

ANNUAL
REPORT
2018

DELIVERING VALUE



الشركة العمانيّة للغاز الطبيعيّ المسالّ ش.م.ع


Oman LNG LLC.

ANNUAL REPORT 2018




الشركة العمانية للغاز الطبيعي المسال ش.م.م
Oman LNG L.L.C.

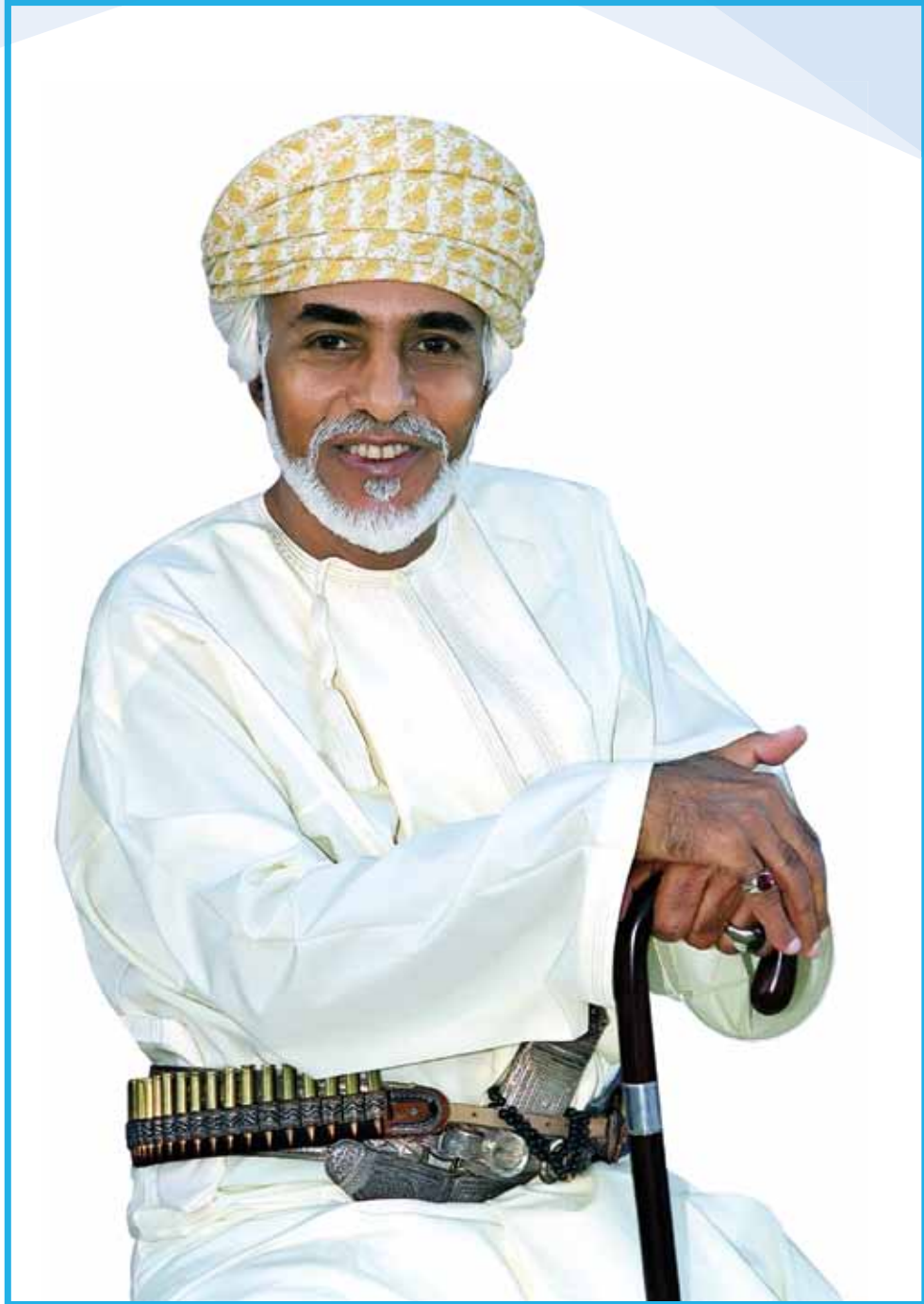
Head Office: Airport Heights, Ghala, P.O. Box: 560,
Mina Al Fahal, P.C: 116, Sultanate of Oman.
Tel: +968 24609999, Fax: +968 24625406
Qalhat Complex: Tel: +968 24609999, Fax: +968 25547700

 omanlng.com

 @OmanLNG

 Oman LNG

 OmanLNGLLC



HIS MAJESTY SULTAN QABOOS BIN SAID



Reliable and safe delivery of LNG to our customers





AT A GLANCE

+350

Million US\$ - amount invested in over 6,000 SIP projects and initiatives across the country



29.9

Million Man-Hours without Lost-Time Injury (LTI)



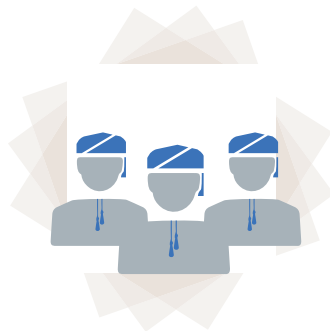
1.5%

Of Company's Net Income After Tax (NIAT) dedicated for Social Investment Programmes (SIP)



733

Number of Staff



+97.4%

Pacesetting Reliability of LNG Trains

83%

Omanisation - Oman LNG has remained at the forefront of attracting and retaining the best talent



15%

Of staff sponsored by the Company for higher education programmes



26

Staff are undergoing specialised professional qualifications, sponsored by the Company



*Information provided as of December 2018.



World-class Liquefaction Plant

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Unleashing talent potential

OMAN LNG IN BRIEF

Oman Liquefied Natural Gas LLC (Oman LNG) is a joint venture established by a Royal Decree in 1994 and operates under the laws of the Sultanate of Oman. The Company engages in the business of producing and selling Liquefied Natural Gas (LNG) and its by-product Natural Gas Liquids (NGLs).

Oman LNG undertakes project operations and related activities essential to liquefy, store, transport, and market Oman's natural gas and to deliver LNG to customers. The Company operates three liquefaction trains with a nameplate capacity of 10.4 million tonnes per annum (mtpa).

The Company's activities contribute to the Government's objectives of diversifying the economy. Oman LNG's liquefaction plant is located on the coast at Qalhat near Sur in the South Sharqiyah Governorate and its head office is located in Muscat.



Empowering our female workforce

3 LIQUEFACTION
TRAINS

10.4 MILLION
Tonnes per annum (mtpa)

Our safety vigilance breeds excellence, and we continue to break safety milestones, which stood at over 29 million man-hours worked without Lost-Time Injury (LTI).

OUR VISION

The Best At What We Do

OUR MISSION

- To produce, market and deliver LNG safely, reliably and profitably
- To develop our business and employees to their full potential
- To be a trusted partner in the sustainable development of Oman and its people

OUR CORE VALUES

INDIVIDUAL BEHAVIOUR

Integrity

- Living the Oman LNG values.
- Doing what is right even if no one is watching.

