

Q8 Sails

THE MAGAZINE
OF KUWAIT PETROLEUM
INTERNATIONAL



25 years of success!



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Editor: Ross Baker | Q8 Sails Team: Salma Al- Hajjaj, Turki Al Ajmi | Questions, Suggestions, Comments: Q8Sails@Q8.com
Q8 Sails Online: Q8 Sails can be accessed online at <http://kpintra>



Mr Hussein E Esmail, President

Welcoming our new President

We are honoured to welcome Mr Hussain E Esmail, who was appointed President of KPI in November 2007.

Mr Esmail brings a wealth of experience from a career spanning almost 30 years with our sister company, Kuwait National Petroleum Company, which he joined in 1978 after graduating from the University of Wisconsin in the United States with a degree in Chemical Engineering.

He has held an extensive range of roles within KNPC. For the past seven years he has held senior management positions at the Shuaiba Refinery in Kuwait, rising to become Deputy Managing Director in 2004 and heading a multinational workforce of more than 1,000 employees.

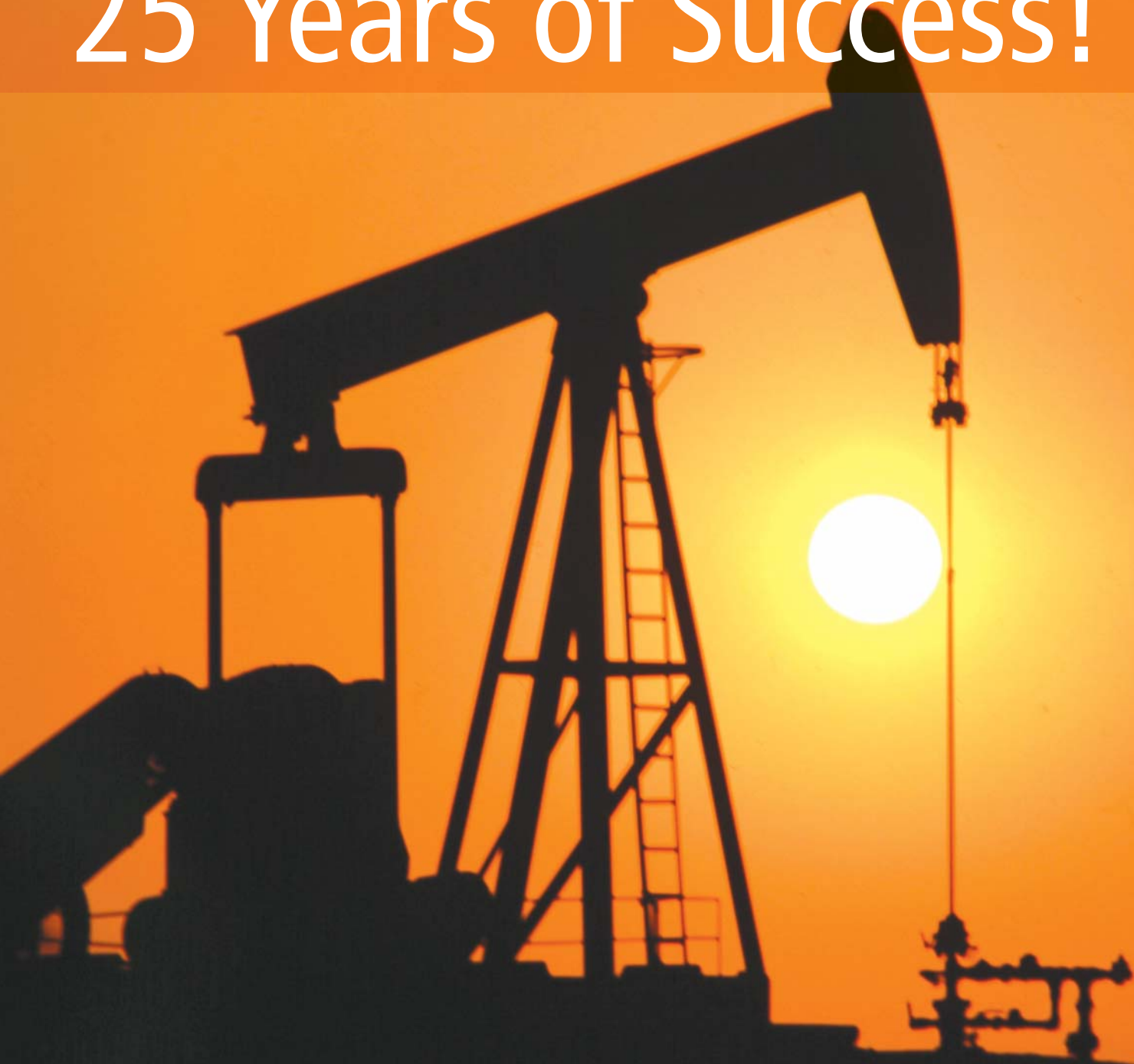
Throughout his career, Mr Esmail has taken a leading role in many initiatives within KPC, KNPC and the refinery, including the implementation of the SHEMS management system that seeks continuous improvement in the areas of safety, health and the environment.

