

Total Focus on Qatar

An Interview with Philippe Guys,
Group Representative – Qatar, Total



Philippe Guys

EDITORS' NOTE Prior to assuming his current post, Philippe Guys served as Vice President, Drilling & Completion, in Total's head office in Paris from 2004 to 2007. During his 27 years with Total, he has held various positions in drilling and production, engineering, and management in numerous countries around the world, including China, Indonesia, Venezuela, Scotland, and areas of the Middle East, as well as in Paris, as Head of Research and Development and Head of Drilling Operations and Engineering. From 2001 to 2004, Guys was the General Manager of the newly created operating company Ypergas in Caracas. Guys graduated in 1977 from the School of Mechanical Engineering at the École Centrale de Nantes, and from the École Nationale Supérieure du Pétrole et des Moteurs at the French Petroleum Institute.

COMPANY BRIEF Total (www.total.com) is a leading multinational energy company with 96,400 employees and operations in more than 130 countries. Together with its subsidiaries and affiliates, Total is the fourth-largest publicly traded integrated international oil and gas company in the world. Total engages in all aspects of the petroleum industry, including oil and gas exploration, development, and production; refining; marketing; and the trading and shipping of crude oil and petroleum products.

When and why did Total decide to invest in Qatar?

Total started its activities in Qatar in 1935

as a shareholder of Iraq Petroleum Company, which created Qatar Petroleum Company – the operator of the Dukhan oil field – which was nationalized in 1974. Total stayed in Qatar after nationalization to contribute to the development of the gas resources discovered in 1971, and to the development of offshore oil fields in the '80s, together with Elf. On the petrochemical side, the group was involved in the creation of Qatar Petrochemical Company [Qapco] in 1971, which was the first ethylene/polyethylene plant in the Gulf, and which started its operations in 1981.

Total contributed to the creation of Qatargas in 1984, which was in charge of developing liquefied natural gas [LNG] in Qatar, and was thus the pioneer company in LNG. At the end of 1992, Qatargas signed a sale and purchase agreement with Japanese buyers, and the first production of LNG started in 1996. In 1989 and 1990, Total was awarded two exploration blocs, which led to the discovery of the Al Khalij oil field in 1991. Al Khalij started producing oil in 1997.

Total also participated in the creation of the Dolphin Project, the result of the collective vision of the United Arab Emirates and the State of Qatar, and created a regional gas grid within the Gulf for the very first time. In 1999, Total signed a strategic partnership agreement with the UAE Offset Group [UOG], and signed the founding agreements of Dolphin Energy in 2001. The project started to export gas in 2007. One year earlier, in 2006, Total acquired an interest in Qatargas 2 Train 5, and took part in the first mega LNG train project.

What is the scope of Total's current investments and activities in Qatar?

Total has invested billions of dollars in oil, gas, and petrochemicals in Qatar. Total holds a 100 percent interest in, and is the operator of, the Al Khaleej offshore oil field, where the group uses highly innovative technologies to optimize the recovery rate of a very complex reservoir. Total also holds a 20 percent interest in the upstream part of the Qatargas 1 LNG project and a 10 percent interest in the liquefaction plant. Qatargas 1 has a current capacity of 10 million metric tons of LNG per annum.

Total holds a 16.7 percent equity interest in Qatargas 2 Train 5 and signed sales and purchase agreements for the purchase of up to 5.2 million metric tons per year of LNG. In addition, Total holds a 24.5 percent interest in the Dolphin Project, which involves the production and processing of natural gas from Qatar's North

Field, and the transportation of 2 billion cubic feet per day of gas by a 370-kilometer subsea pipeline to the UAE for delivery to customers. Gas production from the Dolphin Project started in July 2007 and the facilities became fully operational in February 2008.

Total is also involved, with a 10 percent equity share, in the Laffan Refinery Project, a 146,000-barrels-per-day refinery under construction in Ras Laffan to process condensate produced from North Field gas. Total Petrochemicals, the group's chemicals branch, holds a 20 percent stake in Qapco, a major producer of ethylene and low-density polyethylene. In 2007, Qapco successfully completed an expansion of its ethane cracker facility in Mesaieed Industrial City, bringing its total ethylene production capacity to 720,000 metric tons per annum. Total is further expanding its petrochemical activities in Qatar through Qatofin, a joint venture between Total Petrochemicals [36 percent], Qapco [63 percent], and Qatar Petroleum [1 percent], which is currently building a 450,000-metric-tons-per-annum linear low density polyethylene plant in Mesaieed.

What has Total found best, and most challenging, about its work in Qatar?

Thanks to his clear and farsighted vision, His Highness Sheikh Hamad bin Khalifa Al-Thani, the Emir of Qatar, has been remarkably successful in transforming Qatar into one of the world's leading producers, while also paying close attention to ensuring training for the women and men of Qatar, diversifying the nation's economy, and fostering partnerships based on confidence with international companies. Total is proud to have contributed, since the early times, to this very challenging and successful transformation via its long-term, uninterrupted, strategic partnership with Qatar Petroleum.

Qatar has a very challenging energy industry that is in continuous evolution, with an unprecedented concentration of world-scale projects covering the full upstream and downstream chains of the energy sector, unique organizations dealing with the most challenging technical and commercial matters, and fierce competition for excellence among the top energy companies in the world. These things make Qatar a unique place to be in the energy sector. At the same time, Qatar has succeeded in maintaining a very human and pleasant working environment, and I am very proud and pleased to run the team and Total's businesses in the country. ●