

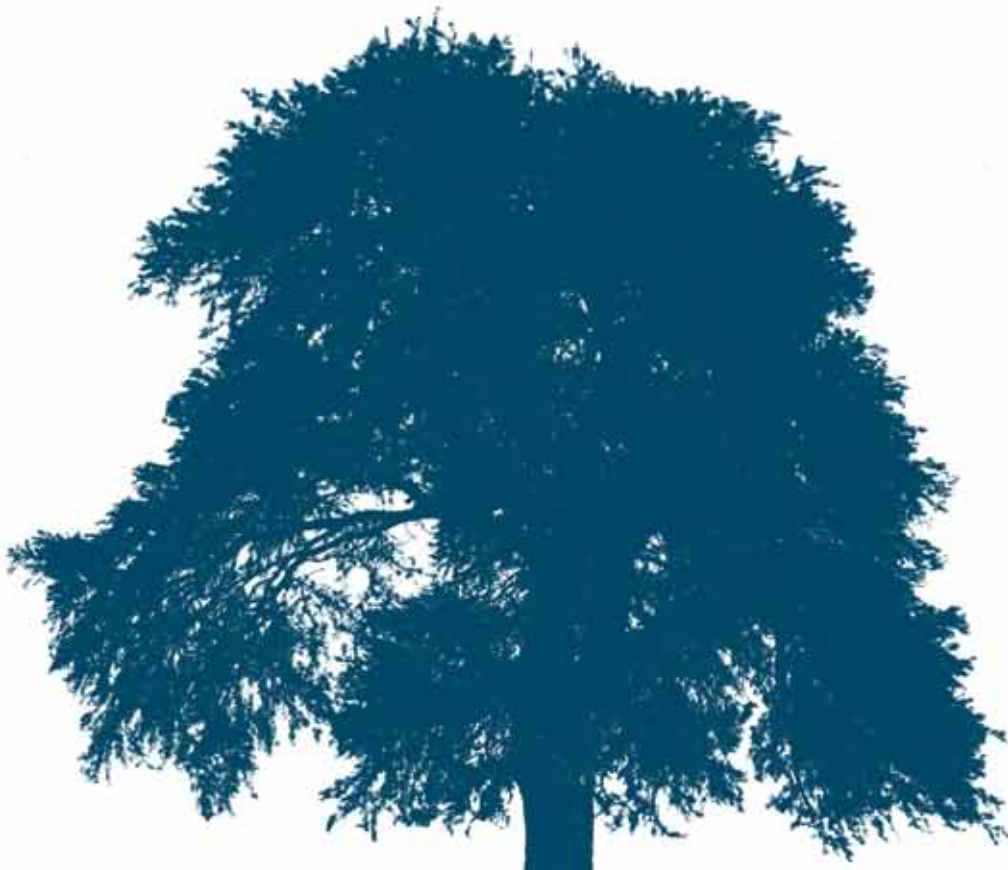


Sustainability Report 2010

Embedding Sustainability at Our Roots



“Dolphin Energy defines sustainability management as the systematic, integrated management of economic, environmental and social performance with the goal of optimizing benefits for both business and society in an environmentally sustainable manner.”





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“As Abu Dhabi charts its long term economic vision, the implementation of sustainability principles and their impact on the environment, the diversification of our economy and the continued progress of our society will continue to transform and modernize the emirate for the benefit of future generations.

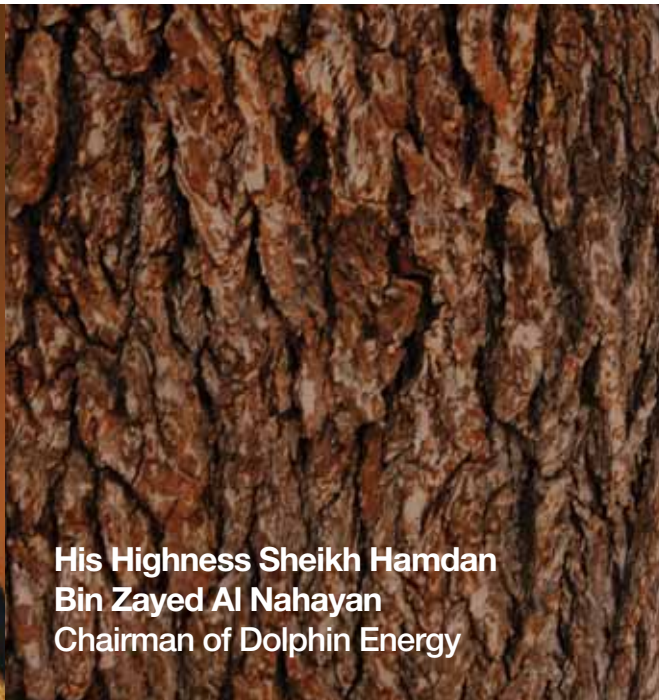
We are building upon the strong legacy of the late founding father of the UAE, Sheikh Zayed Bin Sultan Al Nahayan and the vision of the UAE president, HH Sheikh Khalifa Bin Zayed Al Nahayan. By taking a balanced approach to economic and social development while ensuring environmental sustainability, we will preserve a better quality of life in our beloved homeland.”

HH General Sheikh Mohamed Bin Zayed Al Nahayan

Crown Prince of Abu Dhabi, Deputy Supreme Commander of the UAE Armed Forces, and Chairman of the Executive Council of the Emirate of Abu Dhabi.



**His Highness Sheikh Hamdan
Bin Zayed Al Nahayan
Chairman of Dolphin Energy**



Respect for the environment and sustainable development is a long standing part of our tradition. The late Sheikh Zayed Bin Sultan Al Nahayan captured this in his own beliefs:

“We cherish our environment because it is an integral part of our country, our history and our heritage. On land and in the sea, our forefathers lived and survived in this environment. They were able to do so only because they recognized the need to conserve it, to take from it only what they needed to live, and to preserve it for succeeding generations.”

As we continue to move forward, it is important that sustainable development remains at the centre of our efforts to secure beneficial growth for future generations. Sustainability management is our means of working towards sustainable development. It is the integrated management of economic, social and environmental considerations in a manner that creates optimal value for our stakeholders in a socially and ecologically responsible manner. By embedding sustainability management across our company, we can minimize our environmental impacts and maximize our involvement and positive economic and social impacts within the communities in which we operate.

Our commitment endorses the vision of HH Sheikh Khalifa Bin Zayed Al Nahayan, President of the UAE and Ruler of Abu Dhabi, to place sustainability at the heart of Abu Dhabi Vision 2030, as well as the direction and support of HH General Sheikh Mohamed Bin Zayed Al Nahayan, Crown Prince of Abu Dhabi and Chairman of the Executive Council, who is overseeing the implementation of that vision. I would like to thank them for their continued guidance as we strive to help preserve the future of this wonderful emirate.

“We cherish our environment because it is an integral part of our country, our history and our heritage. On land and in the sea, our forefathers lived and survived in this environment. They were able to do so only because they recognized the need to conserve it, to take from it only what they needed to live, and to preserve it for succeeding generations.”



Ahmed Ali Al Sayegh
Chief Executive Officer



“To achieve sustainable development, build a cohesive society and an open economy capable of global competitiveness.”

His Highness Sheikh Khalifa bin Zayed Al Nahayan, President of the United Arab Emirates and Ruler of Abu Dhabi articulated the importance of sustainability within his vision: “To achieve sustainable development, build a cohesive society and an open economy capable of global competitiveness.”

I would like to thank His Highness for providing us with his foresight and express my gratitude to His Highness Sheikh Mohamed Bin Zayed Al Nahayan, Crown Prince of Abu Dhabi, Deputy Supreme Commander of the UAE Armed Forces, and Chairman of the Executive Council of the Emirate of Abu Dhabi, for his continuous stewardship and encouragement as we contribute to the future success and wellbeing of the emirate.

Dolphin Energy is in business to create value for our joint venture partners and stakeholders through the appraisal, development, production, transportation and marketing of hydrocarbon resources in a safe, efficient and environmentally responsible manner. I am committed to business processes that focus on efficiency, investment in people, correct ethical conduct, social responsibility, profit and growth. A key element in the area of corporate social responsibility is our pledge to conduct our business in a manner that embeds sustainability across our company and promotes continuous improvement in all our business practices and operations. Our goal is to ensure that wherever Dolphin Energy conducts its activities, we are the partner of choice, the employer of choice and the neighbor of choice.

As a founding member of the Abu Dhabi Sustainability Group (ADSG) Dolphin Energy has risen to the challenge of embedding sustainability across our company. Since our initial involvement in the ADSG in 2008 and leading up to our 2009 Sustainability Report, Dolphin Energy has worked to incorporate the principles and practices of sustainability into our everyday business. From 2009 to 2010 Dolphin has worked to align our strategic business plan with the goals of sustainability. This year’s report includes highlights showing the impact and benefit that sustainability has brought to Dolphin.

I am therefore delighted to welcome you to Dolphin Energy’s 2010 Sustainability Report.

Summary of 2010 Performance to Targets

Dolphin Energy outlined a number of goals to achieve in 2010; a list of the actions committed to are provided below. Dolphin Energy made progress on 50% of goals for 2010, and fully completed 40% of these goals. A full summary of performance against all Key Performance Indicators (KPIs) can be found on p. 22.

Dolphin's Sustainability Priorities

Commitment Met

Good Governance, Management and Integrity

- Incorporate newly proposed sustainability-related indicators into corporate management and tracking systems, and embed sustainability into management decision making processes ●
- Commit to a review of all business priorities, goals, and underlying systems in the context of sustainability, seeking new insights into opportunities for improvement ●
- Provide ongoing sustainability training and support for all Dolphin Energy business units ●

Providing Cleaner Energy and Optimizing By-products

- Export 730 BCF of Lean Gas ●
- Produce 36 MMbbls of Condensate 98%
- Produce 836 kt of Propane 98%
- Produce 506 kt of Butane 99%
- Export 1,161 kt of Ethane to QP ●
- Produce 256 kt of Sulfur ●

Meeting Customer Expectations

- Create a Customer Satisfaction Index ●

Ensuring Efficient Operations

- Achieve "0" Taweelah Receiving Facility downtime (hours) ●
- Maintain >95% average overall availability of the facilities due to non-operational shortfalls ●
- Ensure a 1.25 ratio of corrective to preventative maintenance at Ras Laffan (Qatar) ●
- Ensure 55% corrective maintenance as a percentage of the total at Taweelah (UAE) ●

Creating Economic Opportunity

- Improve identification and tracking of hiring from local communities, and opportunities to improve local hiring ●
- Improve identification and tracking of contributions being made to the community by local procurement ●

Minimizing Environmental Impacts

- Optimize plant operations and minimize process upsets and consequential unplanned flaring; targeting 0.3% continuous flaring of sweet gas production ●
- Establish a Leak Detection and Repair (LDAR) program to determine fugitive emissions ●
- Initiate construction of the liquid sulfur pipeline to avoid truck emissions from sulfur transportation ●
- Develop a greenhouse gas (GHG) emissions register based on approved guidelines and protocols ●
- Increase recycling and improve resource management and efficiency ●
- Undertake a broader assessment of the company's ecological footprint ○

Community Engagement and Optimizing Social Impacts

- Improve the company's ability to assess its social impact, including creation and tracking of relevant KPIs ●
- Measure not only the number of community engagements, but quality of engagement as measured by the stakeholder ●
- Dolphin Energy aims to invest >1% of profits back into the communities in which it operates ●

Being Employer of Choice

- Work towards achieving 50% Nationalization by 2012 ●
- Initiate externally recognized certification in HR practices ○
- Measure, understand and respond to strategic issues related to employee engagement ●
- Attend career fairs targeting Emirati and Qatari graduates ●
- Conduct a review of employee benefits package to ensure fairness of pay and benefits ●
- Integrate sustainability performance and criteria into the job descriptions and performance review of the sustainability team members ●
- Provide targeted sustainability training and discussion workshops on the key sustainability issues of each department ●

Ensuring Safe Operations

- Conduct HSE Leadership Programs ●
- Conduct Security Awareness Programs ●
- Conduct Major Emergency Training Program on a quarterly basis ●
- Conduct two major (external) and two minor (internal) emergency drills ●
- Achieve zero fatalities in 2010 ●
- Achieve an average 1.8 TRIR for Employees and Contractors ○
- Achieve an average 0.5 LTIR for Employees and Contractors ○

Contractor and Supplier Relations and Practices

- Enhance procurement and Contractors' policies and procedures to directly address human rights and environment-related performance expectations, well beyond the letter of the law ●
- Achieve zero incidents of Contractor integrity breaches ●
- Set a target for the number of reviews and checks for Contractor compliance ●
- Create a sustainable procurement scorecard to evaluate Contractors ○

- Complete
- Work in progress
- Not achieved

Summary of 2011 Performance Goals

Performance against all Key Performance Indicators (KPIs) and 2011 targets can be found on p. 22.

Good Governance, Management and Integrity

- Conduct sustainability seminars for each business unit / department at Dolphin Energy to support strategic planning around sustainability priority issues
- Update and revise the Corporate Governance Manual
- Initiate the development of a Corporate Risk Management Policy
- Develop a Corporate Investigation Policy to include formal fraud, corruption and whistle-blowing policies
- Integrate all sustainability KPIs into Dolphin's online performance management system
- Start the exercise of the balanced scorecard by creating a list of priorities based on sustainability and Dolphin strategy to be added in Dolphin balanced scorecard in 2012
- Publish 2010 Benchmarking Study to compare Dolphin with its peers and evaluate the analysis to improve Dolphin performance
- Create a sustainability action register to monitor all 2011 goals
- Ensure $\geq 75\%$ of all goals are achieved and reported on in the 2011 Sustainability Report

Providing Cleaner Energy and Optimizing By-products

- Maintain a 730 BCF export-rate of Lean Gas
- Produce 35 MMbbls of Condensate
- Produce 842 kt of Propane
- Produce 509 kt of Butane
- Export 1,231 kt of Ethane to QP
- Produce 256 kt of Sulfur

Meeting Customer Expectations

- Continue to enhance customer relationships and satisfaction. In addition to function related meetings, two Relationship Enhancement Meetings to be held with all of our customers in the UAE, Oman & Qatar
- Score ≥ 7 in the annual customer satisfaction survey
- Develop and launch a formal customer complaints management system

Ensuring Efficient Operations

- Reach a 100% average availability of facilities due to non-operational shortfalls
- Maintain 0 hours of Taweelah Receiving Facility downtime
- Identify and prioritize high points of failure in operations as part of business continuity management
- Conduct the first shutdown and maintenance of STREAM 2 since operational start-up

Creating Economic Opportunity

- Improve identification and tracking of hiring from local communities, and opportunities to improve local hiring

Minimizing Environmental Impacts

- Initiate a water treatment and reuse feasibility study for Ras Laffan Plant
- Begin Recycling program at Dolphin Energy's residential communities in Qatar
- Optimize plant operations and minimize process upsets and consequential unplanned flaring; targeting 0.3% continuous flaring of sweet gas production
- Target 700 kwh energy savings from the Green IT Initiative

Community Engagement and Optimized Social Impacts

- Develop an aligned Community Investment Strategy

Being Employer of Choice

- Integrate sustainability performance and criteria into the performance reviews of the sustainability team members
- Achieve 49% Emiratization in 2011
- Achieve 30% Qatarization in 2011
- Initiate and achieve a 25% completion rate of implementing globally-recognized certificates in HR practices
- Launch a Talent Management Function within Dolphin Energy to develop career development plans, executive level training programs, and implement succession planning
- Participate in 4 Qatar-based and 2 UAE-based career fairs

Ensuring Safe Operations

- Conduct security vulnerability assessment
- Conduct an Emergency Equipment Procurement Assessment
- Ensure Dolphin does not exceed 1.6 TRIR for Employees and Contractors
- Establish process safety KPIs for the company
- Implement a Road Safety Program

Contractor and Supplier Relations and Practices

- Create a sustainable Supplier Performance Evaluation Form to evaluate Contractors/Supplier sustainability performance
- Emphasize within Procurement & Contracts (P&C) Policies and Procedures the importance of adhering to human rights and environment related performance
- Initiate the development of an online commercial directory for supplier e-registration

GRI Application Level and IPIECA/API

This report uses the leading international guidelines for sustainability reporting, namely the Global Reporting Initiative (GRI), and the International Petroleum Industry Environmental Conservation Association / American Petroleum Institute (IPIECA/API) reporting guidance. Dolphin Energy self-declares this report to meet GRI Application Level A. The GRI Index can be found in Appendix A, and the IPIECA/API index in Appendix B.