Mr Esmail retains his position as a Board member of our sister company, KNPC and represents our company on many important industry committees and professional organizations.

With his deep knowledge and experience of our industry, Mr Esmail is in a very strong position to lead KPI forward. He comments:

“I am honoured to join KPI at this important stage, as we launch our vision for the future. From my visits throughout the organisation, I have been very impressed by the talent and commitment of people in KPI and have no doubt that we can work very well together to secure our future success.”

Congratulations KPI 25 Years of Success!

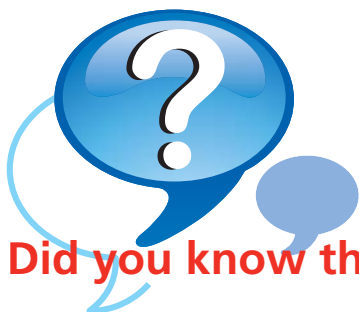


This year KPI celebrates a very important milestone: 25 successful years in business. In this relatively short time, we have grown from a small company into a substantial organisation that is respected around the world for our professionalism and strong ethics.

Following the recent launch of KPI's new Mission and Vision, we are looking to our future success. But we are also celebrating our past achievements as each Operating Unit holds its own special event during the year to mark our 25th anniversary.

Some of our successes are highlighted on a desk calendar that is being given to everyone in KPI. Many of you helped to gather these examples of our success and it was a daunting task trying to choose the best from a very long list!

Here we share just a few of our successes ...



KPI was the first company to introduce unleaded fuel (2085) into Europe, in 1985.

And the first, in Denmark, to introduce screen wash pumps at service stations and a windscreen wash that avoids using plastic bottles to help protect the environment.

OKQ8 is now one of Sweden's most famous brands and has captured

25 per cent of the retail fuels market.

'Tango' (Tank and Go), unmanned service stations, are number one in this sector in the Netherlands.

We are the leading forecourt food retailer at service stations in Belgium, through our partnership with Delhaize.

Our distinctive Q8 Sails brand is 'original', 'modern' and 'innovative', according to research, and is still used as an example of excellent logo design.

In Italy, rainwater recycling and solar photovoltaic power are used to minimise the impact of Q8 service stations on the environment.

Q8Aviation was voted Best Regional Marketer for two years running in the prestigious Armbrust Aviation Group survey.

Q8 Oils provides oil products for leading projects around the world, including the Gundremmingen nuclear facility in Germany.

KP Denmark pioneered the introduction of International Diesel Service, a secure fully automated fuel card service for international hauliers, over 20 years ago.

The past

Kuwait Petroleum Corporation set up KPI in 1983 to refine and market fuel, lubricants and other petroleum derivatives outside Kuwait. Our early growth was through acquisitions in Europe.

Growing in Europe

KPI acquired Gulf Oil in the Benelux, Sweden and Denmark (1983), Gulf Oil in Italy (1984), Ultramar in the UK (1986), BP in Denmark (1987), Mobil Oil in Italy (1990), BP in Luxembourg (1993), BP retail in Belgium (1998), Aral in Belgium (1999), BP direct fuels operation in central/southern England (2001), some BP retail sites in the north of the Netherlands (2002) and Tango in the Netherlands, Belgium and Spain (2003).

Our retail and direct fuel distribution operations in the UK were sold in 2004 and our retail network in Thailand was sold in 2005.

Growing through joint ventures

In 1997 we entered into a joint venture with AGIP for equal ownership of the Milazzo refinery in Sicily. In 1998, a joint venture between OKF and KP Sweden formed OKQ8, now one of Sweden's top brands.

The present

A few examples of the strength and breadth of KPI's business today:

Our 4,000 Q8 service stations extend across seven countries: Italy, Sweden, Denmark, Holland, Belgium, and Luxembourg.

Our International Diesel Service has around 600 sites in 27 European countries.

KPI produces over 1,600 lubricants and fuel products.

Q8Aviation is one of the world's largest jet fuel suppliers, serving over 60 airports.

The future

We will become a stronger, more successful company by strengthening our existing business in Europe and developing new businesses in the massive emerging markets in Asia-Pacific and the Indian Sub-Continent.

The new Mission and Vision for KPI was launched this month, setting out our company's future direction. At presentations throughout KPI, many of you will have watched a DVD in which our President, Mr Hussain Esmail, outlines our plans for the future. Q8 Sails asked him to explain a little more

Our new Vision states that KPI will become a 'larger more successful company' – how will we achieve this?

When KPI was first established, we built our business in Europe mainly by buying the assets of other companies. In recent years, huge changes to the markets in which we operate and to our competitors mean that there are fewer opportunities for expansion in Europe. In order to grow we must look to areas of the world where new markets are emerging – notably in Asia-Pacific

and the Indian Sub-Continent. Expanding into these new areas will strengthen our company and secure our future.

What does all this mean for our businesses in Europe?

