Profile





Contracts

91 contracts awarded



Omanisation

Contractors' overall Omanisation at 75%



Revenues

95 cargoes of LNG sold

Cost Leadership

Revenues
Costs
Financing
C&P



Staff graduates from Purchasing & Supply Chain Management course

Key Highlights

Revenues

- Revenues for the year were influenced by the decline in oil prices in 2009 compared to 2008. The average JCC price for 2009 was US\$ 62 /bbl, compared to US\$ 103.8/bbl in 2008. Two major customers, Korea Gas Corporation and Osaka Gas lifted fewer LNG cargoes, as permitted under the terms and conditions of their Sales

and Purchase Agreements with Oman LNG. The total numbers of LNG cargoes sold during 2009 was 95.

Financing

- Over \$12 million in interest costs were saved through tactical management of competitive interest rates and periods.
- 50% of company's long-term loan facility was hedged at

2.98% p.a.

- 13% reduction in premium for Operational Insurance realised in generally hardening market.

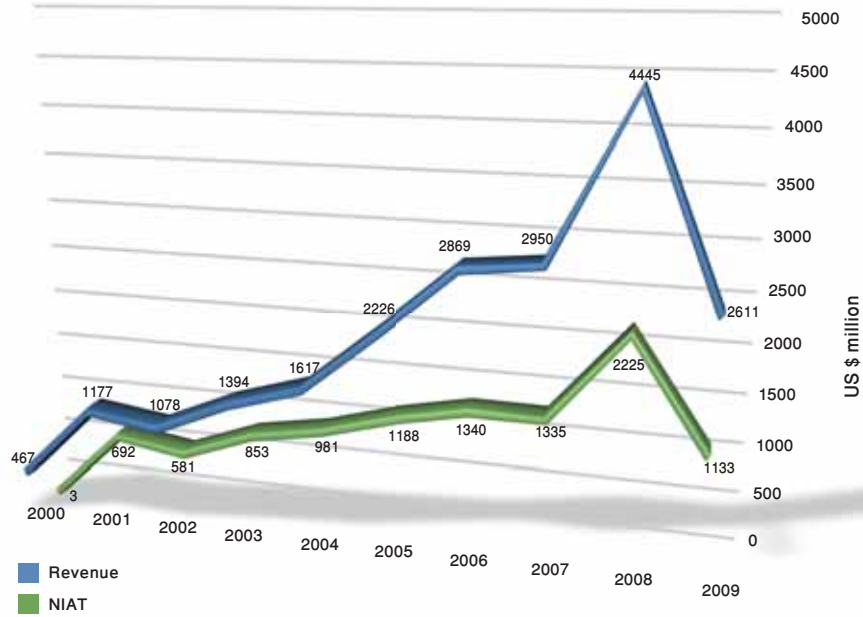
Contracts & Procurement

- Total of 91 contracts with total value of over US\$ 478 million awarded.
- 21 contracts awarded in 2009; 17 to Omani companies with

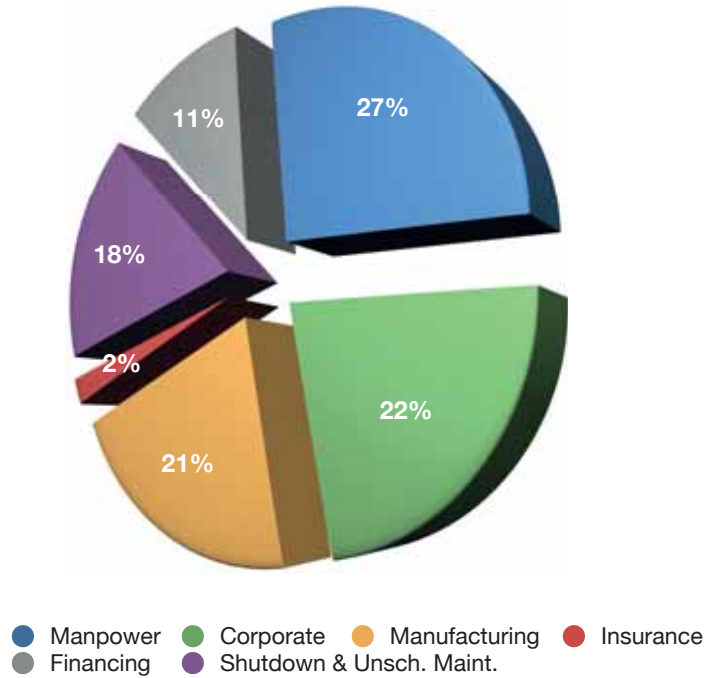
a total contract cycle value of over US\$17.7 million.