Professionalism

- Producing quality work at all times.
- Efficiency and effectiveness in carrying out assigned roles and responsibilities.

Accountability

- Delivering on promises based on agreed targets.
- Demonstrating ownership of mandated assignments.

ORGANISATIONAL BEHAVIOUR

Team Work

- Collaborating with others to deliver organisational objectives.
- Value differences and leverage diversity.

Care and Respect

- Listening to concerns of stakeholders.
- Respecting diversity.
- Considering stakeholders' needs.

Empowerment

- Having confidence and trust in delegated responsibilities to staff to execute tasks competently.
- Coaching and mentoring to continuously develop staff.

BUSINESS BEHAVIOUR

Transparency and Fairness

- Engage staff/stakeholders in an open, transparent and timely manner.
- Provide equal opportunity to all staff without prejudice
- Impartiality in staff reward and recognition.
- Build courage to give objective feedback.

Reputation and Loyalty

- Compliance with the law and business principles in order to maintain credibility with stakeholders and the license to operate.
- Uphold business interests at all times without breaching organisational confidentiality.

STRATEGY MAP

THE BEST AT WHAT WE DO



R: Maximise Value Contribution to Stakeholders and Sustainable Development of Oman

R1: Expand our Investment Activities

R2: Drive Cost Leadership

R3: Optimise Market Value

RESULT EXCELLENCE

P3: Assure Commitments to our Customers

P1: Be a Trusted Partner and Sustain License to Operate

P2: Ensure Commitment and Plant Reliability



PARTNERSHIP EXCELLENCE

OPERATIONAL EXCELLENCE

O1: Produce, Optimise, Market and Deliver LNG Safely, Reliably and Profitably

O2: Improve and Streamline Internal Process

O3: Excel in HSSE and Risk Management



TEAM EXCELLENCE

T2: Foster a Culture of Collaboration / Teamwork

T1: Optimise Utilisation of our Business Technology and Team

T3: Attract, Develop and Retain the Best People for the Right Job



BOARD OF DIRECTORS



H.E. Dr. Mohammed bin Hamad Al Rumhy

Minister of Oil and Gas,
Government of Oman,
Chairman of the Board of Directors of
Oman LNG L.L.C.



H.E. Dr. Khalifa bin Abdullah Al Barwani

Chief Executive Officer,
National Centre for Statistics and Information
Government of Oman,
Deputy Chairman of the Board of Directors
of Oman LNG L.L.C.



Saif bin Hamad Al Salmani

Director General of Planning
and Projects Evaluation,
Ministry of Oil and Gas,
Government of Oman



Suleiman bin Salim Al Adi

Director General of Survey
and Tax Agreements,
Ministry of Finance,
Government of Oman



Haitham bin Yousef Al Zadjali

Head of Pension,
Ministry of Finance,
Government of Oman



Christopher Breeze

Shell Country Chairman
and General Manager,
Shell Development Oman L.L.C.



Asje Tempelman

Vice President,
Ventures East,
Shell Integrated Gas



Elias Kassis

Director Middle East and North Africa Exploration and Production, TOTAL



Jong Ho Lee

Vice President, Korea LNG Limited



Atsushi Fujii

General Manager, Middle East Natural Gas Business Department, Natural Gas Business Division, Energy Business Group, Mitsubishi



Ken Yamamura

General Manager, Natural Gas Div. II, Energy Business Unit II, Mitsui and Co. Ltd



Dr. Antonio Jose Da Costa Silva

Chairman of the Management Commission, Partex Oil and Gas



Haruo Maeda

General Manager, Natural Gas Business Department, Energy Division No.1, ITOCHU Corporation*



Harib bin Abdullah Al Kitani

Chief Executive Officer, Oman LNG



Ahmed bin Saud Al Zakwany

Chief Financial Officer and Company Secretary, Oman LNG

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

CHAIRMAN'S MESSAGE



Our company entered 2018 with a resolve to disengage from the deflationary mindset embedded across the industry and to fully embrace the return of modest growth. And so, one year on, it is no complacency to reflect with satisfaction on how much that resolve has been rewarded.

Even more encouraging, however, are the production and safety records we continue to deliver, and that is where true expansion now lies. This spells brighter prospects for our company and its stakeholders, our most important stakeholder being, of course, the country we serve.

As each year passes with an unbroken safety record, the pressure to not fail escalates. The figures at year-end are no less than phenomenal, with almost 30 million man-hours without Lost Time Injury (LTI) and that in a context of substantially increased production. We can be proud to have sealed for another year our reputation as a company, that places a no-compromise value on personal safety and asset integrity. Initiatives such as the Behaviour-Based Safety Programme are what sustains Oman LNG's impeccable safety culture by discouraging the normalisation of risk. Safety remains crucial to our industry.

Although price stabilisation has brought benefit to the bottom line, Oman LNG's success is a product of multiple converging factors. It is a success articulated far broader than the balance sheet, one that resonates with continuous improvement, cost leadership, on budget, safety achievements, staff empowerment, and CSR with compassion. We are humbled by the validation our company received in 2018 with awards for 'Most Exceptional Contribution to HSSE', 'Best Graduate Recruitment Programme', and 'Best Company in CSR.' For these proud achievements, we can thank exemplary leadership and an exceptional workforce.

Less than a year and a half into our capacity-building collaboration with PDO, our joint endeavours are creating opportunities in both technology and renewables, most notably with the ambitious solar-powered car park project at the Ministry of Oil and Gas, which will gather speed in 2019. The fine balancing act we manage between sustainability and

growth is reflected in the steady advancement of our major projects, including the Plant Rejuvenation Programme, the Power Project and the Debottlenecking Project, all of which come without compromise to our established reputation for reliability, high HSE performance and unflagging commitment to social and community expectations.

Optimisation and Lean are the key moving parts in the growth engine of Oman LNG, working in tandem to enhance Oman LNG's march towards ever greater efficiencies. They have yielded handsome dividends, in terms of cost-savings and an accelerated move towards digitalisation and greater efficiencies. We have, meanwhile, invested significant energy in developing staff competence through the dynamic Lean process, while enabling our internal talent to earn accreditation from external professional bodies. As an overall approach to continuous improvement, it resonates well with our drive to advance staff development and competencies.

Oman LNG Development Foundation is now a flourishing three-year old entity. As it seeks out new horizons in community partnership, it thrives in the conviction that it is fully sustained by its corporate parent; for CSR has never been perceived within our company as a burden to be endured, let alone compromised, but rather a joy to which we bring passion and creativity. This philosophy has kept us alert to the expectations of our stakeholders in good and challenging times.

Finally, on behalf of every member of the workforce of Oman LNG, our Board of Directors, management and contractors, may I convey our collective gratitude and appreciations to His Majesty Sultan Qaboos bin Said for the wisdom, guidance and support he has afforded this industry, and to the Government of Oman for its unflinching commitment to the progress of both the business and its workforce.