About Dolphin Energy

Ownership

Mubadala Investment Company	51%
Total	24.5%
Occidental (Oxy)	24.5%



Areas of Operation

Headquarters
Abu Dhabi, United Arab Emirates
Doha, Qatar

Operational Offices

Taweelah, UAE
Ras Laffan, Qatar

Dolphin Energy is a development company established in Abu Dhabi to implement the Dolphin Gas Project, a unique strategic energy initiative involving the production and processing of natural gas from Qatar's North Field, and transportation of the refined gas by subsea pipeline across joint UAE-Qatari waters to the United Arab Emirates.

The Dolphin Gas Project is one of the largest energy-related ventures ever undertaken in the Middle East and the region's only trilateral gas grid. Dolphin Energy's overall objective is to create wealth, long-term economic growth, employment and new business opportunities for GCC citizens, far into the future.

About Our Products

Dolphin Energy's core business involves the appraisal, development, production, transportation and marketing of premium methane, ethane, propane, butane and associated hydrocarbon condensate and sulfur.

In addition to providing natural gas to local markets in the UAE, Qatar and Oman, Dolphin Energy also provides condensate, Liquefied Petroleum Gas (LPG) and sulfur to global markets.

Memberships and Engagements

Abu Dhabi Sustainability Group (ADSG)

Dolphin Energy is a founding member and an elected member of the general secretariat of the ADSG. The Group's signatories have all committed to adopting sustainability management and reporting.

Oil and Gas Producers Association (OGP)

The OGP is an organization which aims to improve the industry through the provision of accessible resources and best practices in Health, Safety, and Environment (HSE), engineering and operations.

Abu Dhabi Emergency Support Committee for Offshore Operations (ADESCO)

Dolphin Energy completed its final year of Chairing ADESCO in 2010, a committee established to coordinate emergency response and assistance programs for potential offshore emergencies.

Ras Laffan Environmental Society (RLES)

RLES is a non-profit organization which aims to ensure that all ventures at Ras Laffan adopt environmental best practices and maintain health standards in their operation.

Ras Laffan Community Outreach Programme (RLIC COP)

RLIC COP is an industry led initiative focused on ensuring a two-way engagement process with the community that allows for collective innovation and decision-making.

Emirates Environmental Group (EEG)

EEG and its CSR network aims to contribute positively to the advancement of sustainable development in UAE and assist concerned authorities where possible to increase the level of public awareness on all local and global environmental issues.

Dolphin Gas Project

Ras Laffan

The Gas Processing and Compression Plant at Qatar's Ras Laffan Industrial City, the largest single build plant in the world, is central to Dolphin's activities.

Taweelah-Fujairah Pipeline (TFP)

The TFP is a 48 inch, 244 km gas pipeline that takes natural gas from Taweelah across the country to power and desalination plants in Fujairah.



Taweelah

Dolphin gas produced in Qatar arrives at the company's Taweelah Receiving Facility in Abu Dhabi, UAE.

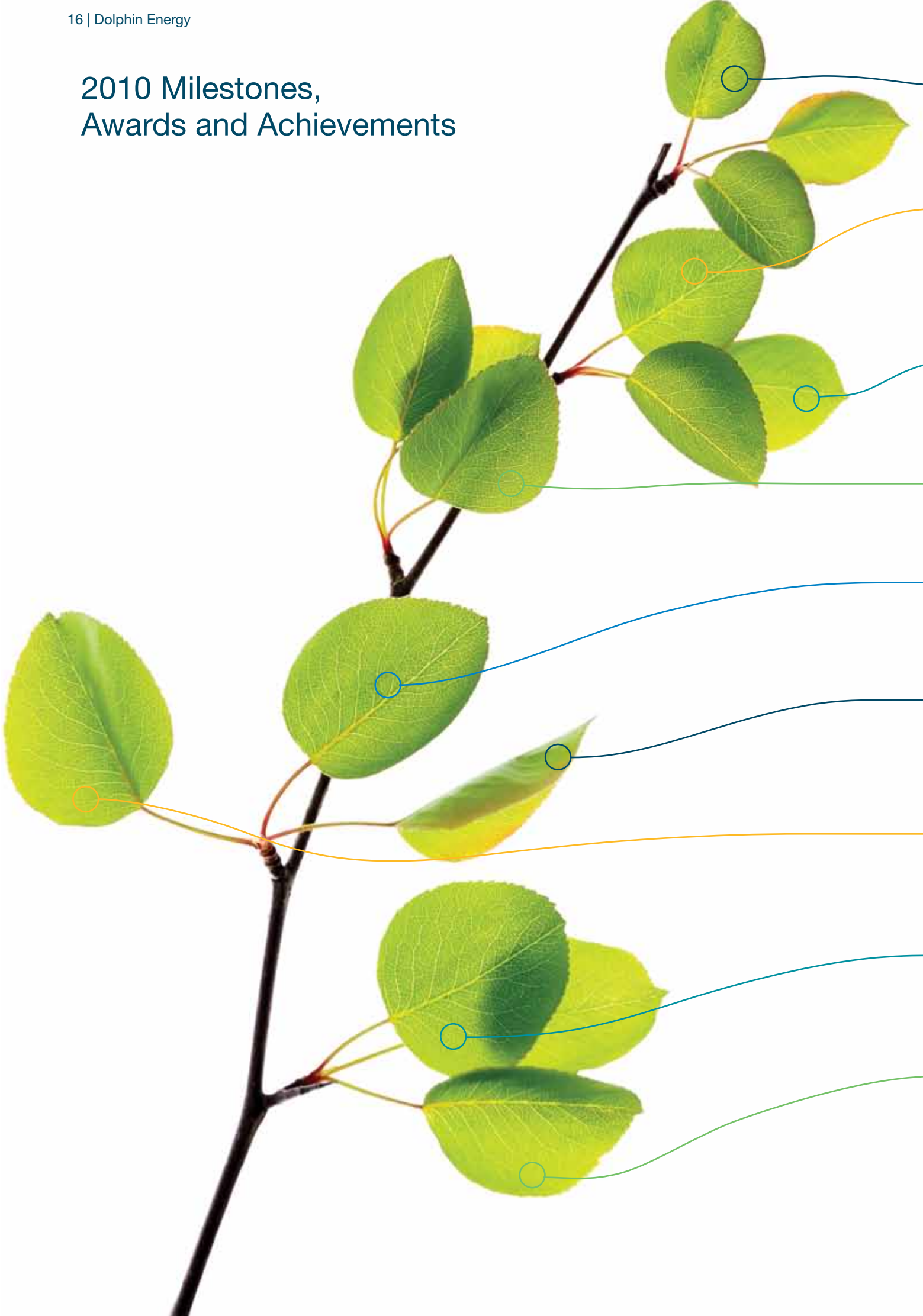
Al Ain-Fujairah Pipeline (AFP)

Dolphin Energy entered the business of gas supply in January 2004, when the company commissioned the natural gas pipeline that connects Al Ain with the emirate of Fujairah.

Significant Operational Achievements in 2010

- Dolphin Energy started receiving, compressing and exporting to UAE 3rd party gas from Qatar Petroleum (QP) in October 2009. The phase 1 of the Interim Piping Modification to Third Party Gas Receiving Facilities project was successfully commissioned in November 2010.
- The Ethane Cracker plant of Ras Laffan Olefin Company (RLOC) started to import ethane from Dolphin and Al Khaleej Gas in May 2010 and Dolphin Energy started to receive and process mixed LPG from RLOC in September 2010.
- Phase 2 of the Common Low Sulfur Condensate Storage and Export Facilities project operated by Dolphin Energy was commissioned successfully with two new tanks put in operation during May 2010, and the construction of another tank was then started.

2010 Milestones, Awards and Achievements



Health and Safety Milestones in the UAE

In 2010, Dolphin's UAE Operations Division registered more than

7 million man hours

without a lost time incident (LTI)

Dolphin Launches its First Road and Safety Manual

Dolphin Energy has released a Road and Safety Program Manual based on global recommended practices to help manage the risks associated with driving motor vehicles. (See more on p. 83)

Health and Safety Milestones in Qatar

In 2010, Dolphin's Qatar Operations Division registered more than

7.7 million man hours

without a lost time incident (LTI)

Project Finance Deal of the Year 2009

Awarded in 2010, Dolphin Energy's re-financing program won the Euromoney 'Project Finance Deal of the Year' for 2009.

The Taweelah-Fujairah Pipeline (TFP) Completed

The TFP pipeline was commissioned in December 2010, following 3 years of planning, design, construction and laying a pipeline across 244 km of challenging desert and mountain terrain. (See more on p. 39)

Dolphin presents: Dolphin Equity

Dolphin Energy's Human Resource & Administration Division was recognized for the swift implementation of Dolphin Equity, a program to improve company grading and salary structures. (See more on p. 78)

Production Milestones

In August 2010 Dolphin Energy reached a major production milestone of

100 million barrels

of condensate

Production Milestones

In August 2010, Dolphin Energy reached a major milestone of producing

2 trillion standard cubic feet

of natural gas

Dolphin Energy's Sustainability Report wins at Qatar Today Green Awards

Dolphin's sustainability report was awarded the 'Environmental Vision in the Energy Sector Award' at the 2010 Qatar Today Green Awards and marking another step in the company's ongoing commitment to sustainability. (See more on p. 19)

Sustainability at Dolphin Energy

From its inception, Dolphin Energy has been committed to being a responsible corporate citizen across all its operations and activities. Dolphin Energy is, at its core, an initiative focused upon bringing the world's cleanest fossil fuel energy to market, and in so doing creating environmental, economic and social benefits for regional and global stakeholders.

“As Dolphin continues to move forward, it is important that sustainable development remains at the center of our efforts to secure beneficial growth for future generations.”

HH Sheikh Hamdan Bin Zayed Al Nahayan
Chairman of Dolphin Energy

Sustainability Defined

Dolphin Energy defines sustainability management as the systematic, integrated management of economic, environmental and social performance – with the goal of optimizing benefits for both business and society in an environmentally sustainable manner.



Our Stakeholders

Optimizing these benefits requires a full understanding of the company's stakeholders: who they are, their interests and perspectives, and the opportunities available to work with them to continuously improve results. In 2009, Dolphin Energy undertook a stakeholder analysis, which supported the development

of the company's sustainability strategy and overall management framework.

To see our stakeholder analysis in detail, please refer to our 2009 baseline Sustainability Report, available on our website. www.dolphinenergy.com



Award Winning Sustainability Programme

On November 27th, 2010, Dolphin's sustainability report was awarded the 'Environmental Vision in the Energy Sector Award' at the 2010 Qatar Today Green Awards. Dolphin Energy was evaluated based on the

environmental, social and economical performance and commitments made in the company's baseline 2009 Sustainability Report. This award marked another step in the company's ongoing commitment to sustainability.

Our Priority Sustainability Issues

The stakeholder analysis revealed considerations which cut across economic, environmental and social realms. The importance of sustainability to the company is not only in individual areas of economic, social and environmental performance, but also their interaction, and the opportunity to simultaneously create value by looking across these three areas.

Based on the stakeholder analysis and considerations, Dolphin Energy developed a sustainability strategy which is captured through ten key sustainability priorities. For a more detailed review of the steps Dolphin Energy took to develop its sustainability strategy, please refer to the baseline 2009 sustainability report (page 16) which can be found on our website.

www.dolphinenergy.com



1 Good Governance,
Management and
Integrity

3 Meeting Customer
Expectations

2 Providing Cleaner
Energy and
Optimizing
By-Products

6 Minimizing
Environmental
Impacts

5 Creating Economic
Opportunity

4 Ensuring Efficient
Operations

7 Community
Engagement and
Optimizing Social
Impacts

8 Being Employer
of Choice

9 Ensuring Safe
Operations

10 Contractor and
Supplier Relations
and Practices



Summary Sustainability Performance

Dolphin Energy backs up its commitments to priority areas with clear objectives and performance tracking. Below is a summary of performance. Details can be found in the relevant sections of this report.