- Contractors' overall Omanisation was 75% in 2009.

**Revenue
vc. Net
Income
After Tax
2000-2009**



**2009
Operation
Expenditure
(excluding
Social
Investment
Programme)**



Our Contractors & Suppliers

	US\$ Million				Percentage		
	FOREIGN	Omani Non -Suri	SURI	Total	FOREIGN	Omani Non-Suri	SURI
BLANKET ORDERS	0	0.1	0.2	0.3	0%	47.9%	52.1%
PURCHASE ORDERS	11	16	1	29	40.3%	54.8%	4.9%
WORK ORDERS	14	10	2	26	52.8%	39.2%	7.9%
Grand Total	25	26	3	55	46%	47.4%	6.6%



CSR
 Recipient of
 Arabia's first CSR
 Award -2008



Sports
 A large donation
 to support
 the National
 Football Team



Healthy living
 A walkway in Sur to
 promote walking

Brand & Reputation

*National Fund
 Community Fund
 Sponsorship &
 Donations
 Health & Education*

Key Highlights

2009 continued to be another active year in all areas of the Social Investment by the Company.

Some examples of Oman LNG's contributions:

Infrastructure

- Maintenance of 191 houses in cooperation with Oman Charitable Organisation.
- Technical and financial support for the Municipal Waste Dump project in Sur
- Development of "Corniche" coastal road at Al Aija, Sur

Health

- Supplied portable heart echo-cardiograph system to Royal Hospital.
- Supplied equipment for the Cancer Center at Royal Hospital & Cytogenetic Laboratory at Khoula Hospital.
- Funded the purchase and installation of equipment for a specialised Ear, Nose & Throat (ENT) training laboratory

Education

- Equipped the Scientific Discovery Centre in Sharqiya North for Ministry of Education.
- Equipped electrical and electronic laboratories and

workshops at technical colleges in Nizwa and Mausanaa.

- Digital laboratory established at the D. G. of Education in Musandam.
- Telescope dome delivered for the educational observatory in Al Hokein.

Skills for Employment

- Training of 30 Omanis as Stores Quality Supervisors in cooperation with OPAL and employers who offered employment to all successful candidates.
- Inijaz training programmes for school students in Oman. A programme to support capacity building for our young students to understand the business world by offering real insight into the work culture.

Enterprise

- Training and Business Start-up support in mushroom farming for women in Salalah.

Culture & Heritage

- Maintenance and improvements of Falaj Abu Man in Kabda, Sur.

Sports

- 5-a-side "Ghazi" Football and Beach Volleyball

Competitions in Sur.

- Annual Traditional Boat Race in Sur.

Environment

- Construction of protection barriers in the Wilayat of Wadi Bani Khalid against animal encroachment.
- Rearing of White Goats in Jabal Al Abiyadh, Heil Al Harem, and Wilayat of Dima Wa Al Tayeen.

Social

- Equipment for various Omani Women Associations in the Sultanate, such as: Rustaq, Manah, Bahla, Sur, Masira, Saham, Wadi Al-Maawil, Jaalan bani bu Ali, Bid bid, Taqa, Mirbat and, Salalah.
- Seven (7) hal pens for the blind in Dhofar to enable members of Al Noor Association use the computer and internet facility.
- Workshop on female tailoring in Masira organised through the Women Association to enable women establish their own businesses and support income for their families.
- Buses and equipment for the disabled in Oman in cooperation with the Omani Association for Handicapped.