Although our future growth may be far from Europe, we remain strongly committed to our European businesses. The European market is extremely competitive and so we must find ways of operating more efficiently. This does

Our Vision for the Future





Mr Hussein E Esmail, President

not necessarily mean reducing costs; we will invest more in training and systems to help strengthen our business in each country.

Our company has strong ethical values. Can we retain these if we become a larger company?

We plan to expand our business, but not at any cost. KPI has a strong reputation for fairness and ethical behaviour that reflects the values of Kuwait. This applies to everyone associated with our company, including shareholders, customers, employees, business partners and the communities where we operate. I am determined to maintain these values as we grow. For example, our expansion into new markets in the Far East is about far more than running a business. We are helping to develop and support new communities.

How do you plan to involve people more in the business?

We value the contribution of everyone in KPI and will continue to provide support

and opportunities for development. For those who choose to do so, these could include moving to work in new countries, where we can harness our European 'know how' to develop new businesses. Improving communication within KPI is very important. We need to find ways to listen to your ideas and turn them into action. We have taken an important first step by launching our new corporate intranet. This will help bring people together across departments and countries, so we can share knowledge and learn from each other.

Are caring for the environment and safety matters still high on the list for KPI?

Undoubtedly, yes. Care for the environment and safety have long been top priorities for KPI. SHEMS (Safety, Health and Environment Management Systems) is systematically improving our performance in these areas. In addition, many of our operating units have introduced imaginative initiatives for protecting the environment,

and I am keen to encourage these. I want KPI to become world-class in all matters relating to safety and the environment.

The words 'constantly better' have become part of the KPI logo. Can we really be 'better' than all our competitors and in all markets?

No company can be the best in every aspect of its business. 'Constantly better' is an aspiration and a way of thinking. In each part of our business, we must consider ways to become better and more efficient. We must never be satisfied that we have found the best solution. This positive attitude will help drive our business forward.

Finally, do you have a message for everyone in this 25th anniversary year?

I congratulate you all. To build a strong, reputable company in just 25 years is an impressive achievement. I am proud to lead KPI at such an important stage in our history and look forward to guiding our company towards even greater success in future.



Risk is an inevitable part of every business activity. But how do you manage risk and, most importantly, how do you reduce it to an acceptable level? Khalid Al-Hajji, Project Coordinator for Phase I of KPI's Enterprise Risk Management project, explains how KPI is addressing this difficult issue.

The Enterprise Risk Management (ERM) initiative was launched by KPC in January 2006. Its aim was to develop an ERM Policy and Framework that would set policies, systems and standards to measure risk throughout the organisation.

Based on this framework, KPC introduced its own ERM programme. When this proved successful, KPC issued a directive requiring every company within the Kuwaiti oil sector ('K companies') to set up their own ERM programmes under the same framework.

Within KPI, the Chief Financial Officer, Mr Yousef Al-Yateem, is leading an ERM Steering Committee to oversee the first phase of this project, supported by professional services firm Deloitte & Touche and a KPI project manager.

The Committee is overseeing the establishment of a risk management programme to systematically identify, manage, monitor and report on risks that KPI faces. In time, corporate and local managers, as well as KPC, will be able to use the data and reports to reduce the impact and frequency of risks.



Fourteen areas of risk have been identified, as defined by KPC. These are: Credit, Environmental, Financial, Health and Safety, Human Resources,

Managing Risk

Legal, Market, Model & Validation, Operational, Political, Regulatory, Reputation, Strategic and Technology. Each risk was analysed in terms of its likely frequency and impact as well as current mitigating controls.

Treatment and monitoring plans have been developed for a number of key risks faced by the majority of the affiliates. Meetings have been held with KPI representatives, local managers and experts in each area, to discuss existing controls and recommend further measures.

The next stage is to define the scope and timing of the second phase of the ERM project. This is expected to involve identifying further risks that were not covered in the first phase, analysing and documenting the key risks and implementing technology for knowledge transfer and reporting.

This is a very wide ranging and complex exercise, and Khalid Al-Hajji thanks everyone for their valuable contribution to the first phase of KPI's ERM project.

Everyone has been working hard over the past few months to complete the first phase of the project, and a series of important steps have been taken.

A KPI Risk Policy and a Risk Operating Committee charter have been created. These documents outline KPI's risk tolerance levels and expectations for managing risk. They also define the committee's responsibility for overseeing risk management throughout KPI.

A risk register has been established for KPI and individual affiliates and operating units. Each has defined the risks involved in the execution of its business in the context of five-year and longer term strategies. This process required a huge effort by local managers and their teams. KP North-West Europe, KP Italy, KP Denmark, KP Lubricants, Q8 Aviation and Europoort each held a workshop on this issue late last year.



Launching our Vision in Kuwait

Throughout KPI, meetings are being held to present our new Vision. One of the first of these was held in Kuwait in early March, when head office employees gathered in the Marriott Hotel to hear our President, Mr Hussain Esmail, personally outline KPI's plans for the future.

Everyone present received a calendar printed with examples of KPI's success, a USB stick branded 'constantly better' and posters to display in offices.