Mohammed bin Hamad bin Saif Al Rumhy
Minister of Oil & Gas
Chairman of the Board of Directors of Oman LNG

CORPORATE GOVERNANCE

BOARD COMPOSITION

The Board of Directors consists of a maximum of 14 (fourteen) non-executive members, as follows: Government of the Sultanate of Oman: 7 (seven) members, including the Chairman and the Vice-Chairman; Shell: 2 (two) members; other shareholders (with the exception of Itochu Corporation): 1 (one) member each. Itochu Corporation is represented at Board meetings by an Itochu nominee who does not have voting rights.

BOARD ACTIVITIES IN 2018

The Board of Directors met 3 times in 2018, in March, June and November respectively. At its March meeting in Muscat, the Board endorsed, for approval by shareholders, at the Annual General Meeting, the financial statements and final dividend for the year 2017. The Board also endorsed the appointment of PricewaterhouseCoopers (PwC) as the company's external auditors for 2018. In addition, the Board reviewed corporate performance and approved the 2017 scorecard results, along with proposed improvements to the Company's Conflict of Interest Policy.

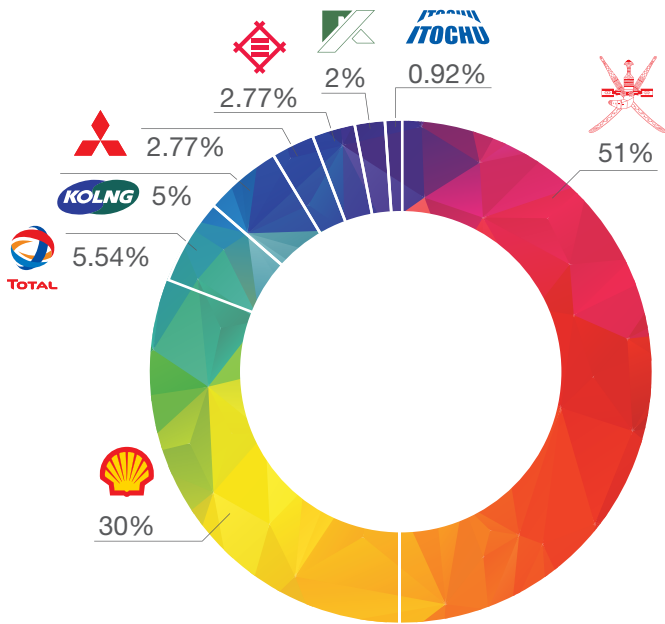
Wrapping up the spring meeting, the Board was briefed on the progress of major projects and operational update, with particular emphasis on Lean and Continuous Improvement initiatives.

At the June meeting, held at Company headquarters in Muscat, the Board approved an outline of the upcoming 5-year business plan, before being updated on progress in plant-related projects, with specific focus on the award of contracts related to the Power Project. The Board was briefed on the success of Train 1 shutdown, with excellent HSE results, and a broad overview of business activities and achievements.

The November Board meeting took place at Oman LNG Plant in Sur, where the Company also hosted a meeting of the PDO Board under the two Companies' project of collaboration in various business matters. At the last Board meeting for the year 2018, the Business Plan 2019–2023 was approved, as were the 2019 Operating and Capital Budgets. Also on the agenda were the Integrated Assurance Plan 2019 and proposed improvements to the Company's Manual of Authorities, both of which were approved.

Central to the agenda was the CEO's report for 2018, in which he summarised for the Board, the achievements of the previous 12 months and the Company's strategies for maintaining excellence in all of its operations and results.





SHAREHOLDER COMMITTEES

The Shareholder Committees were established under the Shareholder Agreement to assist the Board in an advisory capacity. There are four committees with specific mandates that address 1) Technical, 2) Personnel, 3) Financial and 4) Commercial, and they meet in advance of each Board meeting. Every shareholder has the right to representation on the Shareholder Committees. For reasons of efficiency, the Personnel, Financial and Commercial Committees meet jointly, while the Technical Committee sits separately. The Shareholder Committees do not make decisions for the company, but rather review and endorse recommendations by management for presentation to the Board of Directors for approval. The Committees met three times during 2018 prior to meetings of the Board.

THE AUDIT COMMITTEE

The purpose of the Audit Committee is to provide independent oversight of the systems of internal control and of the financial reporting processes. This is effected by 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: 3 (three) representatives, including the Chairman; Shell: 1 (one) member; non-Shell shareholders: 2 (two) representatives selected in rotation, 1 (one) of whom should be a technical representative agreed by the shareholders.

The Audit Committee met 3 (three) times in 2018. The meetings were attended by the Chief Internal Auditor and the Chief Executive Officer. The Chief Financial Officer was present when the Statutory Financial Statements and Management Letter were presented by the Statutory External Auditor. To ensure independence, the Chief Internal Auditor reports directly to the Chairman of the Audit Committee.

In line with best practice, the Internal Audit department adopts a risk-based methodology in proposing and executing its audit programme. Several assurance audits were also carried out by external parties, including the Company's external auditors, shareholders, international standards organisations (ISO), and the Technical Advisor.

During the 2018 meetings, the audits carried out during the year were reviewed by the Committee for levels of compliance with the Company's control framework. Under its mandate to ensure that effective control is in place, the Committee tracked the management's compliance with proper and timely closure of agreed audit actions. The Committee also reviewed audit reports, the Management Letter and associated Financial Statements for 2017, audited by the Statutory External Auditors for endorsement by the Board of Directors.

THE COMPANY MANAGEMENT

The Management of the Company implements an Enterprise-wide Risk Management (ERM) approach that provides a proactive framework of risk management and mitigates risks and their potential impact on the achievement of the Company's strategic objectives and goals. Each identified risk is assessed and appropriate measures are introduced to provide all reasonable assurances that threats will not materialise, and that in the event that they do, any adverse impact would be minimised. The process and identified risks are reviewed annually.

“ The November Board meeting took place at Oman LNG Plant in Sur, where the Company also hosted a meeting of the PDO Board under the two Companies’ project of collaboration in various business matters. At the last Board meeting for the year 2018, the Business Plan 2019–2023 was approved, as were the 2019 Operating and Capital Budgets. ”

CHIEF EXECUTIVE'S SUMMARY



The year closed on a high note, with accolades from our peers validating 12 months of progress on many fronts, from safety to production and optimisation to an expected increase in the bottom line. In a field populated by companies much larger and longer established than ours, we were unprepared, yet delighted, to emerge as the Best Oil and Gas Company of 2018.

It was a year of multiple challenges, but we have become accustomed to surmounting challenges, thanks to our robust workforce and the world-class environment in which we operate. Our working environment is one in which modern facilities are amply complemented by initiatives that increase efficiency, promote sustainability and drive our progress towards renewables.

The company's highlights for 2018 were distributed fairly evenly across the sectors, reflecting a balanced advance from the point of turnaround at the end of 2017.

HEALTH, SAFETY AND ENVIRONMENT

Our safety vigilance breeds excellence, and we continue to break safety milestones, which stood at nearly 30 million man-hours worked without Lost-Time Injury (LTI) and over 27 million kilometres driven without an LTI by year-end. What makes this achievement even more remarkable is that our record has not been broken even as we continue to deliver major operational and civil projects. Moreover, it is clearly evident that our staff and contractors take pride in meeting our high safety standards.