Sustainability Issues	Indicator	Performance				2010 Target	2010 Comp
		2007	2008	2009	2010		
Good Governance, Management and Integrity	Number of regulatory incidents	0	0	0	0	0	●
	Percentage of independent directors	89%	89%	89%	89%	89%	●
	Level of GRI-based reporting	NI	NI	NI	A	A	●
	Number stakeholder groups assessing report	NI	NI	NI	1	NT	NT
Providing Cleaner Energy and Optimizing By-products	Export of Lean Gas (BCF)	135	701	728	730	730	●
	Condensate (MMbbls)	7.4	35.1	35.6	35	36	98%
	Propane (kt)	98	781	813	818	836	98%
	Butane (kt)	72	482	496	501	506	99%
	Export Ethane to QP (kt)	125	1,124	1,296	1,321	1,296	●
	Sulfur (kt)	8	232	252	260	256	●
Meeting and Exceeding Customer Expectations	Number of unplanned supply disruptions to customers	0	0	1	0	0	●
	Customer satisfaction index	NI	NI	NI	6.9	Develop index	●
Ensuring Efficient Operations	TRF Downtime (hours)	NR*	0	0	0	0	●
	Availability of facilities due to non-operational shortfalls (%)	NR	NR	99.56%	98.17%	>95%	●
	Ratio of corrective to preventative maintenance - Ras Laffan	NR	0.9	1.42	1.36	1.25	●
	Corrective maintenance as a percentage of total - Taweelah	NR	19.80%	25.67%	32.25%	55%	●
Creating Economic Opportunity	Net sales revenues (USD millions)^	381,185	1,450,373	1,576,149	1,874,258	NT	NT
	Amount paid to human resources (USD millions)^	22,214	33,419	36,861	37,972	NT	NT
	Amount spent on local contracting (USD millions)	NI	NI	NI	\$402.3	NT	NT
Minimizing Environmental Impacts	Flaring - total volume flared (MMscf)	25,806	15,288	8,648	4,846	NT	NT
	Onshore Flaring - percentage of available gas for sale	19%	2.1%	1.1%	0.59%	0.3%	●
	NOx emissions (tons)	903	3,246	3,072	572	NT	NT
	SOx emissions (tons)	11	33	31	257	NT	NT
Community Engagement and Optimizing Social Impacts	GHG emissions (kt)	2,228.3	3,688.3	3,362.1	3,014.9	NT	NT
	Number of local community engagements**	7	20	17	23	NT	NT
Being Employer of Choice	Percentage of profit invested in community	1.2%	0.85%	1.2%	1.2%	>1%	●
	Percentage Emiratisation	37%	34%	34%	45%	47%	●
	Percentage Qatarization	12%	18%	22%	27%	27%	●
	Percentage of Female - Total Employees	12%	11%	13%	14%	20%	●
	Percentage of Female - Management	0%	3.6%	4.4%	4.1%	6%	●
	Percentage unplanned turnover (% of workforce)	8%	5%	6%	4%	<8%	●
	Percentage absenteeism	0	0	0	0	0	●
	Employee satisfaction index (%)**	NR	72%	NR	73%	72%	●
	Employee satisfaction with quality of engagement with management***	NR	72%	NR	74%	72%	●
	Percentage employees having performance reviews	37%	88%	93%	100%	100%	●
Youth internships offered	28	30	23	19	40	●	
Ensuring Safe Operations	Fatalities	0	0	0	0	0	●
	TRIR Employees	3.11	1.72	0.54	1.21	1.8	●
	TRIR Contractors	2.01	1.96	1.98	2.76	1.8	●
	LTIR Employees	2.22	0.43	0	0.30	0.5	●
	LTIR Contractors	0.61	0.61	1.13	2.01	0.5	●
Contractor and Supplier Relations and Practices	Number of reviews and checks for contractor compliance	NR	NR	NR	22	NT	NT

● Complete

● Work in progress

○ Not achieved

NR: Not Recorded; NT: No Target; NI: New Indicators

*The customer satisfaction survey is out of 10; ** excluding environmental programs; *** survey only conducted every two years;

^ In the 2009 report, revenues reported were Net Sales (i.e net of cost of sales), which has now been reinstated for all the years from 2007 onwards to report actual revenues and the cost of sales are reported as part of operating costs to be in line with the GRI indicator protocols set in EC1; revenues pertain only to downstream operations;

^^ This constitutes amount spent on downstream operations, and excludes amount spent for secondees and services contractors





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Good Governance, Management and Integrity

Key Issues:

Governance

Management and Integrity

Our Perspective: Maintaining integrity and trust is the most fundamental success factor in maintaining a “social” license to operate. It requires increasingly higher levels of engagement, transparency, performance and accountability.

2010 Performance against Goals

	Performance	Page
• Incorporate newly proposed sustainability-related indicators into corporate management and tracking systems, and embed sustainability into management decision making processes	●	28
• Commit to a review of all business priorities, goals, and underlying systems in the context of sustainability, seeking new insights into opportunities for improvement	●	28
• Provide ongoing sustainability training and support for all Dolphin Energy business units	●	28

Governance

The Board of Directors is the highest governing body within Dolphin Energy and consists of nine members who are appointed by the shareholders; 89% are independent, with the Chief Executive Officer (CEO) the only member of the management team serving on the Board. The Board oversees Dolphin Energy's strategy, integrity, risk management and performance and has the authority to appoint the company's CEO.

The Board normally meets twice a year. These meetings include engagement with representatives of the different business units to discuss the company's economic, environmental and social performance, as well as any opportunities, risks and compliance issues arising throughout the year.

A gap analysis on governance frameworks was conducted in 2010 in order to amend charters, policies and management systems. The changes will be finalized and implemented in 2011.

Integrity

Dolphin Energy's Code of Business Conduct (CBC), which is approved by the Board of Directors, outlines policy and procedures to help ensure that the Board of Directors, management and all Dolphin employees conduct business in a legal and ethical manner and avoid any conflicts of interest.

In addition, all of Dolphin Energy's contracts and agreements are required to contain conflict of interest clauses and contractors must be in compliance with the CBC in order to conduct business with Dolphin. Every year, each employee is asked to review the CBC before declaring his/her compliance with the CBC.

Dolphin Energy's legal department ensures compliance with laws, regulations and code of conduct. The General Counsel is the Compliance Officer. Dolphin Energy is also committed to various reporting obligations under loan covenants with lenders and investors. No incidences of non-compliance arose in 2010 across all corporate functions, including financial fines or non-financial sanctions.



Board of Directors

Members:	9
Independent Members:	89%
Female Members:	0%
Board Committees:	4
Audit Committee	
Finance Committee	
Project Review Committee	
Tender Committee	

Board Members

Chairman
HH Sheikh Hamdan Bin Zayed Al Nahayan Ruler's Representative of Western Region of Abu Dhabi Emirate
Vice Chairman
HE Mohamed Ahmed Al Bowardi Secretary General of the Executive Council of Abu Dhabi Emirate
CEO of Dolphin Energy
Ahmed Ali Al Sayegh
Deputy CEO -w Mubadala Oil and Gas
Suhail Al Mazroui

Advisor to the Chairman - Mubadala
Mohammed Saif Al Mazrouei

**Senior Vice President - Middle East
Oxy Oil and Gas**
Glenn Vangolen

**President - International Production
Oxy Oil and Gas**
Sandy Lowe

President Total E & P U.A.E.
Jean-Luc Guiziou

Senior Vice President Middle East – Total
Arnaud Breuillac

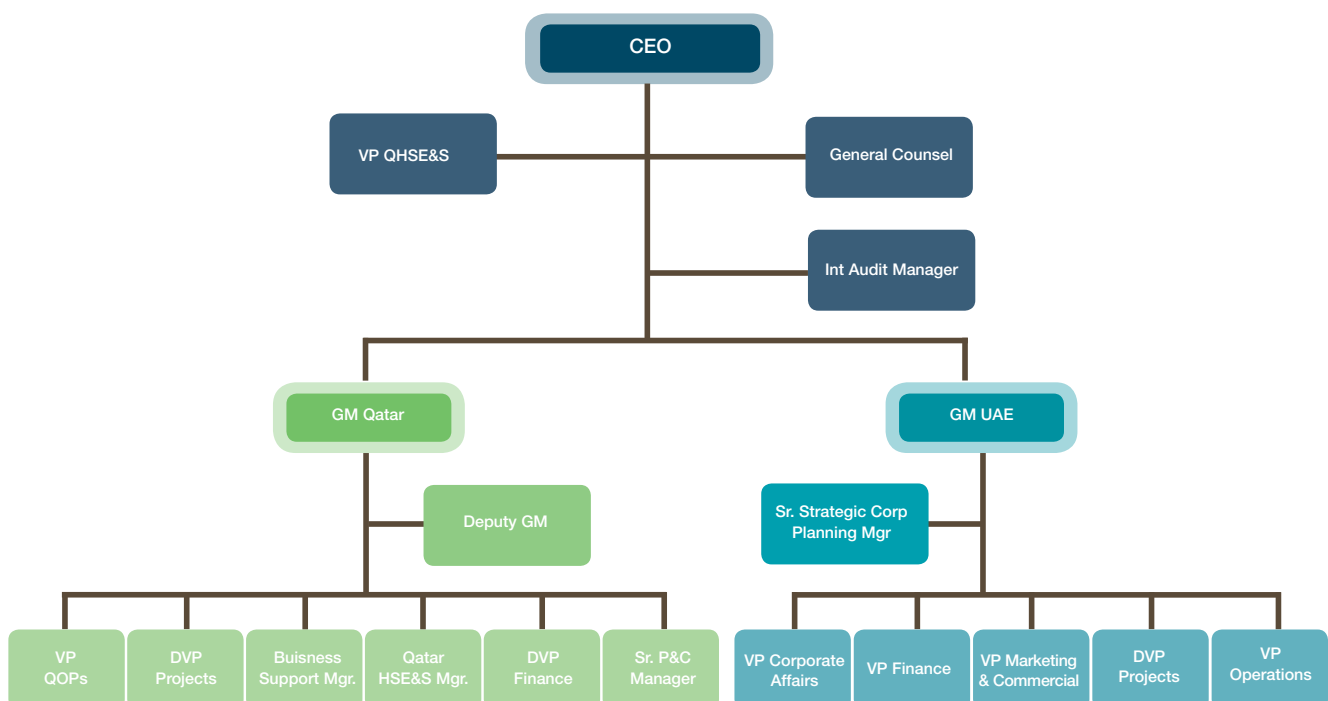
“Dolphin is committed to the highest standards of legal and ethical conduct.”

Compliance: A Core Value that is Good for Business

When the Code of Business Conduct states that, “Dolphin is committed to the highest standards of legal and ethical conduct in its business dealings and complies with all applicable laws, regulations and codes wherever it conducts business,” it is true. Here’s an example. The matter relates to the supply of industrial valves during the period 2003-2007 by one of our suppliers, and allegations that it was able to bribe officials at different companies in different countries. Dolphin Energy carried out an internal investigation and then hired an external law firm to conduct an independent investigation. Both investigations found no evidence of wrongdoing by Dolphin Energy. As our General Managers said at the time, “Dolphin Energy takes such allegations extremely seriously and is committed to conducting its business in strict compliance with its Code of Business Conduct”. Setting the right tone sends the right message, as does the creation of a dedicated compliance capability.

Organizational Structure

Each of Dolphin Energy’s two geographical areas, Qatar and UAE, operate their own decentralized organizational structure, with General Managers (GMs) on top of the command chain in each location. The GM of each operational location reports directly to the CEO of Dolphin Energy.





Rania Al Dhaheer
Head of Economic Analysis
Strategic & Corporate Planning Department

“The alignment exercise was well-received in the organization with all departments cooperating with us on achieving it.”

Sustainability Core to Dolphin Energy's Corporate Strategy

● Upon the development of the corporate sustainability strategy in 2009-10, Dolphin Energy acted purposefully by restructuring the corporate business plan to be in direct alignment with Dolphin's sustainability priority issues, key performance measures, and targets. *“After publishing our first sustainability report, we quickly saw the importance and value in the goals and KPIs captured through a sustainability perspective,”* said Rania Al Dhaheer, Head of Economic Analysis with the Strategic and Corporate Planning Department (S&CP). After embedding all of the sustainability perspectives and themes defined in the sustainability report into Dolphin Energy's company-wide business plan, departments were also encouraged to align their own objectives and measures to the sustainability strategy.

“The alignment was very important so as to ensure Dolphin Energy staff put their efforts into pulling the organization in the same direction.” Rania goes on to explain, *“Successful companies depend on their employees every single day. It is important that Dolphin Energy employees understand where the company is headed, and what the corporate and departmental goals are so that they can also align their personal goals in meeting the strategic objectives.”* S&CP adopted all new KPIs and defined goals into the business plan; the department is also working with IT to have these KPIs integrated into Dolphin's performance management system, which will help generate sustainability data on a monthly and quarterly basis. To build departmental understanding and integrate sustainability into their own strategic planning processes, Dolphin Energy is planning a series of seminars in 2011 to train departments on how sustainability affects their business units. ● Furthermore, S&CP is planning to develop a 'strategic balanced scorecard' at Dolphin in 2011, which will be directly developed from the sustainability themes. This tool will focus the whole organization on the key objectives, which will lead to contributions from every single employee and achieve overall performance excellence.





2011 Goals

Good Governance,
Management and Integrity

- Conduct sustainability seminars for each business unit / department at Dolphin Energy to support strategic planning around sustainability priority issues
- Update and revise the Corporate Governance Manual
- Initiate the development of a Corporate Risk Management Policy
- Develop a Corporate Investigation Policy to include formal fraud, corruption and whistle blowing policies
- Integrate all sustainability KPIs into Dolphin's online performance management system
- Start the exercise of the balanced scorecard by creating a list of priorities based on sustainability and Dolphin strategy to be integrated in Dolphin balanced scorecard in 2012
- Publish 2010 Benchmarking Study to compare Dolphin with its peers and evaluate the analysis to improve Dolphin performance
- Create a sustainability action register to monitor all 2011 goals
- Ensure $\geq 75\%$ of all goals are achieved and reported on in the 2011 Sustainability Report



2

2

Providing Cleaner Energy and Optimizing By-Products

Key Issues:

Providing Cleaner Energy Optimizing By-Products

Our Perspective: Dolphin Energy is a leading and reliable supplier of cleaner energy, and transporting the world's cleanest fossil fuel to help meet the energy needs of the UAE and Oman. Dolphin Energy is the first and only international gas network in the Gulf region.

2010 Performance against Goals

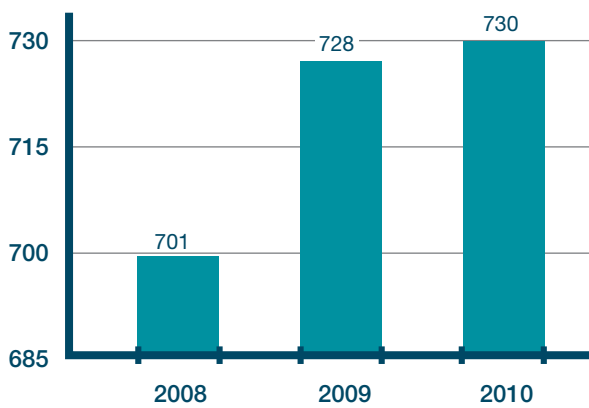
	Performance	Page
• Export 730 BCF of Lean Gas	●	34
• Produce 36 MMbbls of Condensate	98%	35
• Produce 836 kt of Propane	98%	34
• Produce 506 kt of Butane	99%	34
• Export 1,161 kt of Ethane to QP	●	34
• Produce 256 kt of Sulfur	●	34

Cleaner Energy

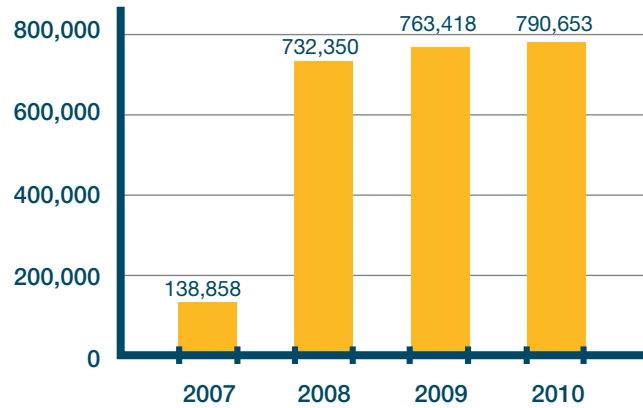
As world energy demand grows, Dolphin Energy is helping meet energy demand with an environmentally friendly product. Dolphin Energy’s principal product is a sweet, dry, high grade 97% pure methane gas. The company is working diligently to reduce the environmental impacts of this product by dramatically reducing onshore flaring as a proportion of gas sales from 19% in 2007 to 0.59% in 2010. For activities Dolphin Energy is undertaking to reduce emissions and other environmental considerations, refer to Chapter 6: Minimizing Environmental Impacts.