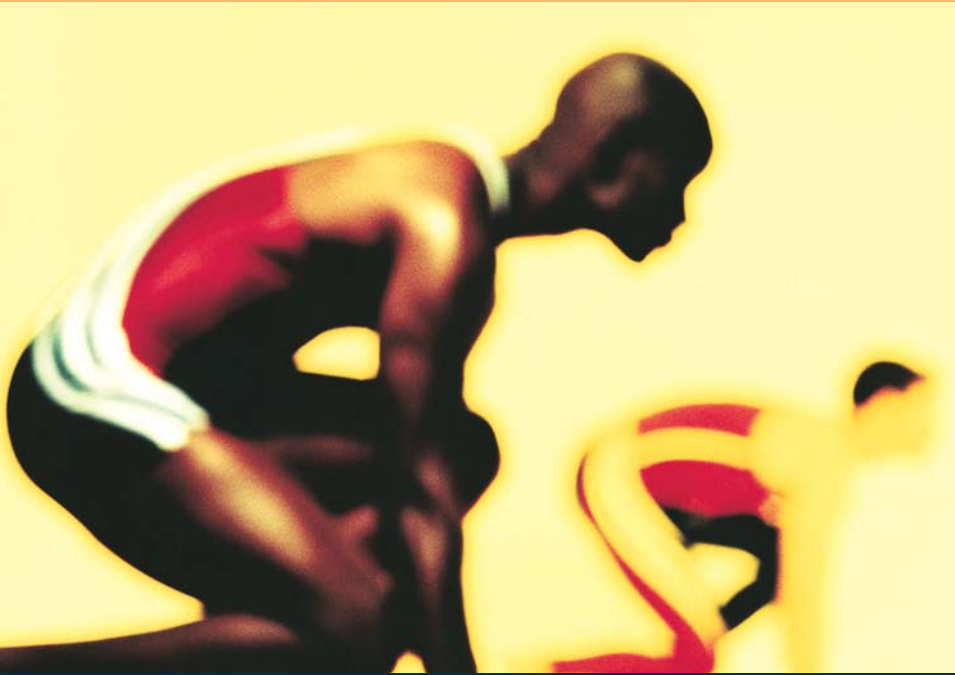
Joke Van Wieringen, Training and Development Manager, described some of the work behind the launch. Joke led the Communications Subgroup, with representatives from across KPI, which has been working for many months on creating materials to communicate the Vision. Joke's role was especially appropriate because she has worked for KPI since it was established 25 years

ago. She comments: "It was a very emotional occasion. Many people didn't realise just how much KPI has achieved and felt an enormous sense of pride. There was a genuine appreciation that we are all involved in our company's future."

The President also took the opportunity to launch officially KPI's new corporate intranet by the traditional cutting of a ribbon. The new intranet will play a vital role in helping everyone work together to achieve the company's aims.



Why Competition



"Competition law?"

"Anti-trust?" You may think that this is dry company law and doesn't affect you. But you'd be wrong! Simon Whitworth, General Counsel, explains why everyone in KPI must comply fully with competition law.

Competition or 'anti-trust' laws are enormously important to KPI. The authorities are aggressive and apply very heavy penalties when these laws are broken. Victims of anti-trust behaviour are actively encouraged



New Senior Roles Announced

Two important new appointments have been made as senior executives Andrew Westmoreland and Ross Baker 'exchange' roles.

Andrew Westmoreland is appointed Managing Director of Q8Aviation, replacing Ross Baker, who takes on Andrew's former role as Group Marketing Advisor, based in our head office in Kuwait. Both bring an enormous amount of experience in the oil industry to their new roles.

Andrew joined KPI 20 years ago, following careers with Esso and British Telecom. He started as marketing

manager with Q8Aviation, before moving on to positions including Manager IDS Europe, Director of KPGB and Managing Director of KP Thailand. He comments: "I remember my early days with Q8Aviation with great fondness and I'd always hoped to return one day. Under Ross's leadership, the company has grown substantially and has changed almost out of recognition. But one thing remains the same, and that is the fantastic team of people. I'm looking forward to working with old friends and meeting new faces as we seek to continue Q8Aviation's impressive progress."

After working for Shell in Australia and other countries, Ross joined KPI in 1984 as Benelux Retail Manager before moving to KPI's former London head office as Retail Co-ordinator. Ross was appointed MD Q8Aviation in 2000. Ross says: "I'm proud to have worked with such a talented team at Q8Aviation; together we've developed the company to become the sixth largest jet fuel marketer outside the US. There are significant challenges in my new role and I'm looking forward to working with the equally talented teams in our Operating Units and supporting them in achieving their full potential."

Law Affects You

to claim damages from the guilty companies. The European Commission or national authorities can enforce fines that run into tens or even hundreds of millions of dollars, and are steadily increasing. Documents or entire transactions can be declared void.

Although these fines are imposed on companies, it is the action of individuals that is penalised. In some countries, this action is a criminal offence.

So it is vital for everyone in KPI to understand the principles of competition law and how to comply with them.

What is anti-competitive behaviour?