We are making strides in tackling a tendency to complacency, through the Behaviour-Based Safety Programme. One of our largest challenges as a company is sustaining the safety culture, a task that demands that we stay vigilant to all health, safety and environment matters at all times.

HUMAN RESOURCES

As a company that is people-centred and safety-centred before all else, we take particular pride in our nurturing approach to initiative and resourcefulness in Oman LNG employees. Our workforce is confident of the support they are afforded in identifying and rewarding talent, enabling them to set out clear career perspectives for employees with the desire and ability to rise through the company.

The culture of fostering aspiration has led to a greatly empowered workforce. As the industry grows, and with it an appetite for fresh talent, we were pleasantly delighted to receive a "Future Workplace Award" in 2018 for Best Graduate Recruitment Programme.

PRODUCTION

We achieved our production rate of 10.4 million tonnes per annum (mtpa) by a combination of regular plant maintenance activities – including the successful shutdown of Train 1 and Train 3 – and meticulous forward planning. The strength represented in this figure confirms our plant's ability to process high volumes without cost to delivery or safety. Indeed, we have already pressed this capacity further, embarking on major projects, such as the Plant Rejuvenation Programme, the Power Project and the Debottlenecking Project, all of which are now running at full speed and all contributing to increasing plant efficiencies and boosting output.

LEAN AND CONTINUOUS IMPROVEMENT (CI)

Our ongoing journey on Lean has been rewarding. We have adopted Lean methodology, delivering long-term benefits to our stakeholders, while consuming fewer resources by utilising the talent residing within our workforce. The 2018 calendar year saw many successful Lean projects delivered; moreover, it introduced the Corporate Lean Hopper – which identifies potential Lean projects in the funnel from all functions. We now have 43 fully certified CIP Lean Practitioners within the workforce. With their expertise and support, our 'Journey on Lean' continues and spreading in all functions of the Company.

MARKETING

The marketing team continues to be creative and innovative in a constantly changing market environment. Their task is facilitated by Oman LNG's strong relations with markets and customers abroad, as well as by exemplary safety and reliable LNG deliveries. We delivered 162 LNG cargoes, the highest number yet, to an expanding network of destinations worldwide. Meanwhile, in January 2018, the 7-year Sales and Purchase Agreement (SPA) with BP Singapore, which supplies 1.1 mtpa of LNG, went into effect and closed the year successfully.

OMAN LNG DEVELOPMENT FOUNDATION

Last but not least, our CSR programme continues apace and continues to earn plaudits locally and globally. We have been accustomed to meet the country's expectations both in good and challenging times. This was clearly demonstrated when we spearheaded the contribution for Cyclone Mokunu with a generous support of 16 million USD.

Hay Al Sharooq International School (HASIS), an important component of our enriched Employee Value Propositions (EVP), welcomed the 2018/19 academic year from its new state-of-the-art facility, eager to offer a world-class learning environment to another generation of children.

Among the side benefits of a highly skilled workforce functioning in a compassionate culture is active engagement, and in 2018 this was reflected in the many voluntary activities through which company personnel continue to deliver value to every corner of this blessed country.

RESULTS

With an expected improvement in net earnings going forward as prices continue to inch upwards, 2019 is going to be an exciting year. Our company has not arrived at this place without hardship along the way. Nor will maintaining our position be without the occasional struggle, but we have never been more confident in our ability to survive and prosper in all climates.

The management and staff of Oman LNG, who worked hard throughout the year, are extremely grateful for the continued guidance of our shareholders, the Board of Directors and its Chairman throughout 2018. We also recognise the opportunities that have been created for all of us, made possible by the visionary leadership of His Majesty Sultan Qaboos bin Said and the Government of Oman.

We pray to the Almighty that He may continue to bless His Majesty with abundant health and well-being.

Harib Al Kitani
Chief Executive Officer

MANAGEMENT TEAM



Harib Al Kitani
Chief Executive Officer



Amor Al Matani
Deputy Chief Executive Officer



Raja Murad
Chief Operating Officer



Ahmed Al Zakwany
Chief Financial Officer



Saif Al Harthy
Chief Corporate Services
and Investment



Mahmoud Al Balushi
Chief Commercial Officer



Mohammed Al Naseeb
Chief Marketing Officer (QLNG)



Ahmed Awladthani
Chief Human Resources and Administration Officer



Khalid Al Massan
Chief Executive Officer
Oman LNG Development Foundation



18

2018

YEARS OF EXCELLENCE

Our ongoing journey on Lean has been rewarding. We have adopted Lean methodology, delivering long-term benefits to our stakeholders, while consuming fewer resources by utilising the talent residing within our workforce.



Contemporary working environment with the opening of the new administration building at our plant in Qalhat, Sur.

EMPLOYING AND NURTURING LOCAL TALENT



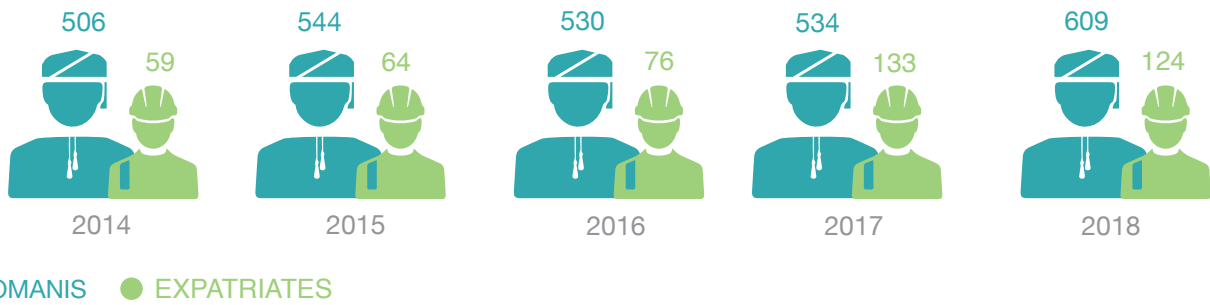
KEY HIGHLIGHTS

IN NUMBERS

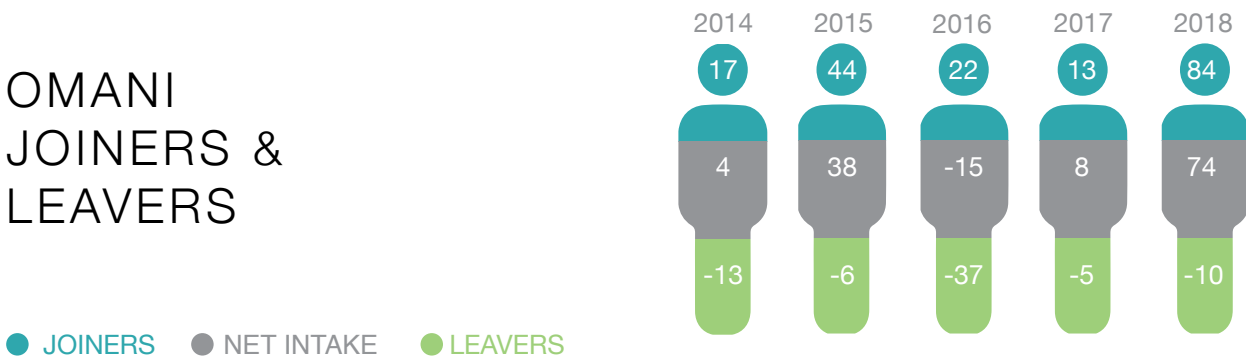
- Oman LNG extended its successful collaboration with various government entities, such as the Ministry of Manpower and Ministry of Oil and Gas, in sourcing business and creating employment opportunities for Omanis.
- Our job creation endeavours were sealed in 2018 with the recruitment of 67 graduates across the calendar year.
- In line with its Lean and Continuous Improvement approach, the Human Resources department rolled out a number of Lean projects which in combination were responsible for multiple improved processes and heightened efficiency levels.
- An enterprise integrated strategic succession plan was successfully implemented. The succession plan initiative supports the identification of talent and mapping of subsequent development that matches Omani employees to specific strategic jobs and career paths.