● Export of Lean Gas (BCF)



Total Gas Sold (BBTU)



Sales	2007	2008	2009	2010
Gas imbalance under the swap agreement (MMBTU)	0	102	2,240	-515
Actual (net gas) volumes (Bscf)	135	701	728	730
Total Gas Sold (BBTU)	138,858	732,350	763,418	790,653

Natural gas produces less carbon dioxide (a climate warming greenhouse gas) per joule of energy delivered than either coal or oil.



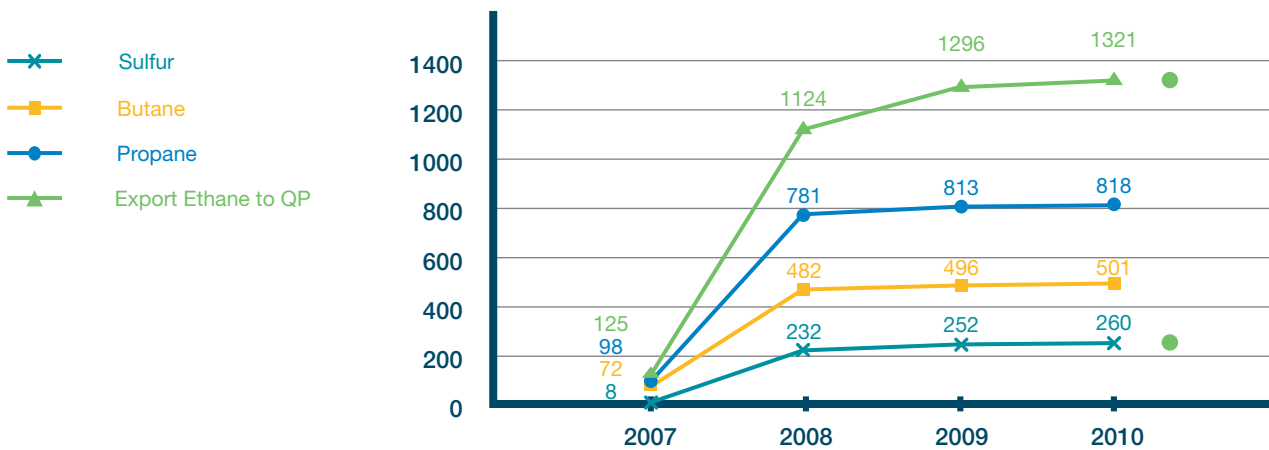
Optimizing By-Products

Dolphin Energy also seeks to further reduce the impact of its main product by optimizing and capturing the by-products of the production process. This not only dramatically reduces waste, but provides multiple additional lines of revenue. The by-products are separated, processed and optimized for distribution.

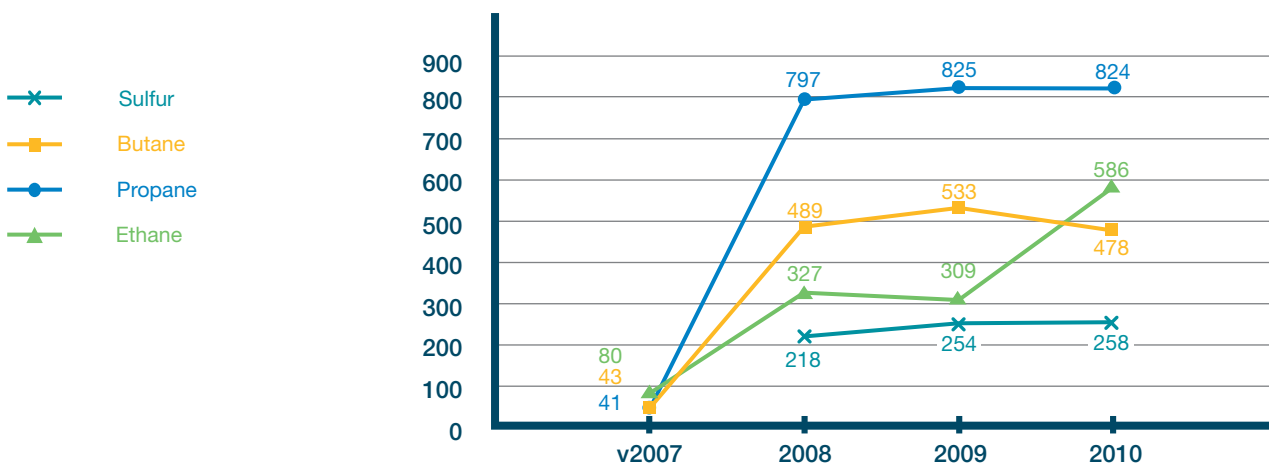
The main by-products optimized include condensate, LPG (propane and butane), ethane and sulfur. Propane and Butane data below excludes exports to Ras Laffan Olefin Company (RLOC).

Although routine maintenance programs in Dolphin Energy’s facilities were conducted during 2010 – which requires the reduction in natural gas supply to customers by up to half for several days per year (to yield only 1 BCF per day) – gas production rose marginally to reach a target yield of 730 billion cubic feet. ● Production outputs for ethane, propane, butane, sulfur and condensate remained consistent with 2009 production levels.

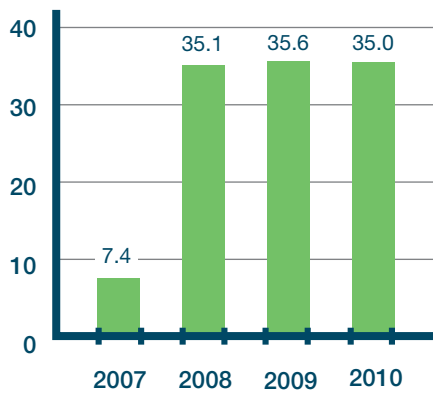
Production Output (kt)



Actual Volume of Sales (kt)



Condensate (MMbbls)



Our By-Products

Condensate

Low sulfur condensate is an ultra-light form of oil that is a valuable by-product of Dolphin Energy's raw gas production and processing. The average daily production amounts to between 90,000 and 100,000 barrels of condensate. In 2008, Dolphin Energy awarded a USD 212 million contract to double the capacity of Qatar's low sulfur condensate storage facilities

Liquefied Petroleum Gas (LPG)

The liquefied petroleum gases propane and butane are valuable by-products of Dolphin Energy's gas processing facilities at Ras Laffan. Dolphin Energy produces 1,322 kt of LPG on average annually. Propane and Butane are used as fuel for industrial, domestic, automotive and agricultural processes worldwide, as well as in petrochemicals production. Butane also has specialized uses in gasoline blending.

Ethane

Ethane is extracted during gas processing. The average annual production of ethane since 2008 is 407 Kt. Ethane is utilized as feedstock for the ethane cracker of the Ras Laffan Olefin Company in Qatar.

Sulfur

Sulfur has to be extracted from the raw natural gas during processing to comply with international environmental standards. Dolphin Energy's average annual production of sulfur since 2008 is 243 Kt. Sulfur is sold worldwide and is largely used in the production of fertilizers.



2011 Goals

Providing Cleaner Energy
and Optimizing By-products

- Maintain a 730 BCF export-rate of Lean Gas
- Produce 35 MMbbls of Condensate
- Produce 842 kt of Propane
- Produce 509 kt of Butane
- Export 1,231 kt of Ethane to QP
- Produce 256 kt of Sulfur



3

3

Meeting Customer Expectations

Key Issues:

Continuity of Supply

Customer Satisfaction

Our Perspective: Dolphin Energy understands that its customers require a reliable supply of natural gas; in turn, Dolphin's customers have millions of customers who rely on them.

2010 Performance against Goals

- Create a customer satisfaction index

Performance Page



38

Continuity of Supply

As the leading supplier of natural gas in the UAE, a consistent and uninterrupted supply is critical to operations. Dolphin Energy customers receive gas either under an interruptible or non-interruptible Gas Sales Agreement (GSA). For non-interruptible GSAs, continuity of supply is a priority. In 2010, there were no unplanned supply disruptions.

Unplanned Supply Disruptions

2007	2008	2009	2010
0	0	1	0

Customer Satisfaction



Dolphin Energy takes its commitments to its customers extremely seriously. With a limited number of customers, ensuring strong customer relationships and engagement is central to our business success. Dolphin Energy maintains a good understanding of the material issues and the needs of our clients through maintaining consistent open communication channels with our clients, on both an operational and commercial level. No breaches of customer privacy have been reported since Dolphin Energy's inception. Following up our commitment made in our 2009 sustainability report, Dolphin Energy set out to deliver customer satisfaction surveys. The survey was developed and issued to all Dolphin Energy customers, with a 100% response rate. The company scored 6.9 out of 10, which will serve as a baseline for forthcoming surveys. A 7.0 result is defined as "good" in the survey. ●

Reaching Milestones: What it meant to complete the Taweelah-Fujairah Pipeline

An Impressive Project

If building a pipeline through some of the world's most arduous desert and clearing a pathway through seemingly inaccessible mountain ranges doesn't sound difficult enough a task, the Taweelah-Fujairah Pipeline (TFP) was completed using an ambitious three year timeline to meet the requirements of its customers. While meeting the construction milestones in the timeframe given, Dolphin ensured that its strict quality, health, safety and environmental standards were met.

Working in Partnership

Working with contractor Stroytransgaz (STG) and several municipalities across 4 of the UAE's seven Emirates, the substantial 48 inch pipeline was laid across 244 kilometers connecting Dolphin Energy's receiving facilities in Taweelah to a new power and desalination plant in Fujairah. The pipeline route cuts across Abu Dhabi and Sharjah deserts, then over the mountains of Ras Al Khaimah before finally reaching Fujairah itself. The pipeline will supply the immediate and future gas requirements of one of Dolphin Energy's major customers, the Abu Dhabi Water and Electricity Company (ADWEC). The construction work involved in creating the pipeline route was not limited to digging trenches for the pipeline; due to the pathway involving Ras Al Khaimah's mountain ranges the construction of roads wide and stable enough to transport heavy vehicles and equipment was required throughout the project, Dolphin Energy worked with local municipalities to make more than 550 third-party and highway crossings using advanced non-destructive techniques which kept third-party assets

intact. Furthermore, Dolphin Energy worked to accommodate IPIC's (International Petroleum Investment Company) own oil pipeline and shared a right-of-way through Fujairah's mountains as part of an agreed construction sequence.

Environmentally Conscious

From the outset of the project, environmental and social concerns were captured and addressed. Firstly, a detailed Environmental and Social Impact Assessment (ESIA) was undertaken in 2007 to identify all necessary measures to be taken to minimize the impact of the pipeline on the environment and local communities located in proximity to the route. Secondly, Dolphin Energy decided not to use explosives to assist construction of the pipeline route in the mountain section. Although the use of explosives is commonplace in this regard and would have sped up the process significantly, the company felt it would compromise the quality of work, the stability of the mountains and increase health, safety and environmental risks – a gamble Dolphin Energy was not prepared to take.

Elevating Health and Safety Standards

In the first stages of construction, Dolphin Energy realized that the health and safety standards demonstrated by contractors and subcontractors were not at the level of expectation. In order to improve

the project's overall health and safety commitment, Dolphin Energy brought on several specialist trainers to work full-time on the project and educate workers on health and safety conduct with a specific focus on traffic safety. Dolphin Energy also hired 43 compliance inspectors on the project to ensure all rules and regulations were observed. At the end, Dolphin Energy's focus on quality, health and safety returned rewards with significant performance improvements. Mr. Adel Ahmed Albuainain, Dolphin's GM in Qatar, summed up the project eloquently when he stated, "If ever you needed an example to illustrate the power of 'positive energy', this is it. To have overcome the tough, challenging conditions faced by the entire team shows how brilliantly the project has been executed."

The Project in Numbers

- 116,000 metric tons of pipelines used
- 20,675 pipeline welds
- TFP's highest point is 680m above sea level
- 27 steep slopes ranging from 10 to 33 degrees
- 9 block valve stations and a receiving station built

2011 Goals

Meeting Customer Expectations

- Continue to enhance customer relationships and satisfaction. In addition to function related meetings, two Relationship Enhancement Meetings to be held with all of our customers in the UAE, Oman & Qatar.
- Score ≥ 7 in the customer satisfaction survey
- Develop and launch a formal customer complaints management system



4

Ensuring Efficient Operations

Key Issues:

Plant Availability

Facility Maintenance

Our Perspective: Ensuring efficient operations is the best way of meeting customer expectations while minimizing environmental impacts.

2010 Performance against Goals

	Performance	Page
• Achieve 0 Taweelah Fujairah Pipeline downtime (hours)	●	42
• Maintain >95% average overall availability of the facilities due to non-operational shortfalls	●	42
• Ensure a 1.25 ratio of corrective to preventative maintenance at Ras Laffan (Qatar)	●	43
• Ensure 55% corrective maintenance as a percentage of the total at Taweelah (UAE)	●	43

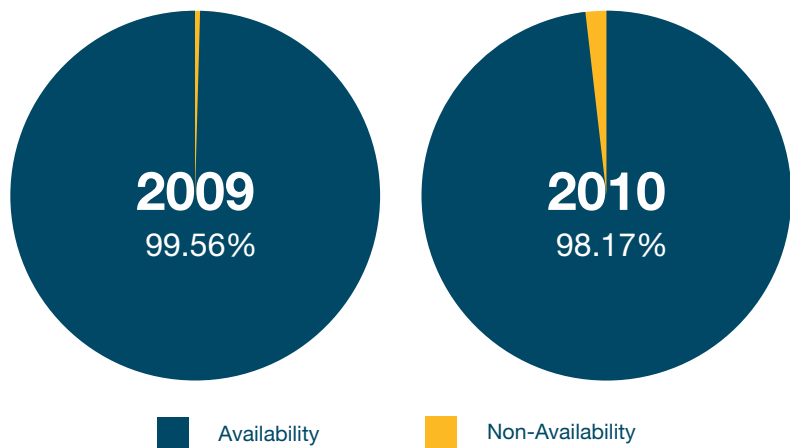
Plant Availability

Dolphin Energy succeeded in reaching its target.

As discussed in the previous chapter, the top priority of our customers is to have a reliable supply of product; the availability of our facilities is the primary contributor to overall plant reliability. Dolphin Energy succeeded in reaching its target of maintaining a 95% overall availability of Dolphin Energy facilities due to non-operational shortfalls.

Dolphin Energy also monitors the availability across the production process. In 2010, Dolphin Energy met its availability targets for 4 of 7 indicators under the planned operational shortfalls and 6 targets of 7 under the unplanned operational shortfall indicators. This performance resulted in 0 hours of downtime at the Taweelah Receiving Facility (TRF). ●

Availability of Facilities due to Non-Operational Shortfalls ●



Planned Operational Shortfalls:
EGC availability for production

2010	99.97%
2009	97.40%
2008	94.40%

Unplanned Operational Shortfalls:
EGC availability for production

2010	99.97%
2009	100.00%
2008	94.40%



Facility Maintenance

Dolphin Energy implemented a new maintenance and inspection program in 2010.