Anti-competitive behaviour, in one form, occurs when companies, and their staff, set their own rules by agreeing that they will not compete with each other. Examples are agreeing to set prices, discounts or credit terms; agreeing to share markets by dividing up customers or areas or entering into agreements to win contracts. Imposing pricing and other trading conditions on dealers is also illegal.

KPI's position: total compliance

KPI's position, as stated in our Policy on Antitrust Compliance, is crystal clear:

"To comply in all respects with the antitrust laws applicable in all jurisdictions in which they do business and to respect the public policies which these laws represent. This is consistent with Management's firm belief that we can best prosper and serve our customers by maintaining a strong and independent competitive position."

KPI strongly believes in and benefits from a free and competitive market. As well as obeying the law, it is far

better to devote our efforts to improving our competitive position than to try to protect a weak competitive position by interfering with the market.

Important lessons

From experience we have learned important lessons about competition law, as follows.

The oil industry is in the public eye, far more than many industries. Fuel prices are politically sensitive and investigations of different parts of the industry are frequent.

Anti-competitive conduct will be discovered. Authorities have wide powers of investigation and they encourage companies to report such conduct by waiving or reducing fines that could be applied to them. This strong incentive, combined with heavy fines, has been dramatically successful in uncovering anti-competitive practices.

Discussions and communications with competitors, no matter how innocent,

are always risky. The authorities can misinterpret them. The golden rule is to seek the company lawyers' advice in such cases to make sure that you can prove beyond doubt that the purpose was innocent, in case the authorities decide to investigate. Trade associations and joint ventures with competitors need especially careful attention.

The way forward: better education

For many years KPI has run courses to raise awareness of competition law. We now plan to use new initiatives, such as e-learning, to broaden and improve this education. The purpose is unchanged: to explain the principles of anti-trust compliance and how these work in practice. We expect everyone in KPI to take part and to confirm formally that they have read and understood our policy and guidance.

Our aim is clear: to make sure that everyone in our company understands and fully complies with competition law.





KPC Achievements and Aspirations

In a speech in December 2007, Mr Saad Al-Shuwaib, President of Kuwait Petroleum Corporation, our parent company, reported on an important delegation to Asia, KPC's achievements in 2007 and its aspirations for 2008.

KPC delegation to Asia

The delegation had two main objectives: to explore and discuss investment opportunities in China, Vietnam and India, and to meet key clients. KPC's aim is to invest in refining and petrochemical projects and to find outlets for Kuwaiti crude.

The meetings with the officials in these countries were very encouraging. In China, progress with the proposed projects has reached an advanced stage and KPC hopes to sign a Memorandum after obtaining the necessary approvals.

In Vietnam, KPC also hopes to sign a Memorandum in 2008, after completing all the procedures. KPC will explore investment opportunities in India later this year.

These investments are part of KPC's international expansion strategy in fast growing and promising markets. There is very strong competition, but the good reputation that Kuwait enjoys in these countries means that Kuwaiti investment is welcomed and strongly encouraged.

KPC constantly strives to strengthen its relationship with customers and to monitor progress and evaluate its performance over the years. The delegation received great respect and appreciation and was praised for KPC's exceptional customer service and careful attention to timing and delivery.

Mr Saad Al-Shuwaib reported that customers were impressed by the visit and the delegation was told: "you are coming to us at a time when prices are

soaring, which is an indication of your sincerity and desire to work with us, and our appreciation will reflect in our dealings in the future."

KPC has promised to continue these visits and to work at the highest level to build a relationship based on partnership, not just a buyer and seller.

KPC's achievements in 2007

The most important achievement was securing profits 20% higher than in 2006.

Large strides forward were made in key projects including olefins and aromatics, building oil export centres and oil tankers, and upgrading oil installations.

KPC began the implementation phase of the Fourth Refinery Project after securing all the required approvals. This project will play a major role in meeting the needs of the Ministry of Electricity and Water and in providing supplies of cleaner, environmentally friendly fuel.

KPC signed a Memorandum of Understanding with Dow Chemicals for a joint \$19 billion joint venture to form a global petrochemicals company with locations all over the world. It is anticipated that the transaction will be concluded by late 2008.

KPC approved the new salary increase scale for the oil sector, which it aims to issue early in 2008.

The Technical Professional Ladder and the HSE Management System and Enterprise Risk Management were also implemented in 2007.

KPC's aspirations for 2008

KPC has many aspirations for 2008. It hopes to make a qualitative leap towards reaching the standard of leading companies and becoming a leader in its sector.

KPC will establish investment projects in East Asia, India and Vietnam in 2008, as outlined above. It will also update the long-term strategic direction for the year 2020.

KPC will start implementing the Vision programme to restructure the oil sector and unite companies under the umbrella

of Kuwait Petroleum Corporation.

A number of capital projects and huge investments will be launched, which will enhance the Kuwaiti economy.

KPC also hopes to introduce the Leadership Career Succession Plan and Leadership Development Project and to establish a special unit, as part of the Chief Executive's office, to formulate a plan to strengthen the image of the Kuwaiti Oil Sector.

KPC is very confident that it will achieve all its goals, including its aim to become a regional leader.