- Total Staff: 733
- Omani Staff: 609
- Omanisation: 83.1%
- 22 Omanis on short and long-term assignments
- 13 Enrolled in overseas scholarships
- 26 Staff undergoing professional qualification
- 93 in sponsored local self-education

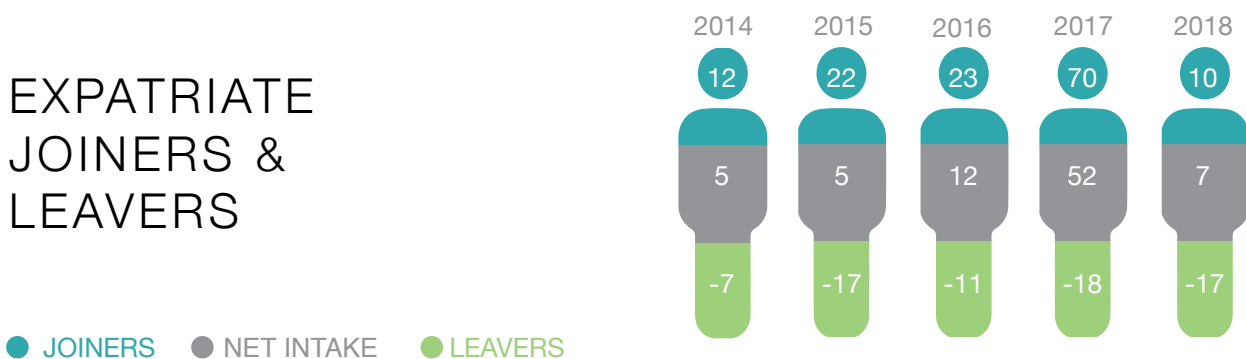
EMPLOYMENT PROFILE



OMANI JOINERS & LEAVERS



EXPATRIATE JOINERS & LEAVERS



SAFE AND RELIABLE PRODUCTION



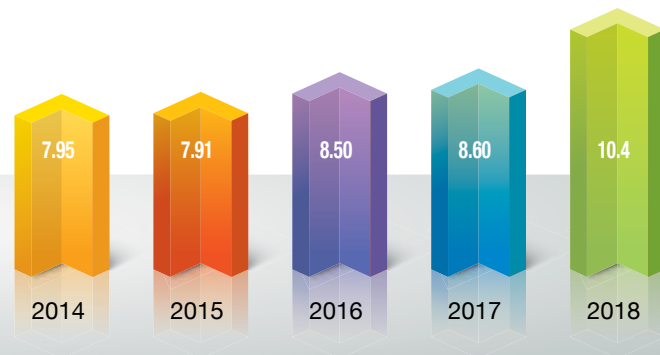
KEY HIGHLIGHTS

- We achieved a record production rate of 10.4 million tonnes per annum (mtpa).
- Executed successfully with excellent deliverables; two train shutdowns (Train 1 and Train 3), and a major inspection shutdown in GTG2.
- Readiness Plan 2018 (RP18) is progressing and on track, with modifications for new gas completed in all three LNG trains.
- Power Project's Engineering, Procurement and Construction (EPC) was awarded and gas engine manufacturing is on target for start-up in 2020.
- The Debottlenecking Project developed by Oman LNG enhances efficiency and creates additional value from surplus gas in the grid.

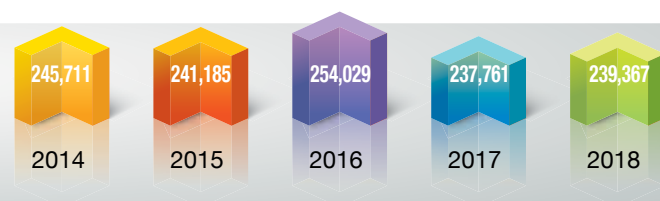
IN NUMBERS

- LNG Production: 10.4 mtpa
- LNG Capacity: 10.4 mtpa
- Full Production capacity achieved
- Reliability: 97.4%
- Utilisation: 90.2%
- NGL Production: 239,367 MT