To ensure maximum efficiency and safety of its operations, Dolphin Energy implemented a new maintenance and inspection program in 2010 that includes pre-planned temporary shutdowns to ensure the highest standards of safety, maintenance, reliability and environmental protection in all areas of the company's business. Routine maintenance shutdowns are a regular feature of the energy industry worldwide and Dolphin Energy has ensured the consistent implementation of these checks. In 2010, three scheduled programs took place and gas supply to customers was reduced during these periods.

In Qatar, the Ras Laffan operation's 2010 ratio of corrective maintenance to preventative maintenance - 1.42 to 1.36 - was a slight improvement compared to 2009, though the target to reach 1.25 was not met. ●
In the UAE, Taweelah operations saw an improvement of increased corrective maintenance, however the goal of achieving 55% corrective maintenance was not met. ●

Maintenance Assisted via PIGs and ROVs

Dolphin Energy conducts pipeline integrity maintenance procedures regularly, but who knew pigs were used? 'PIG' stands for pipeline inspection gauge, an intelligent piece of machinery which is able to perform various operations on a pipeline without disrupting the flow of gas through the pipeline.

In fact, pigs are propelled through the pipeline using the velocity of the gas. A pig is shot through Dolphin Energy pipelines regularly to ensure the integrity of the pipeline remains intact; this includes ensuring the thickness of the pipeline is maintained throughout its length and ensuring corrosion is kept at bay.

Another intelligent piece of machinery used by Dolphin to conduct maintenance inspections includes remote-operated vehicles (ROVs) equipped with cameras. ROVs are used to swim alongside the sub-sea pipeline and transmit visual images of the pipeline to identify any unusual observations. The exercise of sending an ROV the entire length of the sub-sea pipeline spans an entire month.

Platform Maintenance while in Operation

Dolphin's Simultaneous Operations Team (SIMOPS) successfully completed a series of maintenance programs on Dolphin's offshore platforms in Qatar. The scope included the removal and refurbishment of two 36" motorized operating valves and extensive painting and facilities modification work on both DOL1 and DOL2. The painting work covered 6,000 m² on each platform with the major part of the work conducted using rope access. The modifications were made to enhance the safety and productivity of the platforms. More than 95,700 hours of work were recorded without a single recorded lost time incident. This was the result of extensive planning, proper execution and strong teamwork.

2011 Goals

Ensuring Efficient Operations

- Reach a 100% average availability of facilities due to non-operational shortfalls
- Maintain 0 hours of Taweelah Receiving Facility (TRF) downtime
- Identify and prioritize high points of failure in operations as part of business continuity management
- Conduct the first shutdown and maintenance of STREAM 2 since operational start-up



5

5

Creating Economic Opportunity

Key Issues:

Our Economic Impacts

Creating Wealth for Shareholders

Strengthening Regional Economies

Our Perspective: Dolphin Energy supports the development of substantial long-term new industries throughout the region creating sustainable wealth, economic growth and employment opportunities for the citizens of the region far into the future.

2010 Performance against Goals

	Performance	Page
<ul style="list-style-type: none"> Improve identification and tracking of hiring from local communities and opportunities to improve local hiring (hiring from immediate local community vs. hiring from distant communities) 	●	48
<ul style="list-style-type: none"> Improve identification and tracking of the contributions made to the community by local procurement (procuring from local suppliers vs. international suppliers) and opportunities to improve that contribution 	●	49

Our Economic Impacts

Dolphin Energy’s core objectives are to create economic wealth and opportunities for Qatar and the UAE, both now, and for generations to come. By providing a consistent, reliable and long-term supply of competitively priced and environmentally acceptable fuel gas, Dolphin Energy is indirectly supporting economic growth in Qatar, the UAE and Oman. Dolphin Energy’s operations are currently helping the UAE meet its energy demands as the country continues to expand and grow; and Dolphin’s operations in Qatar are providing nearly 1,000 jobs, accounting for 78% of Dolphin Energy’s total workforce. Dolphin Energy also seeks to create economic growth by developing regional industry partnerships, working with local suppliers and contractors where possible, supporting nationalization programs in both Qatar and the UAE to support local employment and by investing in local community development.

Creating Wealth for Shareholders

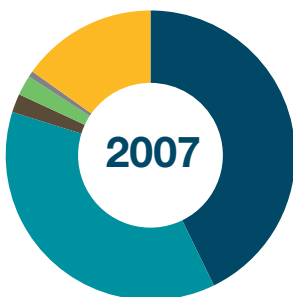
Percent Gas Sales Performance versus Forecast Revenues Target

2010	128%
2009	121%
2008	147%

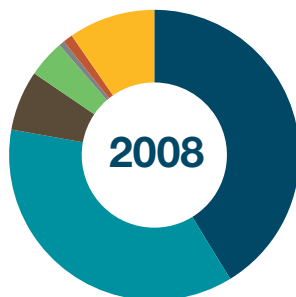
Dolphin Energy has a fiscal responsibility to generate economic value for its shareholders, namely Mubadala, Oxy and Total, and deliver against stated objectives. Dolphin Energy has thus far consistently delivered financial results that have exceeded the budgeted goals.

Plant Economics (USD Millions)

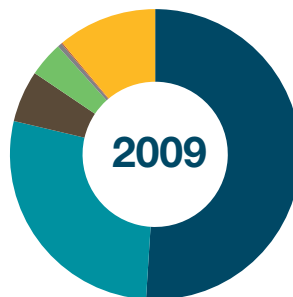
- Gas Revenues (downstream)
- Ethane Revenues
- Condensate Revenues
- Sulfur Revenues
- Propane Revenues
- Plant Direct Operating Costs and Overheads
- Butane Revenues



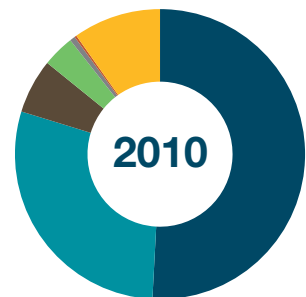
■	380.3 m
■	329.3 m
■	18.5 m
■	19.9 m
■	5.9 m
■	N/A
■	135.0 m



■	1449.3 m
■	1284.9 m
■	235.1 m
■	146.5 m
■	22.1 m
■	38.0 m
■	388.3 m



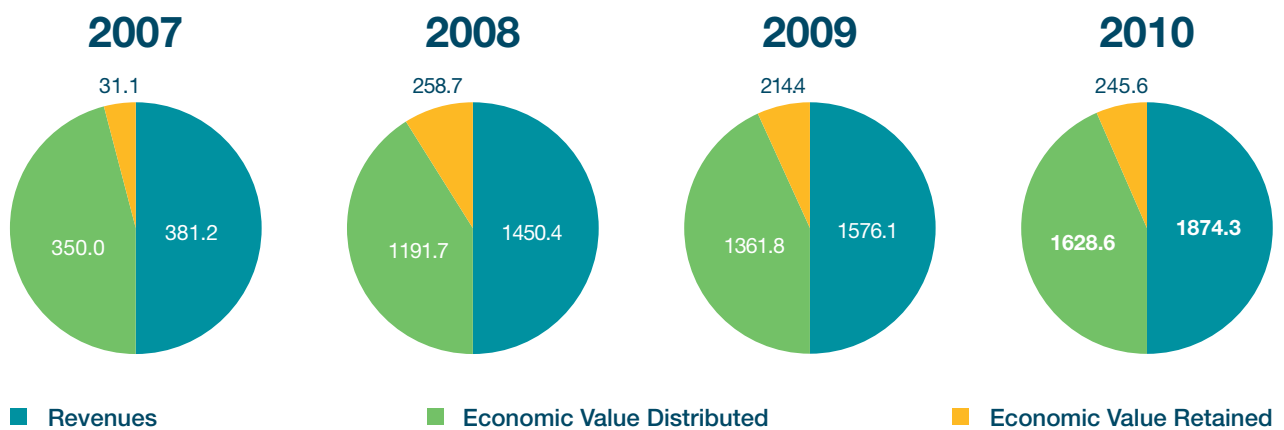
■	1574.7 m
■	854.6 m
■	177.6 m
■	120.2 m
■	15.0 m
■	-4.1 m
■	341.0 m



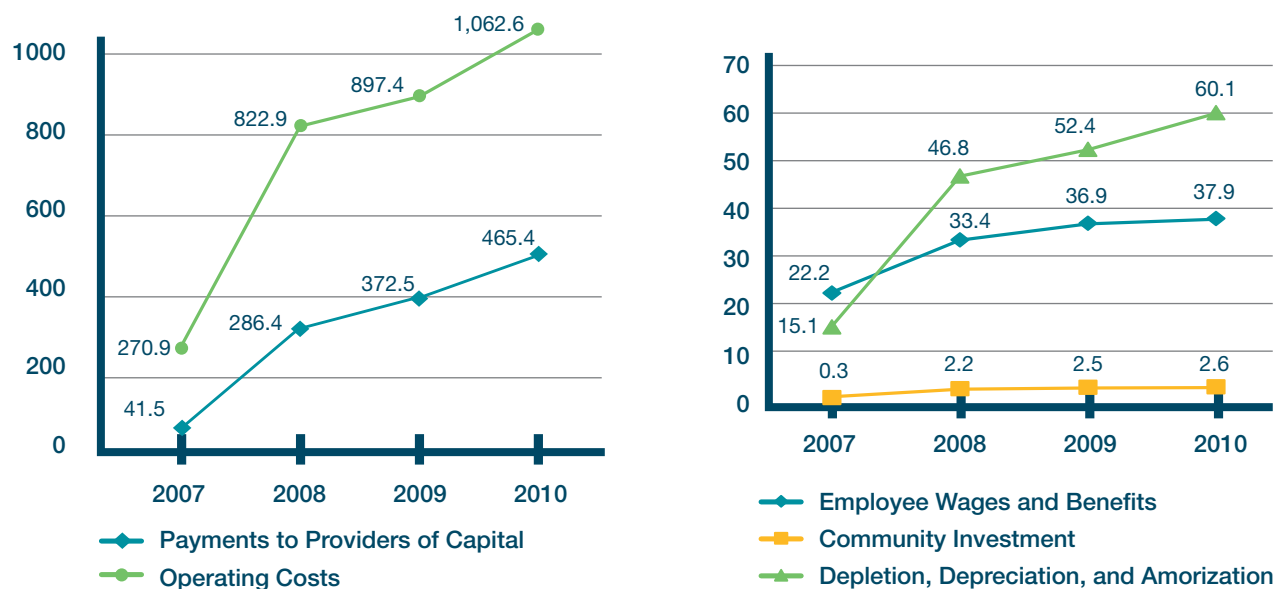
■	1872.7 m
■	1065.2 m
■	223.7 m
■	131.0 m
■	22.0 m
■	8.6 m
■	360.6 m

Dolphin Energy's finance division, which comprises 15 employees, is also responsible for ensuring that all management, shareholder and statutory requirements are met. The company has put in place strong internal controls with clear segregation of duties and appropriate financial systems, policies and procedures. Dolphin Energy uses Systems Applications and Products (SAP) financial systems as the company's financial management system. The company's financial statements are prepared following the International Financial Reporting Standards (IFRS) and are subject to a third-party audit. Audited financial statements are produced on a quarterly basis, communicated with shareholders and approved by the Board of Directors. All financials reported below pertain only to downstream operations and only represent part of Dolphin Energy's financial statements.

Direct Economic Value Generated and Distributed (USD Millions)



Economic Value Distributed (USD Millions)



Strengthening Regional Economies

In addition to the direct flow of profits, Dolphin Energy contributes positively and directly to the economies of the UAE and Qatar in terms of employment of National staff, local payment of salaries, procurement and direct fees.



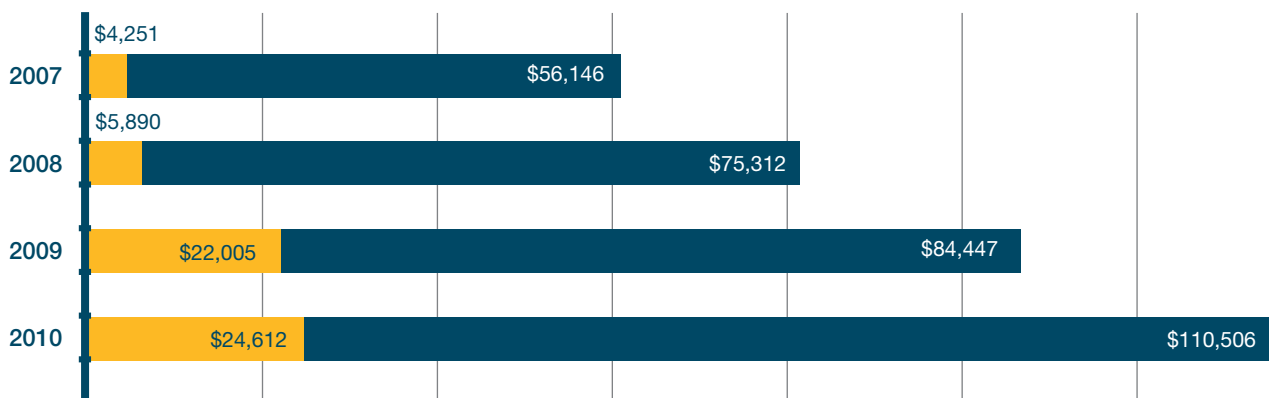
Contributing to Local Employment



Dolphin Energy remains committed to the Emiratization and Qatarization policies of the UAE and Qatar governments. These policies request that employers hire, train and develop Nationals, with a percentage taking senior positions. Targets for the percentage of Nationals employed are set on a sector by sector basis. Dolphin Energy has taken this policy a step further by seeking to hire from adjacent communities wherever possible. In 2010, Dolphin Energy contributed a total of USD 110,505,840 towards local salaries in the UAE and Qatar. More information can be found in Chapter 8: “Becoming Employer of Choice”. ●

Salaries Paid to Local Employees (USD x 1000)

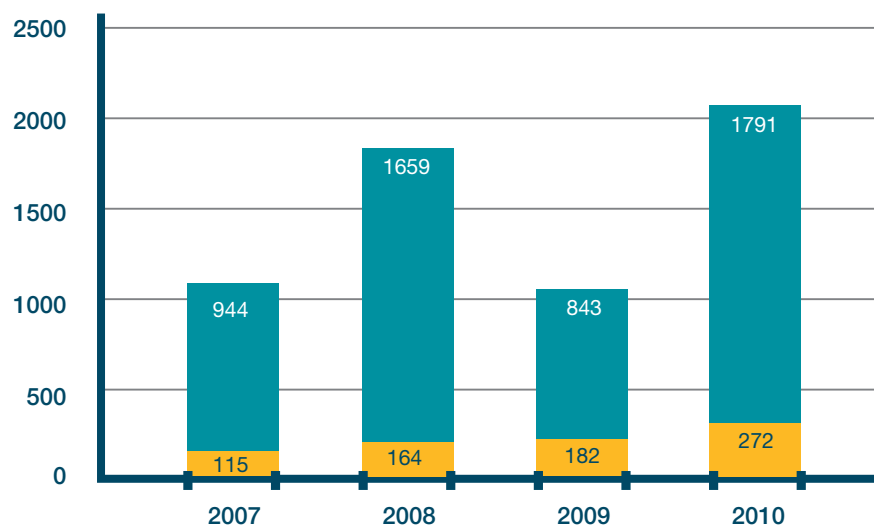
■ UAE ■ Qatar



Local Procurement

The source and origin of Dolphin Energy's procured goods and services necessary for operations is not restricted to specific geographic areas; any technically-competent local vendor is invited to participate in the tender process for the supply of services and materials. In order to support local sourcing, Dolphin Energy does require that all contracting parties be registered at the local Chamber of Commerce and possess registration with local municipalities upon winning a bid. Local sourcing is one of the decision-making factors where appropriate. Dolphin Energy is currently reviewing procurement practices in order to better determine the percentage of procurement spent on local suppliers. More information on local procurement can be found in Chapter 10: "Contractor and Supplier Relations and Practices".