Mr Raffaele Iollo, Retail Sales Manager

Raffaele Iollo, 39, is Retail Sales Manager for KP Italy. Q8 Sails asked him about his job, his aspirations and a few personal questions too.

Tell us about your job

I've been Retail Sales Manager for almost eighteen months. I'm responsible for 1400 retail stations across Italy and a team of 42 people. I'm based in Rome, but I spend a lot of time travelling throughout my regional sales area, which covers central and northern Italy.

What is your career path so far?

I graduated from Rome University in 1993 with a degree in Economics, specialising in Marketing and Business

Meet the Team

Administration. My first job was with the Italian oil company Erg Petroli, where I held a variety of roles. I joined KP Italy in 1998 as a fuel trader and was promoted after two years to the distillate desk, where I was responsible for our supply and trading activity in the Mediterranean, notably in Italy and Spain. In 2002 I became manager of Q8 Quaser, one of our four direct sales subsidiaries, before being appointed Retail Sales Manager in October 2006.

What do you enjoy about your work?

My job gives me a unique insight into KP Italy's core business and I've built up a detailed knowledge of this incredibly competitive market. Covering different geographical areas gives me different perspectives and experiences, which I share with my colleagues.

What do you hope to achieve?

My main aim is to help supervisors of retail outlets improve forward planning in line with their strategy, so that in the mid to long-term it will improve the performance of the outlets that they control.

What would you like to be remembered for?

If I'm successful, I hope I'll be remembered as someone who promoted cultural change. I'd like to put more emphasis on monitoring performance, rather than just judging results.

Why do you think your career has been so successful to date?

I think it's because I focus on targets and results, and take time and care in choosing what I hope is the best course of action. And of course luck, confidence, good teamwork and the right market conditions help a lot too! There's a popular saying in the oil trading business that I often tell my colleagues: "don't fight the trend, the trend is your friend!"

And finally, what do you do in your spare time?

I enjoy reading books and playing tennis, mainly at weekends. Although I travel a lot in my work, I still love travelling on holiday and finding new countries to explore.

Transpotec Logitech 2007, a major transport technology exhibition, gave KP Italy a wonderful opportunity to promote the International Diesel Service fuel card.

The exhibition was held last October in the Fiera di Milano, one of the world's most striking and cutting-edge exhibition centres. Many famous brands in the transport and logistics sector were present to promote their latest products and services, including Mercedes, Renault, MAN, Scania and Volvo. The event attracted over 800 exhibitors from Europe as well as, for the first time, Asia, the Middle East and the Americas. Over the four days, it was estimated that a staggering 84,000 transport industry professionals visited the exhibition.

Our stand, organised by Kuwait Petroleum Italia Fleet Business Unit, was superbly dressed as a modern service

station. Throughout the exhibition our team met current and potential customers, and talked with them about the benefits of the IDS card and recent improvements.

There are certainly plenty of benefits to highlight. The IDS card is one of Europe's leading fuel cards, providing long-distance hauliers with secure access to over 600 24-hour self-service fuel sites across Europe. Although it is already one of the best cards available, IDS and Cartissima Q8 are looking for ways to make it even better and have recently introduced changes to improve security, flexibility and ease of use.

The exhibition was a huge success for KP Italy and the team are looking forward to the twelfth Transpotec Logitech in May 2009 when they can again promote IDS as a leader in this important sector.

IDS on show in Milan





Unstoppable IDS

Our International Diesel Service has strengthened its business by opening the first IDS fuel stops in the Czech Republic to add to its growing network of 600 sites across Europe.

The new network was formally launched on 14 December 2007 when IDS managers and representatives from the Kuwaiti Embassy in the Czech Republic marked the occasion by cutting a ribbon at one of the new sites. Bart Bervoets, Director of IDS, commented: "Our

sales agent in the Czech Republic had already successfully signed up more than a hundred customers and they were constantly asking when we would open the first IDS sites. I am proud to announce to our customers that we are now here!"

The seven new IDS sites were formerly owned by Benzina, the Czech Republic's leading fuel retailer. IDS signed a formal agreement with Benzina in July 2007 and the sites are now in the process of being rebranded.

Strategically placed on the major road routes from Poland to South East Europe and from Russia to Western Europe, each IDS site offers an unmanned 24-hour fuelling service for long distance transport companies. To improve security, each site is connected for online authorisation of the IDS fuel card.

The Czech Republic is a popular place for refuelling because, owing to its lower fuel tax, fuel prices are significantly lower than in neighbouring Austria and Germany. Since the Czech Republic joined the European Union, its economy has strengthened and many



transport and logistics companies have moved their business to Eastern Europe.

IDS has closely followed these developments and has acted swiftly to take advantage of these opportunities and to maintain its strong competitive position as one of Europe's leading fuel-card suppliers.



"Our sales agent in the Czech Republic had already successfully signed up more than a hundred customers and they were constantly asking when we would open the first IDS sites. I am proud to announce to our customers that we are now here!"