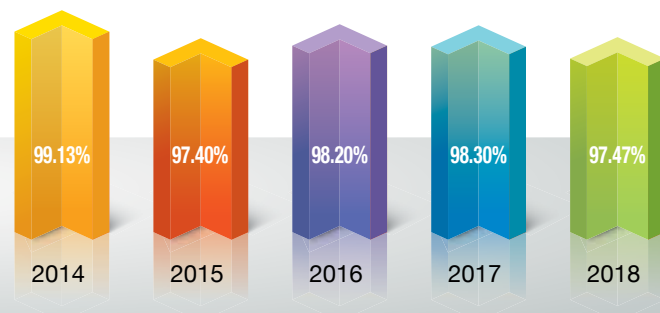
LNG PRODUCTION IN MILLION TONNES



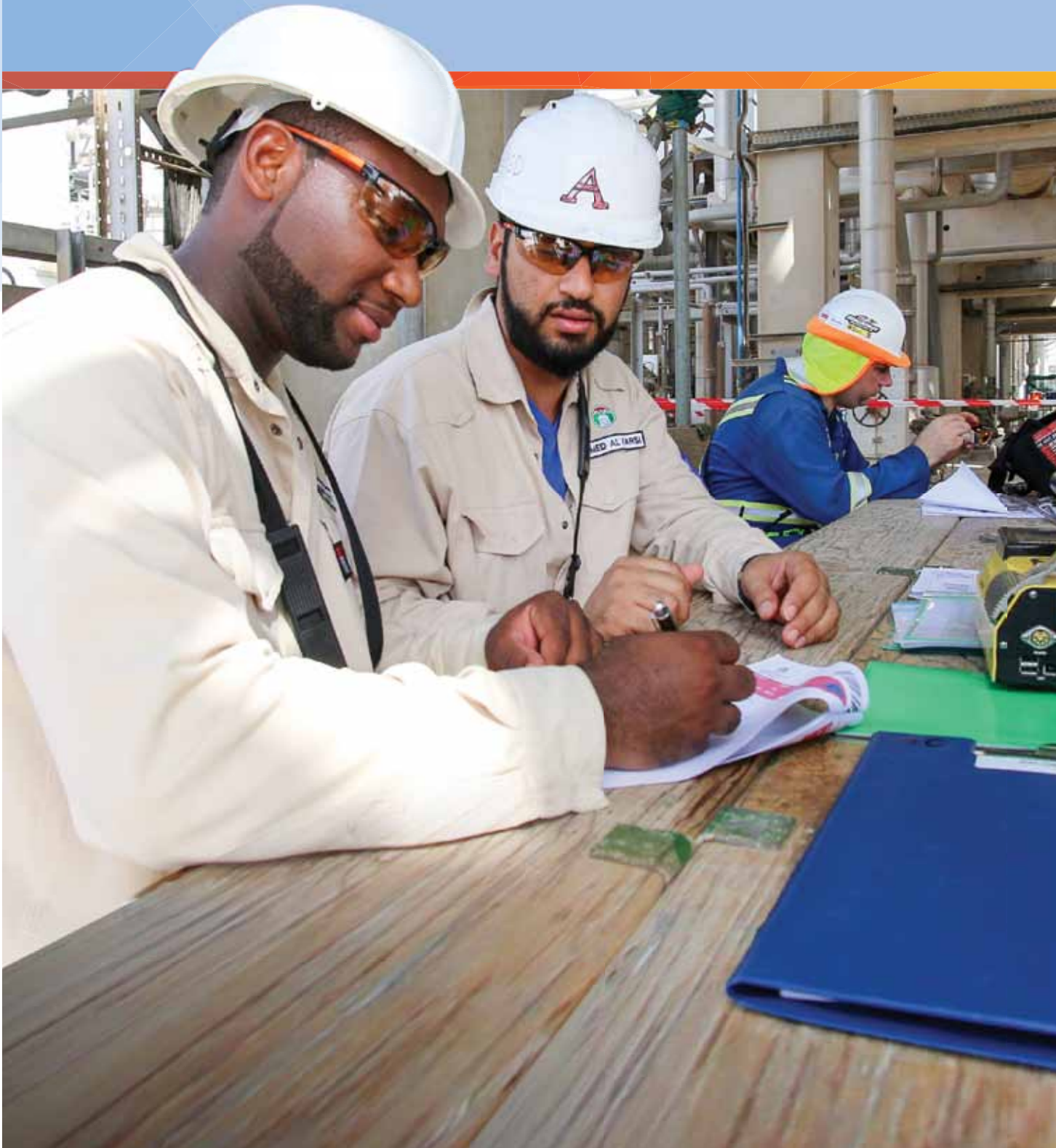
NGL PRODUCTION IN TONNES



PLANT RELIABILITY



PROTECTING THE ENVIRONMENT AND CARING FOR PEOPLE



KEY HIGHLIGHTS

- An outstanding personal safety milestone was realised in the form of an accumulated unbroken record of days without a Lost Time Injury (LTI) for both man-hours worked and kilometres driven.
- 2018 witnessed many safety events, including the Safety Day exhibition themed: 'Care, Dilemmas and Risk Normalisation.'
- Phase Two of the Behaviour-based safety (BBS) Journey focused on Safety Leadership, Field Coaching and a Train the Trainer Programme, taking us further along our journey to enhance and maintain a robust safety culture.
- The plastic reduction initiative coordinated across the plant generated a reduction in plastic consumption of 3 tonnes for the year.
- Several prestigious HSE awards were received, including a HSSE Award at the LNG International Summit for 'Most Exceptional Contribution to HSSE'.

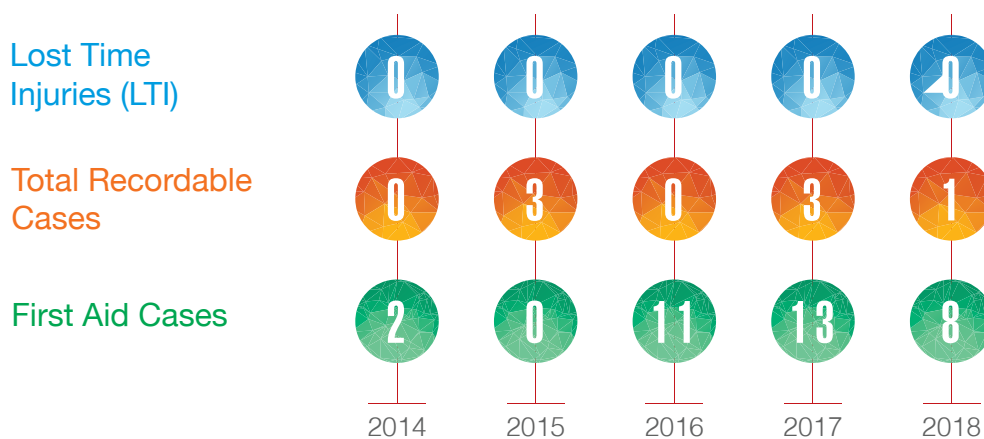
IN NUMBERS

- 29.9 million LTI-free man-hours
- 3,127 days without LTI
- 255 days without any Total Recordable Cases (TRC)
- 1314 days without a Tier 1 Process Safety Event
- 436 days without a Tier 2 Process Safety Event
- 27 million kilometres driven safely without LTI

12 LIFE SAVING RULES

 Do not walk under a suspended load	 Do not smoke outside designated smoking areas	 No alcohol or drugs while working or driving	 While driving, do not use your mobile and do not exceed speed limits	 Conduct gas tests when required	 Obtain authorisation before entering a confined space
 Follow prescribed journey Management Plan	 Protect yourself against a fall when working at height	 Wear your seat belt	 Work with a valid Work Permit when required	 Verify isolation before work begins and use the specified life protecting equipment	 Obtain authorisation before overriding or disabling safety critical equipment

KEY PERFORMANCE INDICATORS







“Our CSR programme continues apace and continues to earn plaudits locally and globally. We have been accustomed to meet the country’s expectations both in good and challenging times”



Proud of our continuous engagement with stakeholders and commendation we receive.

GLOBAL AMBASSADORS THROUGH LNG SALES



KEY HIGHLIGHTS

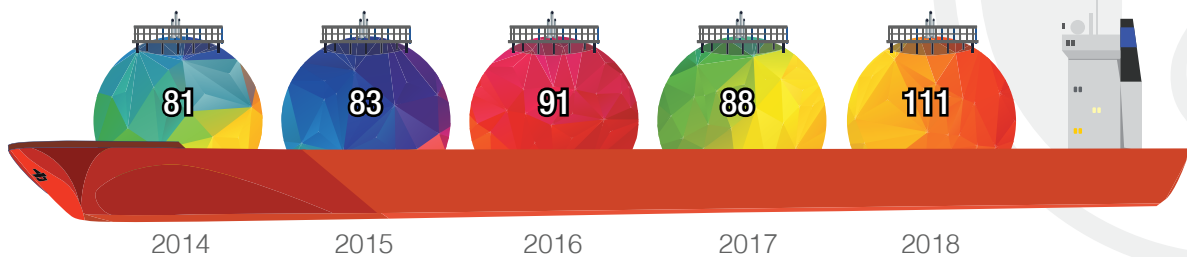
- 162 LNG cargoes, the highest number to date, were successfully delivered to an expanding network of destinations worldwide.
- In January 2018, the 7-year Sales and Purchase Agreement (SPA) with BP Singapore, which supplies 1.1 mtpa of LNG, was commissioned.
- Oman LNG's robust reputation for delivering clean energy to the world was maintained, even as domestic demand for gas rose.
- All exports were carried out safely and reliably, without incident or injury across the value chain.