Number of Significant Local Suppliers



Fees for Infrastructure and Utilities

Dolphin Energy's processing and production facilities in the UAE and Qatar are located within designated industrial zones. As one of several operators, annual financial contributions are made through land lease agreements and communal service providers to assist the development of the requisite infrastructure and utilities for the industrial complexes.

2011 Goals

Creating Economic Opportunity

- Improve identification and tracking of hiring from local communities, and opportunities to improve local hiring



6

6

Minimizing Environmental Impacts

Key Issues:

Climate Change and Related Emissions

Resource Management

Biodiversity

Our Perspective: Dolphin Energy is committed to protecting the environment and minimizing its impacts on climate change.

2010 Performance against Goals

	Performance	Page
• Optimize plant operations and minimize process upsets and consequential unplanned flaring; targeting 0.3% flaring of sweet gas production	●	54
• Establishment of an LDAR program to determine fugitive emissions and continued minimization of other leaks and spills	●	55
• Initiate construction of the liquid sulfur pipeline to transfer liquid sulfur from the plant to RLC port to avoid truck emissions	●	55
• Development of a Greenhouse Gas (GHG) Emissions register based on approved guidelines and protocols	●	55
• Increase recycling and improve resource management and efficiency	●	59
• Undertake a broader assessment of the company's ecological footprint and identify highest leverage opportunities for improvement	○	

Minimizing Environmental Impacts



Dolphin Energy is committed to managing its operations in an environmentally conscious manner that minimizes the impacts on the natural environment. Employees are essential participants in the process of improving environmental performance. To improve the understanding of the environmental context of the operations, employee training is provided in the form of a comprehensive induction program.

Moreover, the company routinely enforces environmental awareness through intranet bulletins, a company newsletter, HSE alerts, poster campaigns and regular employee presentations. The programs include waste minimization, recycling, energy efficiency, flaring and emissions, biodiversity and others.

Overall, Dolphin Energy has spent more than USD 26 million on environmental protection expenditure and investment between 2007 and 2009. In 2010, Dolphin spent USD 10.2 million on environmental protection expenditures.

Environmental Protection Expenditure (USD Millions)

	2007	2008	2009	2010
Prevention and Management	5.62	6.51	6.40	6.51
Treatment and Disposal	0.81	1.77	5.16	3.65
TOTAL	6.43	8.28	11.56	10.17

Our Management Approach

As part of the QHSE Management System, environmental performance standards are established covering all the significant environmental impacts of the company's operations, including emissions management, energy reduction, biodiversity protection, waste management, product and service enhancement, by-product optimization, water management and resource consumption.

In February 2008, as part of the ongoing development of Abu Dhabi's Policy Agenda, the Environment Agency Abu Dhabi (EAD) launched the Abu Dhabi Emirate Environment

Health and Safety Management System (EHSMS) initiative. The EHSMS went through a one year revision process resulting in issuance of the Abu Dhabi EHSMS Regulatory Framework in April 2009.

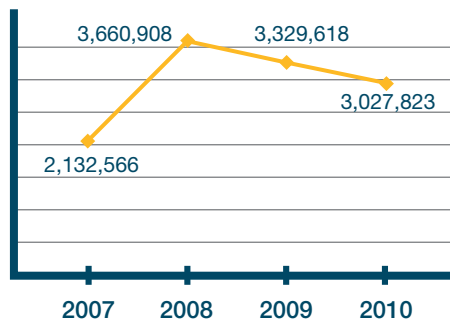
Dolphin Energy submitted its EHSMS for review and approval in August 2009. Dolphin Energy's EHSMS received final approval from the Abu Dhabi EHS Center in August 2010. The report stated that, "One of the major strengths of the Dolphin QHSE Management System is the fact that it has been developed and implemented over a number of years and only required minor

modifications to comply with the requirements of the Abu Dhabi EHSMS."

As part of its ongoing commitment to sustainability, Dolphin Energy submits quarterly reports to the EAD reporting on EHS performance and on key indicators of the EHSMS. Similarly in Qatar, quarterly environmental monitoring reports are submitted to Ministry of Environment reporting on various aspects and impacts related to air emissions, wastewater, groundwater, environmental incidents, waste and others.

Climate Change and Related Emissions

Total GHG Emissions (Tons)



As nations and countries around the world transition to low-carbon economies, greenhouse gas (GHG) emissions related to climate change are receiving increased attention. Dolphin Energy is committed to reducing its emissions to be amongst the cleanest suppliers of fossil fuels.

The most significant GHG emissions are generated from combustion of fuel gas for processing, flaring and venting. Other GHG emissions are generated from the use of imported power, truck emissions from the transfer of granulated sulfur and vehicle emissions from business-related travel. Dolphin successfully decreased its GHG emissions output in 2010 by 9%, emitting 3,040,646 tons; the majority of this decrease is attributed to reduced flaring achieved during the year. Due to inaccurate data reported on power and petrol consumption in the 2009 Sustainability Report, numbers have been re-stated in this report, affecting GHG totals for previous years.

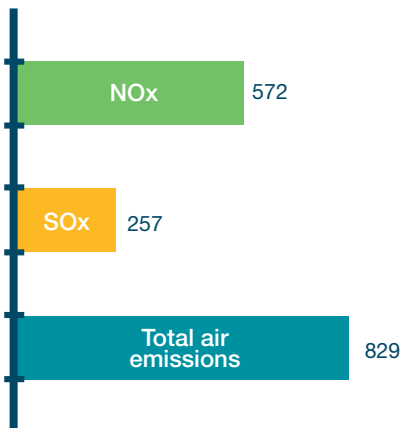
GHG Emissions (Tons)

	2007	2008	2009	2010
Indirect GHG emissions from imported power (Qatar)	9,888	21,116	16,669	16,766
Indirect GHG emissions from imported power (UAE)	272	537	972	715
Total Indirect GHG emissions	10,160	21,653	17,514	17,481
Vehicle petrol emissions (Qatar)	795	1,031	688	391
Vehicle petrol emissions (UAE)	917	1,128	918	1,337
Vehicle diesel emissions	694	1,096	498	114
Operations (Qatar)	2,112,000	3,607,000	3,283,000	2,992,000
Operations (UAE)	8,000	29,000	27,000	16,500
Total Direct GHG emissions	2,122,406	3,639,255	3,312,104	3,010,342
Total GHG emissions	2,132,566	3,660,908	3,329,618	3,027,823




Reducing Emissions

2010 Air Emissions (Tons)



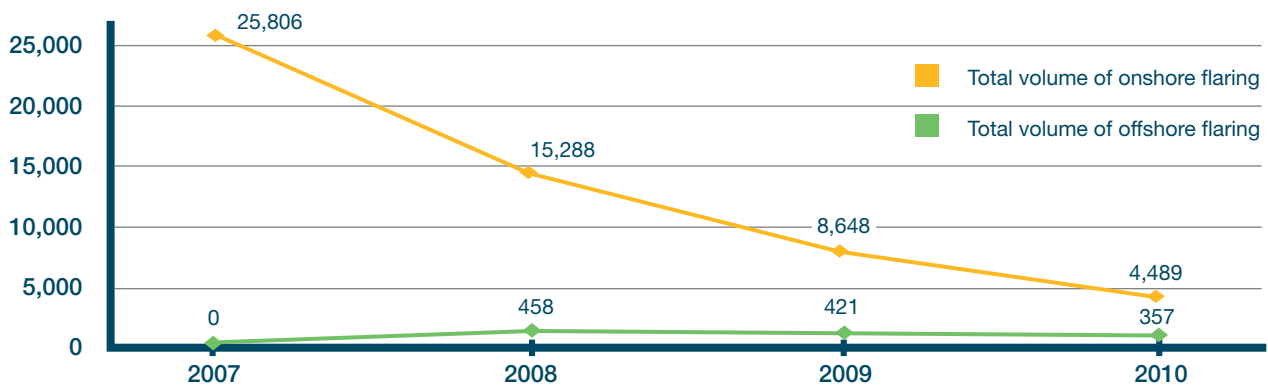
Since its inception, Dolphin Energy has incorporated the Best Available Technology (BAT) and adopted the Best Practicable Environmental Option (BPEO) into the design of its facilities. These initial investments supported Dolphin in minimizing overall environmental impacts in general, and air emissions in particular. In 2010, the company continued to take steps towards further reductions in its GHG emissions by adopting practices to reduce flaring, venting, and operational fuel and energy consumption.

Flaring And Venting

Flaring and venting of natural gas from oil and gas wells is a significant source of global GHG emissions, accounting for 0.5% of all man-made carbon dioxide emissions. In 2010, Dolphin’s Qatar Operations spearheaded the reduction of emissions from flaring by conducting regular campaigns to detect valves that bypass internally while closed and then making immediate repairs. Dolphin Energy has also increased its monitoring of the flare gas tip ignition flame by installing sensors which help Dolphin reduce the flame as much as possible. Dolphin is planning to install remote-controlled cameras to replace the current sensors in order to continue decreasing flare tip ignition gas flaring. As a result of the aforementioned initiatives, flaring was reduced by 56% in 2010 compared to 2009 figures. 

Venting along the UAE gas network increased in 2010 due to pipeline maintenance repairs that required depressuring and opening large sections of pipeline.

Flaring (MMscf)

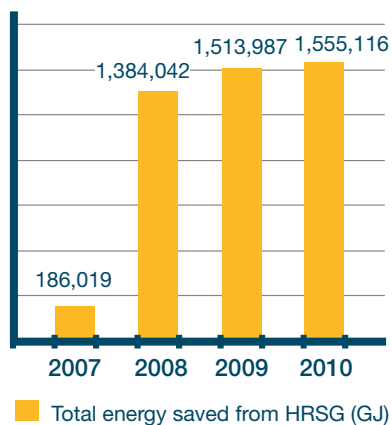
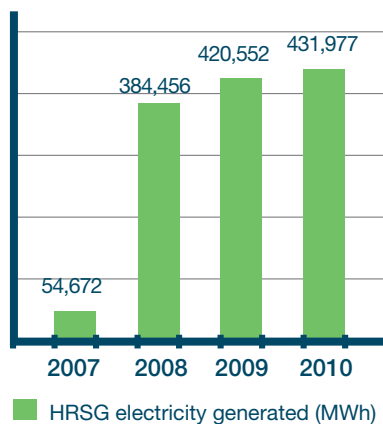


Total UAE Venting (MMscf)

2007	2008	2009	2010
4.28	2.58	12.59	53.08

Note: 2007, 2008 and 2009 data has been updated.

Saved Energy



In 2010, the Qatar operations of Dolphin Energy adopted EU Guidelines for Accounting and Reporting Greenhouse Gas Emissions. This is an initiative driven by Qatar Petroleum and required from all operators in Ras Laffan City. Utilizing these EU guidelines and protocols, Dolphin Energy developed a GHG register to monitor Dolphin Energy's carbon footprint.

In 2010, Dolphin Energy emitted over 3 million tons of greenhouse gases. This is a 9% decrease from 2009 emissions, which can mostly be attributed to the significant decrease in flaring achieved in 2010. ● Other air emissions were also monitored in 2010; NO₂ & SO₂ were recalculated in 2010 and set as a new baseline, as the method of calculation was enhanced and changed. NO₂ emission levels from Export Gas Compressors (EGC) have been maintained continuously below regulatory limits for the entire 2010 year.

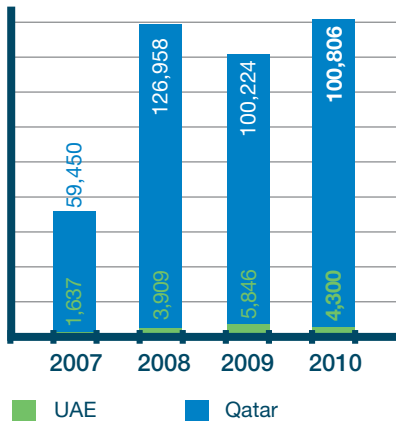
The Leak Detection and Repair (LDAR) project was tendered in 2010 with actual implementation to begin in 2011. The LDAR program is a comprehensive monitoring program that will help Dolphin Energy reduce fugitive emissions and minimize leaks where possible. Dolphin's routine maintenance program provides regular checks and opportunities to fix leaks where needed. ●

Dolphin Energy is also an active member of the Qatar Petroleum Global Gas Flaring Reduction Initiative aiming to develop and implement plans to effectively reduce flaring and venting volumes within the different operational areas and zones in the State of Qatar.

Energy and Fuel Consumption

In addition to combustion of fuel gas for processing, flaring and venting, Dolphin Energy's GHG emissions are also generated from truck emissions to transfer products, vehicle emissions for business related travel, diesel-powered vehicles on-site, and direct consumption of energy from the local power grid. In 2010, Dolphin Energy began a project to construct a molten sulfur pipeline from the plant to their customer. When completed this project will reduce GHG emissions from diesel trucks that currently transport the sulfur. ● In Dolphin Energy, the total energy required from the Qatar Kahramaa grid is reduced through the use of Heat Recovery Steam Generation (HRSB) units. The HRSB units produced 1.5 million Gigajoules of energy in 2010, a marginal increase from 2009 numbers, requiring less energy consumption from the grid. Ras Laffan is mostly self-sufficient in electrical generation. In 2010, a 3% increase in saved energy was observed through the electricity generated by the HRSB.

Energy Consumption (MWh)



The fluctuation in the UAE energy consumption numbers is due to the energy invoicing schedule, and is not due to any specific initiatives undertaken in our UAE operations. All energy consumption numbers have been restated from previous years, using a more accurate method of measurement.

In 2010, Dolphin Energy produced over 1,800 tons of GHG emissions from vehicle petrol and diesel consumption and from diesel consumption in our operations. The vehicles petrol (litres usage) was calculated erroneously in prior years for the UAE, which has been corrected and hence restated in this report. In 2010, sixty-nine UAE-based vehicles contributed to 612,000 litres of petrol consumption. For safety reasons, Dolphin Energy operates a fleet of vehicles that continuously patrol the entire gas pipeline network in the UAE.