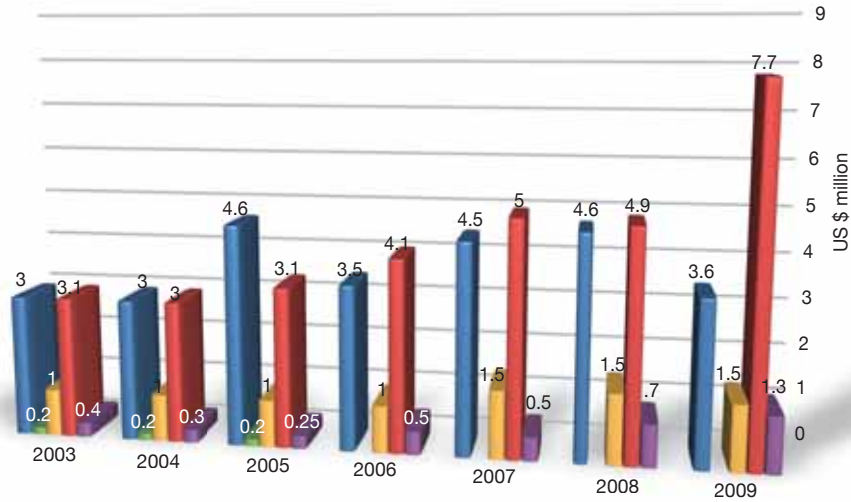
Agriculture

- Sewage treatment and water irrigation project in the Wilayat of Ibra. The project will utilise treated sewage water for irrigation of landscaping projects in Ibra Municipality and the newly built park in the town of Ibra.
- Funding the use of open areas between farms to implement agriculture projects in the Wilayat of Bani Khalid. The project is a co-operation among low-income families to use green house ideas in producing agricultural products and increase their income.

Fisheries

- Artificial floating reefs to attract the fish (Fads) and increase the quantity of fish caught by the fishermen.

Social Investment Programmes Budget - SIP (US\$ million)



■ Community Fund
 ■ NF-Sponsorship
 ■ Human Resource Development
■ National Projects
 ■ Sponsorship & Donations



Employment

Graduation from Skills Training into Employment



Environment

Mechanised beach cleaning in Sur



Awareness

Bringing awareness to Communities

Health

The Regional ENT post-graduate Laboratories at Al Nahdha Hospital, Muscat



Heritage

Fatih Al Khair Museum in Sur



Community Enterprise

Carpet weaving at Ibra



Education

Establishment of language & computer labs in a number of colleges



Technical Education

Electric & electronic laboratories in regional Technical Colleges



Enhancing Education

State-of-the-art IT Laboratories and Networks

Education

Scientific discovery centre in Sharqya North



Skills

Car workshop in Saham



Traditional sports

2010 Pan-Arab Traditional Games in Sur



Conservation

Ras Al Jinz Turtle Research Centre



Waste Management

New waste compaction Centre, Sur



Fisheries

Modern Fishing Harbour, Sur



EMT
A meeting of the Extended Management Team



Planning Ahead
Discussing the new Business Plan



Oman LNG's Head Office
Adapting traditional concepts to modern business settings

Organisational Effectiveness

*Adjustment for:
Best Practice
Effectiveness
Delivery of strategic objectives*



The administration building in Sur

Key Highlights

In early 2009 Oman LNG embarked upon an 'Organisational Effectiveness (OE) Project' with the purpose of identifying clearly the business processes that support our operation and determining areas for improvement when compared to best practices in the industry and for more effective delivery of our own strategic objectives.

The project has completed the 4 phases below:

1. Identification of all activities currently undertaken in Oman LNG in support of our business.
2. Aggregation and roll-up of these to sub-processes and full processes.
3. Based on our strategic business objectives, determination of Oman LNG's key Business Processes and Supporting Processes from a top-down perspective and assurance that those identified in Phase 2 are mapped consistently to those identified in the 'top-down' approach.
4. Compare Oman LNG's Business and Supporting Processes with 'Best Practice' in the industry and agree where Oman LNG wants to be in relation to 'Best Practice'.

In 2010, the project will conclude with recommendations for any organisational adjustments needed, clarification on where accountability lies for ensuring effective business processes and the strategy for achieving more effective and consistent processes throughout the company that will ensure delivery of its strategic objectives in the challenging years ahead.