IN NUMBERS

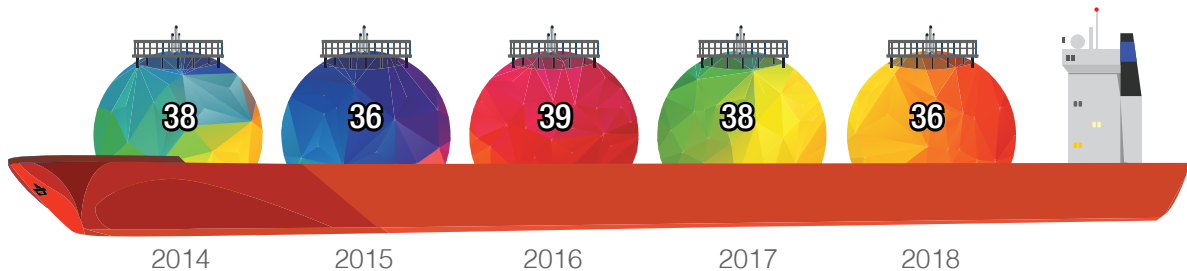
- 162 LNG cargoes loaded from Oman LNG's world-class plant in Sur: 111 on behalf of Oman LNG, 11 of which were spot cargoes, and 51 on behalf of Qalhat LNG.
- 36 NGL cargoes lifted.
- Sohar LNG was utilised for 253 days, serving various customers and partners globally.
- Shipping utilisation of 69% achieved.

COMMERCIAL ACTIVITIES

Total number of LNG cargoes delivered



Total number of NGL cargoes produced



FINANCIAL PERFORMANCE



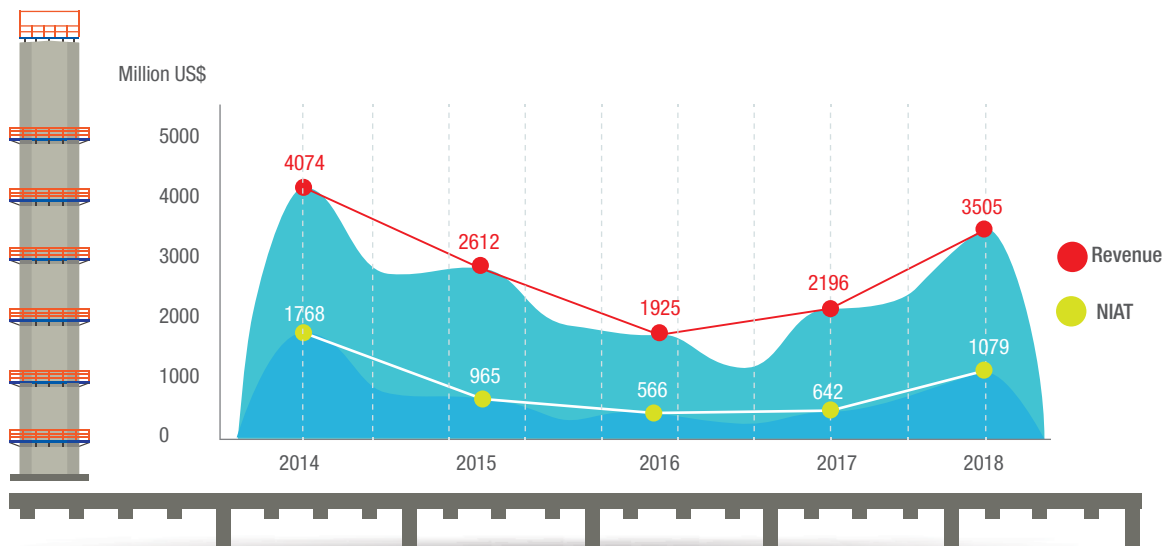
KEY HIGHLIGHTS

- The company's revenue and Net Income After Tax (NIAT) was up 60% and 68% respectively by comparison with fiscal 2017, a significant improvement. The increase was attributable to both improved oil prices and additional gas volumes.
- During 2018, Oman LNG transferred US\$ 151 million worth of assets and investments into the Oman LNG Development Foundation (ODF) fund that supports the Company's Social Investment Programme (SIP).
- Corporate Tax for 2018 was US\$ 170 million.
- Notwithstanding its growing list of operational and business activities, the Company managed to log a US\$ 9 million underspend in its OPEX for 2018 compared to the approved budget, thanks to a series of cost optimisation initiatives .

IN NUMBERS

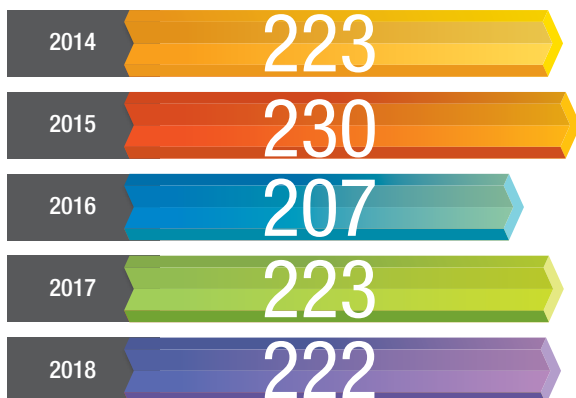
- Revenues: US\$ 3,505 million
- NIAT: US\$ 1,079 million

REVENUE VS. NET INCOME AFTER TAX 2014-2018

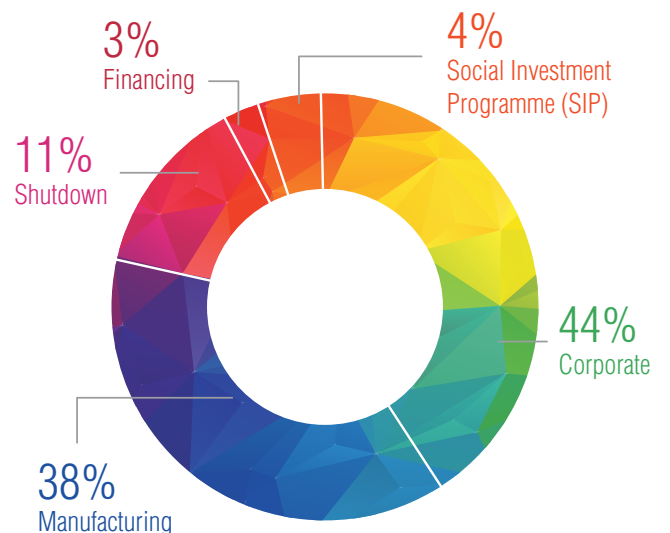


HISTORICAL OPEX 2014-18

Million US\$



OPEX 2018 (ACTUAL)



QALHAT LNG



HISTORY

Qalhat LNG began operations in 2005 with a single train that made up the third liquefied natural gas production unit at the plant in Qalhat, Sur. The train is operated by Oman LNG on behalf of Qalhat LNG.