In Qatar, thirty-nine vehicles contributed to the consumption of 179,000 litres of petrol in 2010. Qatar operations have begun to reduce the number of vehicles in its fleet in an attempt to curb emissions; the number of diesel vehicles were reduced from 56 in 2009 to 51 in 2010, and the number of petrol vehicles were reduced by 6 in 2010.



Vehicle Fleet

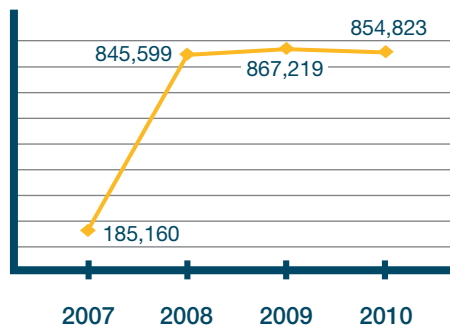
	2009	2010
Diesel Vehicles (Qatar)	56	51
Diesel Vehicles (UAE)	n/a	1
Petrol Vehicles (Qatar)	45	39
Petrol Vehicles (UAE)	68	51

Petrol and Diesel Consumption (1000 Liters)

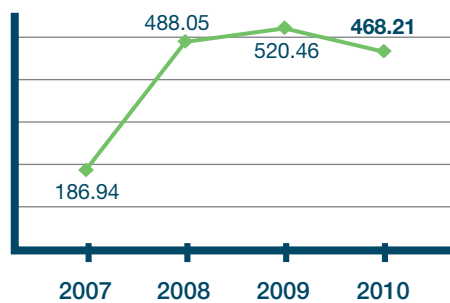
	2007	2008	2009	2010
Vehicle Petrol Consumption	783	988	735	791
Vehicle Diesel Consumption	270	427	194	45
Diesel for Operations	823	1391	1458	1235

Resource Management

Raw Wet Gas (MMscf) Used



Total Wastewater Discharge (by deep well injection of wastewater)



The conscientious minimization of resource usage is another priority for Dolphin Energy, which contributes to both environmental and economic gains. This encompasses material consumption, water consumption and waste reduction and management.

Material Consumption

The main production process uses raw, wet gas extracted from undersea gas fields to produce natural gas and other valuable byproducts.

Water Consumption

Desalinated water for operations is provided through Kahramaa, Qatar's water and electricity provider and where possible the water is retained in the production process. Non-process wastewater is recycled through the onsite wastewater treatment facilities. Separate from the process water, non-contact cooling water is provided through the common cooling water system of RLC. All cooling water is returned to the common cooling water channel and there is no consumption within the plant. In the UAE, water is provided by the Abu Dhabi Water and Electricity Authority (ADWEA) from desalination. Domestic water is recycled through onsite sewage treatment facilities at both locations and used for watering landscaped areas.

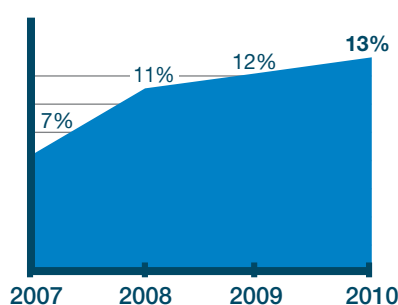
Water consumption in the UAE increased from 2009 to 2010 due to hydrostatic testing performed to commission new equipment. Dolphin Qatar operations are currently implementing modifications on the wastewater treatment unit with the aim to enhance the quality and the filtration of the re-injected process water. These modifications are expected to be commissioned by 2012, and are expected to improve the quality of the re-injected water significantly, in particular its total suspended solids (TSS) and oil in water (OIW) characteristics.

Total Water Consumption by Source (1000m³/year)

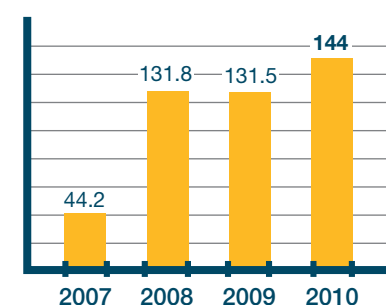
	2007	2008	2009	2010
From Qatar	1,000.41	1,257.49	1,085.08	1,191.02
From UAE	0.02	11.95	21.60	43.57
TOTAL	1,000.43	1,269.45	1,106.68	1,234.59
Non contact cooling water	31,267	109,999	105,434	136,212

Water Recycling

Percentage of Water Recycled or Reused



Total Water Recycled or Reused (1000m³/year)



Investigating Further Water Recycling Opportunities in Dolphin's Operations

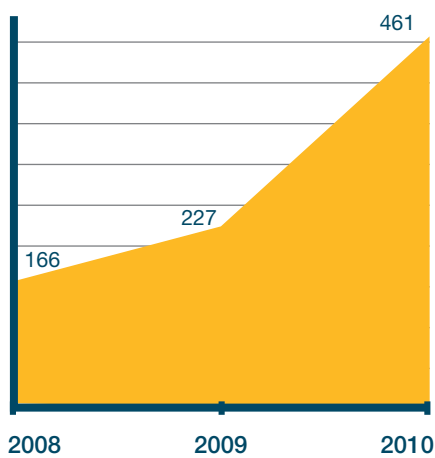
Dolphin is tendering an engineering feasibility study in 2011 to determine the feasibility of removing Kinetic Hydrate Inhibitors (KHI) from the re-injected waste water stream. KHIs are chemicals typically used in the oil and gas industry to delay the formation of hydrates in the pipeline, which can cause production disruptions. An alternative to the use

of Kinetic Hydrate Inhibitors (KHI) is the use of Thermodynamic Hydrate Inhibitors which lower the hydrate formation (THI). The most common (THI) is monoethylene glycol.

Dolphin will conduct feasibility studies to determine how KHI can be removed from the re-injection wastewater stream and how to

recycle most of the re-injected water as desalinated or irrigation water from the re-injected wastewater by 2014.

Water Transported for Treatment (Tons)



Waste Management

Dolphin Energy's facilities generate domestic non-hazardous waste for which disposal is managed by local municipalities. Non-hazardous industrial waste is sent to approved landfill sites by means of private contractors under a waste manifest. Hazardous wastes generated include liquid waste oil and solid wastes such as solid sulfur, process sludge and process filters. The liquid oil is recycled and the solid hazardous material is separated and stored in temporary hazardous storage facilities to be transported for treatment and/or disposal at authorized facilities.

Waste generated through Dolphin Energy's operations increased in 2010 by 48% primarily as a result of two reasons. Firstly, the solid hazardous waste which has been kept in a dedicated and properly engineered waste storage area, within the Dolphin plant in Ras Laffan, was disposed of for the first time since 2007; the hazardous waste was properly transported and treated at an approved hazardous waste treatment facility in Qatar. Secondly, Dolphin Energy has increased the scope



2010 Waste Generation (m³)

	RLC Qatar	Taweelah UAE
Total Non-Hazardous Waste	8496	42
Total Hazardous Waste	574	1
Total Waste Generated	9070	43

of waste materials, which are being monitored in the company's waste management system. This has significantly increased the amount of waste generated in 2010; as such, the 2010 figures will be used as the baselines for Dolphin Energy going forward.

In 2010, Dolphin minimized waste by recycling all waste oil. However, the overall solid hazardous waste shipped for disposal increased by three times compared to 2009. This was because waste stored in a dedicated waste storage area, which has accumulated since 2007, was cleared away during the year. Office waste includes paper, toners, tin cans, plastic products, and other items. To reduce office waste, Dolphin Energy has implemented an office waste recycling program. In 2010, Qatar operations extended the office waste recycling program to include e-waste (printer cartridges, electronic waste, screens and wires). Collectively, Dolphin's UAE and Qatar operations recycled over 236,700 Kg in 2010. ● In 2011, Qatar operations is committed to expanding its recycling program to the Al Khor Community, a community of apartments and houses where many Dolphin staff and families reside.

Total Recyclable Materials (Kg)

	2010
Paper and cardboard	47,212
Toners	288
Plastic	10,123
Aluminum cans	735
Industrial recyclables (wood, metal, scraps, drums, etc)	118,106
Total recyclable materials	176,464



Spills And Gas Releases

Dolphin Energy also implements measures to reduce the risk of spills and gas releases and to mitigate the negative environmental impacts should any spill and/or gas release occur.

	2007	2008	2009	2010
Total number of spills	2	3	2	1
Volume of spills (m ³)	2.5	250	6.8	2
Total number of gas releases	0	0	2	1
Amount of gas released (tons)	0	0	309	51

Dolphin Energy Green IT initiative

Dolphin Energy sees information technology (IT) as an opportunity to reduce energy consumption within the company and help reduce its impact on the environment. Since August 2010, Dolphin Energy has developed a set of proactive measures to optimize IT systems energy consumption on one hand, but also provide solutions for wider energy savings across the company. These measures have been compiled into the Dolphin Energy Green IT initiative which has been included into the 2011 IT strategy as a significant contribution to Dolphin's successful sustainable development.

Dolphin Energy's Green IT initiative is primarily looking to minimize energy consumption by IT systems by rationalizing its IT equipment following a strict refresh policy (3 years) on standard configurations with the highest green ratings. Moreover, the number of IT systems is drastically reduced by leveraging consolidation and virtualization best practices wherever possible (network, servers, applications and printers). Dolphin Energy is also implementing various solutions such as energy-use optimization on company PCs, automatic shutdowns of company PCs at night, and optimized computing-energy factors in company data centers.

The second strategic driver for Dolphin Energy's Green IT initiative consists in the provision of solutions to minimize the company's environmental impact. Promoting and extending online collaboration solutions and video conferencing systems helps minimize travel and transportation requirements between the different company sites in the UAE and Qatar. Deploying a company-wide print services infrastructure (which is currently operational in the UAE and under development in Qatar) significantly reduces the paper and toner consumption through green policies enforcement (double-sided and black and white printing). Finally, Dolphin Energy IT is enforcing

recycling (ie. spares, paper, toners, etc.) and donation of used equipments (ie. computers, printers, etc.) to employees or charity and educational organizations where possible. The server consolidation and virtualization project and the managed print service project are scheduled in Qatar during the second half of 2011.

Dolphin Energy Green IT initiative

	2011 Target
Energy savings	700 Kwh
Number of toners recycled	350
Paper sheets saved	600,000
Color printing reduction	-40%
Number of printers' reduction in UAE	-60%
Number of physical servers' reduction in UAE data center	-60%

Biodiversity

Dolphin Energy has a longstanding commitment to protecting biodiversity. The company's two areas of greatest effort and importance include coral habitat conservation and turtle protection. In 2010, a major study on reef growth was concluded; having started in 2008, the EcoReefs project was a study on the growth potential of artificial reefs 'EcoReef' compared to natural habitats. Dolphin Energy deployed 576 artificial 'EcoReef' modules off Ras Laffan Industrial City and monitored colonization and diversity of marine species on the installed reefs in select areas near the pipeline. The project cost over USD 1 million to implement.



2011 Goals

Minimizing Environmental Impacts

- Initiate a water treatment and reuse feasibility study for Ras Laffan Plant
- Begin Recycling program at Dolphin Energy's residential communities in Qatar
- Optimize plant operations and minimize process upsets and consequential unplanned flaring; targeting 0.3% continuous flaring of sweet gas production
- Target 700 kwh energy savings from the Green IT Initiative



7

7

Community Engagement and
Optimizing Social Impacts**Key Issues:**

Community Engagement

Community Contributions

Our Perspective: Dolphin Energy is committed to engaging and supporting the development of the communities affected by its operations, and to maintaining safe operations. Dolphin Energy aims to contribute to the overall development of UAE and Qatar society.

2010 Performance against Goals

	Performance	Page
• Improve the company's ability to assess its social impact, including the creation and tracking of relevant KPIs	●	28
• Measure not only the number of community engagements, but quality of engagement as measured from the perspective of the stakeholder	●	22
• Dolphin Energy aims to invest >1% of profits back into the communities in which it operates	●	65

Community Engagement

Our Management Approach

Dolphin Energy engages with and invests in the communities and societies where it operates. Dolphin Energy aims to be a proud contributor to these societies, engaging in long-term partnerships with local stakeholders. Goals include safe and environmentally friendly operations, targeted community initiatives, respect for and contribution to preserving the heritage and culture of the region, supporting institutional capacity building of government agencies, and helping build new long-term industries that create local economic growth, employment opportunities, professional development and social development opportunities for the citizens of the region. Dolphin Energy uses stakeholder engagement as a key means of identifying and prioritizing relevant risks, opportunities, impacts, and stakeholder interests. The company has formalized several stakeholder engagement mechanisms, as outlined in the “Community Engagement” section below. Dolphin Energy also periodically assesses the social impacts of its operations during performance appraisals of the Operations Environmental Management Plan (OEMP) and when developing or updating the Aspects and Impacts register. 📍

Dolphin Energy has actively pursued initiatives to increase community engagement in both the UAE and Qatar.

UAE

Dolphin Energy has established a Community Liaison Officer (CLO) position. The CLO liaises with local municipalities and communities on project-related matters and assesses the impacts of operations or decommissioning activities. The CLO is responsible for maintenance of the stakeholder engagement register either through the Engineering Procurement and Construction (EPC) contractor/ESIA consultant or during the operational phase with the UAE Operations HSE team.

In 2010, Dolphin Energy formed a community stakeholder engagement team under the UAE Gas Network (UAEGN) Protection Campaign. The campaign was established in order to enhance relationships with government authorities, clients, third-party entities and the public, which are involved in or affected by Dolphin’s day-to-day operations. The primary tasks carried out by the campaign focus on awareness initiatives to increase multi-party communication channels and overall understanding of the gas network.

Dolphin Energy is also a founding sponsor of the Emirates Foundation, a leading philanthropic foundation in the UAE. The Emirates Foundation represents a unique, multi-stakeholder and multi-sector effort to create new opportunities for the people of the UAE and address key challenges.

Qatar

Ras Laffan City (RLC) is the government agency managing Ras Laffan, and is the principal interface with the surrounding communities through which all communications are directed. Through the RLC, operators, including Dolphin Energy, are able to collectively engage with and respond to community concerns and share the responsibility for resultant mitigation measures. The process of community engagement has been formalized through the RLC Community Outreach Programme. The programme ensures that two-way engagement processes are conducted, focusing on creating a respectful, trust-based partnership between industry and the communities. Through this programme, Dolphin participated in

various safety schooling and road safety awareness campaigns and studies that assess the needs of the nearby communities and development projects aimed at women and the general population.

Dolphin Energy has also been a major sponsor of the Qatar Foundation since 2007; the Foundation supports the development and enhancement of educational, institutional and cultural values within the State of Qatar. Dolphin Energy has participated in numerous education initiatives with local universities, career fairs and community programs.



Community Contributions

As part of its overall contribution and role in society, Dolphin Energy contributes to projects focusing on education, arts and culture, community development and the sciences. Since 2009, Dolphin Energy has donated more than 1% of its profits to the communities in which it operates. ● In 2010, USD 2.6 million was invested in Qatar and UAE communities accounting for 1.1% of Dolphin Energy's 2010 economic value retained.