Belgium has been an important trading region for hundreds of years due to its close proximity to the sea and relatively easy access to the rest of Europe. This is one of the many reasons why KP Lubricants' blending plant at Antwerp, built in 1905 and sited on the river Schelde, is still in operation today.

As one of KP's four blending plants, Antwerp is also the largest. However as KP Lubricants rapidly expands its successful lubricants business, growing demand has left our Blending Plant Antwerp (BPA) struggling to cope. The plant also manufactures a significant volume of Chevron Texaco's business for Western Europe.

The BPA is therefore undergoing a major refurbishment and the first phase of the three-year project is now complete with the opening of the new filling hall.

Giuliano Franzi, managing director of KP Lubricants, and Geert Matton, Manager of Blending Plant Antwerp, together with managers and staff from KP Lubricants and KP North-West Europe, celebrated the official opening of the filling hall late last year.

When the hall is fully fitted it will house six filling lines; one for small packs, two for 20 litre pails, two for 208 litre drums and one for 1,000 litre industrial bulk containers (IBCs). Operating five days per week, with two shifts per day, the plant's filling capacity will increase

"The BPA is therefore undergoing a major refurbishment and the first phase of the three-year project is now complete with the opening of the new filling hall."

to 120 million litres per annum. When the bulk product supplied by tanker is included, the total production capacity will be 240 million litres per annum, making the BPA one of the top three blending plants in Europe.

The new state-of-the-art filling hall has a very large total surface area of 2284 M². Robots, automated conveyers



and wrapping machines will substantially increase the level of automation and efficiency, meaning that just one person is needed to operate each filling line.

The first phase of the refurbishment also included new engineering offices that will be home to the twelve engineering staff responsible for the smooth running of the plant.

Work has now begun on the next phase, which will see the installation of the remaining filling lines and the construction of new base oil storage tanks.

Successful expansion





Impressive safety record

at Naples Terminal

1 000 days without a single day being lost as the result of an accident. This is the impressive record achieved by our Naples Terminal in September 2007. Today the record is still unbroken and now stands at almost 1200 days - or more than three years of non-stop work.

The Naples Terminal team attribute their success to the introduction of the Safety Management System, which has given a much more systematic approach to safety and improved the focus on safety matters.

Frequent safety training courses are now run and more challenging annual 'safety walk' targets have been set to highlight risks that could cause accidents.

'Near misses' are swiftly identified and carefully assessed. This makes terminal personnel and contractors far more aware of the need to anticipate and therefore prevent accidents.

The excellent safety record achieved so far is just the start and the team are constantly looking for ways to improve safety in the Naples Terminal even further.



Koper Fuels

Q8Aviation Expansion

In keeping with KPI's aim to be 'constantly better' - Q8Aviation has secured an exciting new agreement with the port of Koper in Slovenia, which will strengthen its jet fuel supply to the fast-growing markets of south, central and east Europe.



After lengthy negotiations lasting three years, Q8Aviation has secured an exciting new agreement with the port of Koper in Slovenia, which will strengthen its jet fuel supply to the fast-growing markets of south, central and east Europe.

The importance of the port of Koper lies in its strategic location in the northern part of the Adriatic Sea, close to Venice, and in its excellent rail and road connections. From Koper, modern motorways lead to Austria and Italy, where Q8Aviation already serves seven airports.

In a joint venture with the port, named 'Project Gateway', Q8Aviation is leasing new tankage dedicated to Q8 jet fuel. From May 2008, when the tanks will be operational, fuel will be imported and then transported onwards by road and rail to major airports in the region, such as Vienna to the north east, and Venice to the west.

Over the past decade, Q8Aviation has undertaken a number of highly

“The significance of Koper is that it allows us to continue marketing jet fuel at some airports where, without this arrangement, we would almost certainly have been forced to withdraw.”

successful projects to secure its supply chain. It has invested in import facilities at the strategic ports of Le Havre, Rotterdam and Avonmouth, in south west England. From Avonmouth, for example, Q8Aviation transports fuel imported from Kuwait onwards by pipeline to the major London airports

at Heathrow and Stansted. The success of these projects is clear: five years ago Q8Aviation did not import any fuel into north-west Europe; today, Q8Aviation is the largest jet fuel importer into this region, importing more than 4.0 million tonnes per year.

The new agreement with Koper places Q8Aviation in a far stronger position to improve its fuel supply to Northern Italy, where local supplies have steadily decreased in recent years, with the inevitable result that suppliers have been forced to withdraw from airports. This situation has now been partially, but not entirely resolved. Koper also gives Q8Aviation the opportunity to expand into new areas of operation in Central Europe. Andrew Westmoreland, managing director of Q8Aviation, comments: “The significance of Koper is that it allows us to continue marketing jet fuel at some airports where, without this arrangement, we would almost certainly have been forced to withdraw.”



Safety First in Antwerp

The first and perhaps the most important step of a good Safety Management System is to establish the risks involved for KPI employees, contractors and the environment.

When a risk assessment confirmed that the system for loading and unloading vessels at our Antwerp Terminal was “high risk”, the managers of KPI Lubricants Blending Plant Antwerp (BPA) swiftly took action.