Qalhat LNG has three long-term Sales and Purchase Agreements (SPAs) for a total contracted volume of approximately 3.3 million tonnes per annum (mtpa).

The agreements to supply LNG include a 20-year SPA with Spain's Union Fenosa Gas (1.65 mtpa), a 17-year SPA with Japan's Senboku Power Fuel Co. Ltd (0.8 mtpa) and a 15-year SPA with Mitsubishi Corporation Japan (0.8 mtpa).

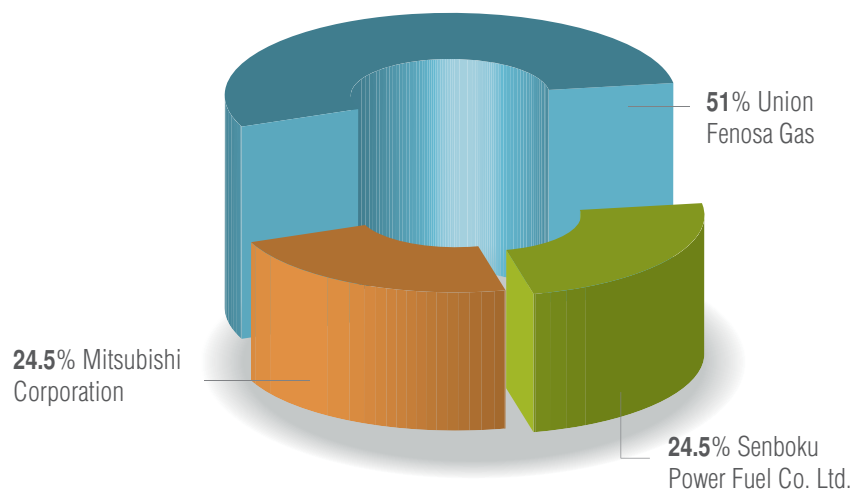
On 1st September 2013, the management of Qalhat LNG integrated with Oman LNG.

FINANCIAL HIGHLIGHTS

- Total revenue in 2018 was US\$ 1,230 million.
- Shipping optimisation achieved cost reductions of US\$ 23 million.
- The final instalment of the long term loan of US\$ 540 million was made early in December 2018, three months ahead of its due date in March 2019.
- The investment portfolio generated dividends of US\$ 1.82 million, representing an overall dividend yield of 5.5% for 2018.
- 32 cargoes were successfully diverted from the 2018 Annual Delivery Plan, bringing added value to the Company.

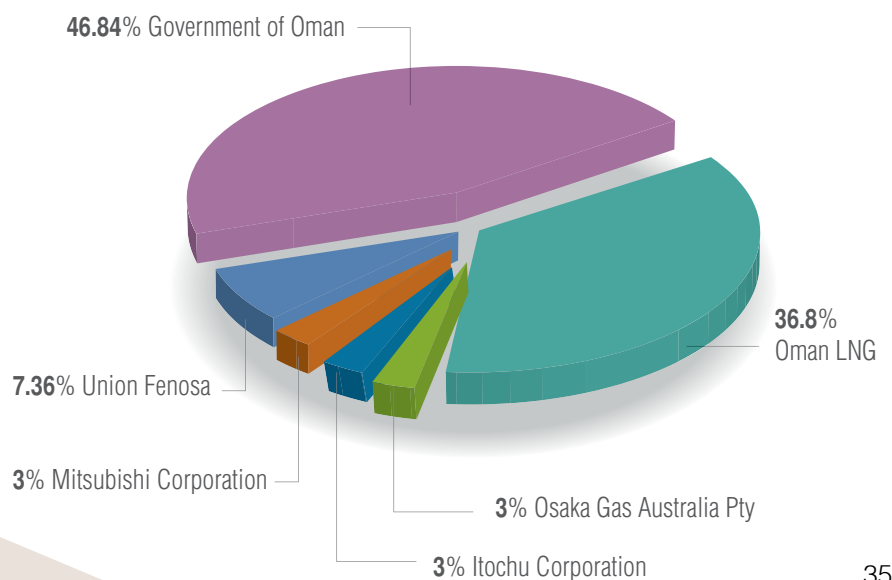
LONG-TERM BUYERS

- Union Fenosa Gas
- Senboku Power Fuel Co. Ltd.
- Mitsubishi Corporation



SHAREHOLDERS

- Government of Oman
- Oman LNG
- Union Fenosa
- Itochu Corporation
- Osaka Gas Australia Pty
- Mitsubishi Corporation



OMAN LNG DEVELOPMENT FOUNDATION



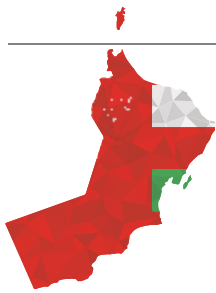
KEY HIGHLIGHTS

- Our unique CSR model in the Sultanate goes from strength to strength, with a social investment that extends across the entire territory.
- Oman LNG Development Foundation (ODF) continues to lead in its project to touch lives, taking pride in promoting the best CSR practices in the country.
- While seeking no external reward for its efforts, ODF was delighted to accept national recognition in the form of the Oman Chamber of Commerce and Industry's 'Best Company in CSR' Award for 2018. Further validation from its Arab peers came at the Arab Best Global Awards 2018, where Oman LNG was selected as 'Best Company in CSR 2018'.
- The Hay Al Sharooq International School is completing its maiden school year, a remarkable achievement in itself, enhanced by its being delivered on time, on budget and with Zero Lost-Time Injury.

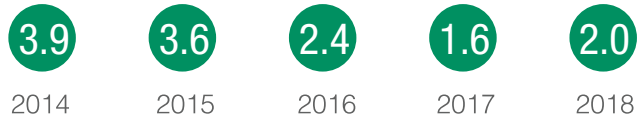
KEY PROJECTS

- The Science and Robotics Labs in Buraimi, Dhahira and Dhofar Governorates were inaugurated as part of a nation-wide initiative, bringing the current total to 9 labs across 8 Governorates.
- Various health institutes benefited from much sought-after medical equipment.
- The foundation stones of various critical projects were laid: the National Autism Centre in Muscat, the Autism Unit in Sur and the Isolation Ward at Sur General Hospital.
- An outdoor playground at Al Sahwa Park designed for the use of disabled children was funded.
- A range of security and safety devices were delivered to 300 school buses in South Sharqiyah Governorate.

KEY SUSTAINABILITY INDICATORS (US\$ MILLION)



NATIONAL PROJECTS



HUMAN RESOURCES DEVELOPMENT



COMMUNITY FUND PROJECTS



SPONSORSHIP & DONATION



نلامس حياة الناس TOUCHING LIVES



دعم التعليم التقني والتدريب المهني
SUPPORTING TECHNICAL AND VOCATIONAL TRAINING



معدات طبية متقدمة في عدد من المؤسسات الصحية
CUTTING-EDGE MEDICAL EQUIPMENT



مختبرات الروبوت التعليمية
NOVEL ROBOTIC LABS INITIATIVES



تمكين وتنمية مواهب الشباب
EMPOWERING YOUTH