“The Scheldt is a tidal river with a height difference of seven meters between low and high tide. The marine loading arms are designed to cope with this huge variation, allowing barges and seagoing vessels to be handled with the same equipment.”

Around five barges and seagoing vessels are loaded or discharged each month at the Antwerp Terminal, which is KPI's largest blending plant. Most of the time this involves base oils, but occasionally additives or marine oils are also handled.

This activity involves many risks. Operators have to handle long, heavy hoses, which can cause back injuries. There is also a high risk of oil spillage. As the operation takes place over the river Scheldt, this could seriously harm the environment.

Following a detailed study, the BPA management decided to install two “piggyback” marine loading arms. The



articulated pipe system is an innovative concept that allows the loading arms to move freely while connected to the vessel to be loaded or unloaded. Fully hydraulic, the arms are very easy to manoeuvre and need only one operator.

To improve safety even further, new features have been introduced. Emergency release couplings disconnect the arm if there is an abrupt movement, thereby preventing any oil spillage. In addition, a new alarm communication has been set up between the shore and barge.

The Scheldt is a tidal river with a height difference of seven meters between low and high tide. The marine loading arms are designed to cope with this huge variation, allowing barges and seagoing vessels to be handled with the same equipment.

In the old system, the shore-to-ship connections were positioned above the river, which risked spillage into the water in the event of a malfunction. The new equipment has been moved 30 metres away from the river and is sited above a dedicated area with a fluid-tight floor, so that any spillage is safely contained.

The entire working area has also been upgraded by installing a new bridge, safety railings and more efficient lighting.

At every stage of the project, Hazard and Operability studies were carried out to maintain the highest safety standards. The project also took into account plans to construct a new tank farm, starting in 2009, which will meet the increasingly stringent environmental legislation. The new tank farm will provide a higher and faster throughput and greater flexibility to cope with the rapidly expanding demand for base oils.



New Corporate Intranet Strengthens Communication

Yousef Al-Yateem, Chief Financial Officer KPI, leads the Corporate Intranet Project Team. He explains the thinking behind Forecourt and our vision for its future.

Internal communication is enormously important to KPI. From surveys, we've learned that there is scope for improvement. We've listened carefully and we're taking positive steps to address this.

A major step forward is our new corporate intranet, Forecourt.

Revitalising our intranet has involved an enormous amount of time and effort. Our old corporate intranet contained thousands of web pages and attachments. Many of these had become outdated.

Working with external consultants, we've reviewed every page and attachment. The intranet structure has been radically changed to make it easier to navigate. We've begun the process of updating all the information, supported by many of you throughout KPI.

In time Forecourt should become an integral part of everyone's working life and the place you turn to first. Whether you need information for your job, the latest news, to check company policy, to share ideas or to learn from others' experience – it will all be there.

Knowledge sharing is a key part of Forecourt. Work groups, project teams and knowledge sharing networks can set up their own 'collaboration area' to share ideas and work together, especially across geographical or organisational borders.



Our Corporate Intranet Project Team, with representatives from across KPI, and many others in our organisation have done a superb job in setting up our new corporate intranet in a very short timescale. Congratulations and thank you to you all.

It is now up to all of us to make Forecourt work, by contributing to content, keeping it updated and using it regularly. We are appointing 'champions' in each operating unit, affiliate and department to help with this process. But ultimately we are all responsible for making our intranet work.

Working together, we can make Forecourt an invaluable business tool for us all.

Finding your way around Forecourt

There are five main sections:

Newscentre

For the latest news and features from around the company.

About us

Everything you need to know about KPI: our organisation, vision and strategy, brand and competitors.

Our Standards

Company-wide policies, procedures and standards to help your daily work.

Our Structure

Information about our corporate functions, operating units and locations.

Work Tools

Useful tools ranging from Corporate Training Guides to Units of Measure. Work teams, project teams and knowledge sharing networks can set up their own Collaboration Area on Forecourt, where they can work together.



Family Day

A spectacular Family Day was arranged by KP Europort last year to give family, friends, contractors and retired employees an insight into the work of the refinery. The day was hugely successful and attracted over 1,600 visitors.

Guests were invited to tour the refinery area, by bus or on foot. Enthusiastic KPE employees manned information stands, which included colourful displays to help explain the work of different departments. An oil tank was specially lighted to give a very special perspective when looking inside and fire fighting demonstrations were staged throughout the day.

There was plenty of entertainment for everyone. Q8 Quad circuits, bouncy

castles, bungee jumping on trampolines and clowns enthralled the young visitors. In enormous party tents, guests could enjoy delicious food and drink and discuss their experiences. Perhaps the most spectacular attraction was a helicopter flight over the refinery and surrounding areas.

The organisers were delighted with the success of the Family Day, which left everyone with a great sense of pride in their association with Europort.



at Europoort





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Kuwait Petroleum International Limited

Salhiya Complex, Gate 5, 4th Floor | PO Box 1819, Kuwait City
T (965) 2455455 | F (965) 2451079 | www.Q8.com