Advocating For Sustainability

Dolphin Energy not only follows governmental legislation and industry practice, it plays a constructive part in the proceedings of the region's leading environmental and technical organizations. These include particularly:

- Industrial Associations such as the OGP and ADESCO
- Associations and NGOs such as Emirates Environmental Group (EEG), Ras Laffan Environment Society (RLES)

- Sustainability Initiatives such as the EEG CSR Forum and the AD SG

Dolphin Energy's senior managers have also taken part in Environmental Impact Assessment (EIA) technical review panels for both the EAD and the Ministry of Environment in Qatar.

Community Contributions

	2007	2008	2009	2010
UAE Contributions ('000 USD)	330	2,197	2,537	2,603
Qatar Contributions ('000 USD)	44	131	235	438
Total Contributions	374	2,328	2,772	3,041

Note: 2007-2009 amounts updated to include all contributions.

Non-Monetary Support

Dolphin Energy has made a number of key non-monetary donations to organizations over the years, one such example being the provision of printers to the Red Crescent Society. Fifty-two printers were donated after Dolphin installed brand-new multi-functioning printers across its offices in 2010 which were compatible to its 'Managed Print Services' initiative.

This effort provides a perfect example of the benefits reaped through the integrated management of economic, environmental and social performance (i.e., Sustainability): With this one gesture, Dolphin Energy diverted waste from the landfill, while avoiding additional incurred costs to find

a vendor to dispose of 52 printers. Furthermore, Dolphin also supported community development by donating the equipment to an organization, which regularly gets requests for office materials to support the functions of vital community resources such as local educational institutions.

“It is vital that preparations for the UAE’s future commitment to renewable energy solutions are put in place today and the Young Future Energy Leaders Program will help to do that. In supporting this initiative, we recognize the importance of encouraging the next generation to think seriously about the challenges ahead and provide them with the tools and opportunities on offer through building alliances with industry peers, government representatives, and business leaders.”

Ahmed Ali Al Sayegh
Chief Executive Officer
Dolphin Energy

Promoting Renewable Energy Education for the next generation

With a pivotal role to play in bridging the gap between traditional sources of energy to a future where new forms of energy provide practical solutions, Dolphin’s natural gas is helping the UAE to chart the transition to a low carbon economy. The company is also an active supporter of programs that are helping the next generation to understand – through education and fostering talent – the role that renewable energy will play in the future.

Aside from providing the world’s cleanest fossil fuel to meet 30% of the UAE’s energy requirements every single day, Dolphin has also pledged its support for the Young Future Energy Leaders Program (YFEL), thus complementing its commitments by helping to develop tomorrow’s leaders for the renewable energy industry.

Run by the Masdar Institute of Science and Technology, YFEL is a program that encourages students to learn about the renewable energy initiatives being undertaken in Abu Dhabi and the challenges associated with climate change.

The Program ran in conjunction with this year’s World Future Energy Summit (WFES) and urged participants to debate future energy issues and network with important and influential representatives from the sector.

In 2010, Dolphin Energy provided AED300,000 to support YFEL. To date,

sponsorship funds have helped to put the following in place:

- Running the YFEL Program at WFES 2011
- Developing the leadership, policy and technical courses planned for 2011 and 2012 (this has been developed in conjunction with leading international business school INSEAD)
- Providing an opportunity for 15 students to attend the European Future Energy Forum in Geneva in October 2011

In all, 96 students – 12 international and 84 local participants – attended the Program which received interest from the international community, Harvard and MIT Universities and high profile leaders from around the world including the UN Secretary General, Ban Ki Moon.

The impact of YFEL has helped to raise awareness of the emphasis that the Abu Dhabi government and companies such as Dolphin Energy has placed on the development of future energy and on the need to groom tomorrow’s leaders.

Plans are now afoot to develop YFEL further and introduce scholarship and research opportunities into the Program. By supporting YFEL, Dolphin is a key contributor to the development of one of the most exciting initiatives for young leaders in the world today.



“Sponsoring the Abu Dhabi International Book Fair allows Dolphin to strengthen its commitment to the areas of culture and education. We recognize the role these both play in enhancing the well-being of our community and how they support social development.”

Ibrahim Ahmed Al Ansaari
General Manager, UAE
Dolphin Energy



“It is important that students are recognized for their achievements and we are very happy to support initiatives that encourage young UAE Nationals to strive for excellence. Dolphin’s success tomorrow depends on nurturing our talent today.”

Iman Al Qasim
Deputy Vice President HR&A
Dolphin Energy

At the Abu Dhabi Industry Awards, a prize-giving ceremony awarding the top graduates of the Higher Colleges of Technology

2011 Goals

Community Engagement and
Optimizing Social Impacts

- Develop an aligned Community Investment Strategy





Key Issues:

Job Nationalization and Capacity Building

Employee Benefits and Compensation

Communication and Engagement

Human Rights

Our Perspective: Dolphin Energy aims to be the employer of choice for top talent, offering world-class human resource programs, growth opportunities, a strong team environment and respectful engagement and dialogue. Dolphin Energy is committed to exceeding nationalization targets by providing opportunities for Emiratis and Qataris.

8

Being Employer of Choice

2010 Performance against Goals

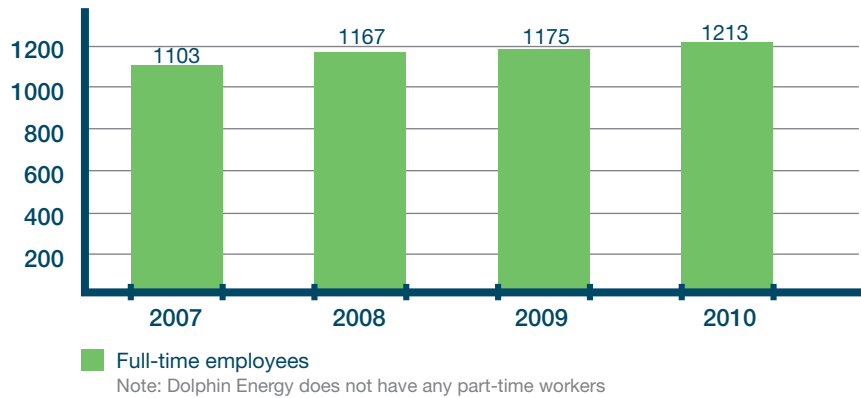
	Performance	Page
• Working towards achieving 50% Emiratization rate by 2012	●	72
• Initiate externally recognized certification in HR practices	○	
• Measure, understand and respond to strategic issues related to employee engagement	●	77
• Attend Career Fairs targeting Emirati and Qatari graduates	●	73
• Conduct a review of employee benefits and compensation packages to ensure fairness of pay and benefits	●	78
• Integrate sustainability performance and criteria into the job descriptions and performance reviews of the sustainability team members	●	79
• Provide targeted training and discussion workshops on the key sustainability issues for each operating department	●	74

Workforce

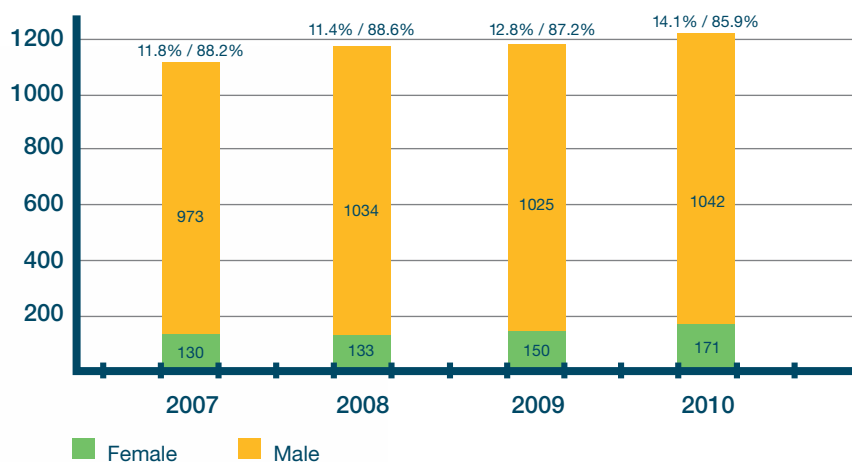
Dolphin Energy has more than 1,200 full-time employees.

Dolphin Energy is committed to providing a competitive and attractive working environment for its current and future staff. Dolphin Energy strives to systematically invest in people’s professional development, foster commitment to performance and enhance company-wide dialogue that promotes a culture of responsibility, ownership and belonging. Dolphin Energy has more than 1,200 full-time employees, of which 78% work in Qatar. The workforce is highly diverse with employees from local, regional and international origins. As a relic of tradition in the sector, the workforce is largely dominated by male employees, though Dolphin provides equal opportunity to both women and men during recruitment processes.

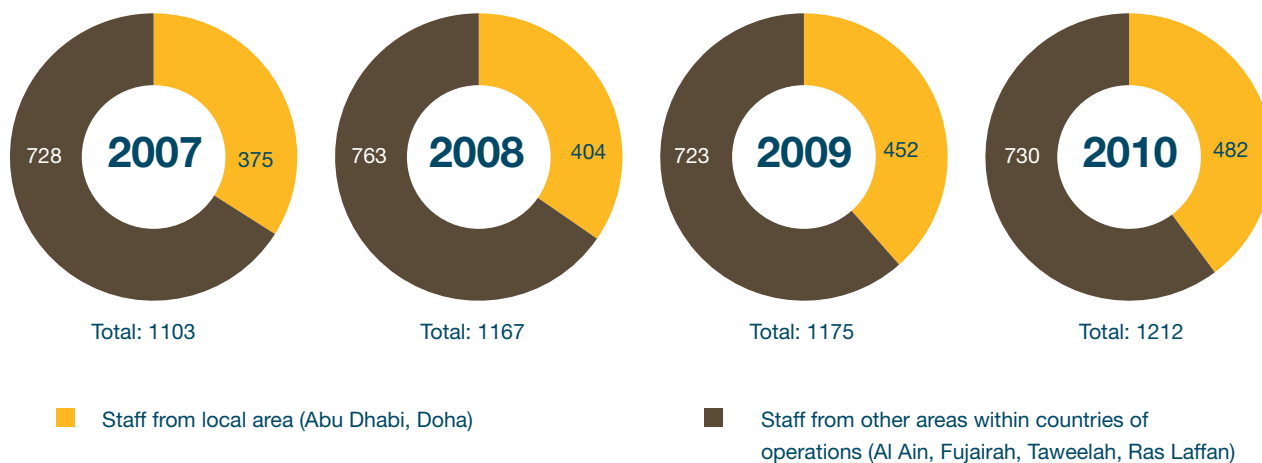
Employment by Contract (Number of Individuals) UAE + Qatar



Workforce by Gender (Number of Individuals) Total



Employment by Region (Number of Individuals) UAE + Qatar



Employment Level (Number of Individuals) UAE + Qatar

	2007	2008	2009	2010
Senior Management	10	10	14	16
Middle Management	32	45	54	41
Staff	915	1,040	1,050	1,109
Service Contractors	100	46	34	27
Secondees	44	25	23	19
Special Contracts	2	1	0	0
Total	1,103	1,167	1,175	1,212

Our Management Approach

Dolphin Energy's human resource management function is supported by a designated HR division with a team both in Qatar and the UAE. Furthermore, a shared-services function was implemented between the UAE and Qatar that includes compensation and benefits, policies and procedures and talent management to provide increased focus and standardization. The study concluded there was a 90%

alignment between the UAE and Qatar HR programs.

An essential commitment and responsibility of the human resources strategy is the nationalization of a percentage of the company's workforce. Dolphin Energy has adopted specific hiring and retention policies to serve this purpose, while also investing in capacity building for its employed Nationals. Dolphin Energy also invests in talented Nationals

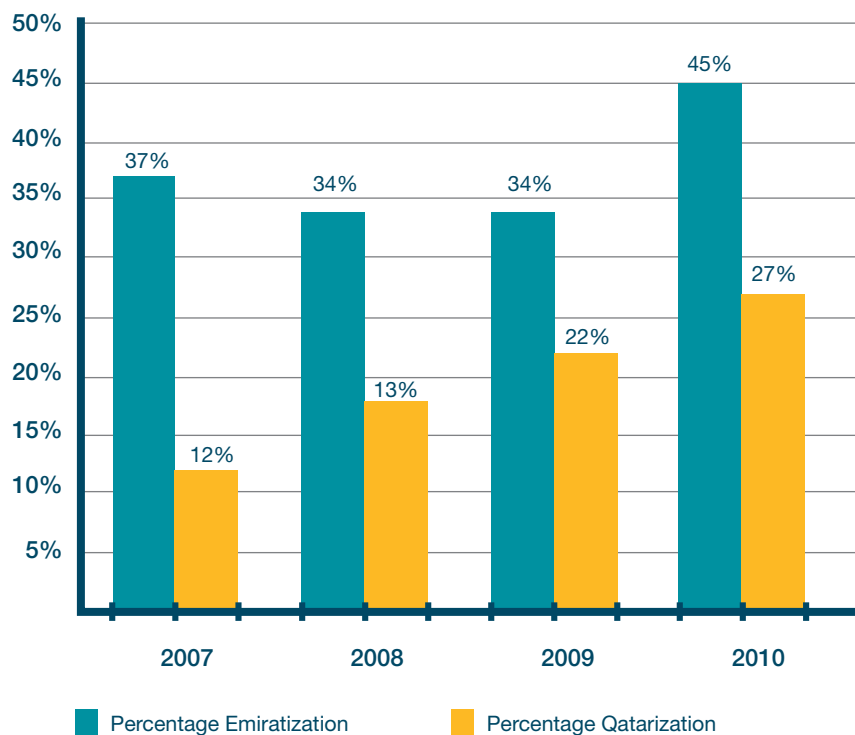
outside of its workforce by working with local communities and universities on various sponsorship initiatives for students.

Just as critical is the company's commitment to human rights, which forms an integral part of the corporate culture. Dolphin Energy is committed to promoting and continuously improving the conditions of its workforce, ensuring fair treatment of employees and contractors.

Job Nationalization

The nationalization of half of Dolphin Energy's workforce is a strategic business objective, aligned with the objectives of both the Qatari and UAE governments. To reach the target, preference is given to National employees in hiring for vacancies. Dolphin Energy attributes its improving performance on this issue to the establishment of a dedicated nationalization and retention department, along with a new five year nationalization strategy, which focuses on attracting Qataris to Doha and Ras Laffan operations, and Emiratis to the Abu Dhabi and Taweelah operations.

Nationalization Percentage



Dolphin Energy strives to provide an attractive work environment for local employees, where they are assured continuous improvement of their future career development. In 2010, Dolphin Energy achieved 45% Emiratization and 27% Qatarization, leading to a 5% increase in Emiratization and a 6% increase in Qatarization rates, in comparison to 2009. This increase is attributed to following a nationalization strategy which helped the company to enhance engagement at career fairs, increasing the number of National Associates, and formation of a National Council, specifically focused on retaining National employees. 

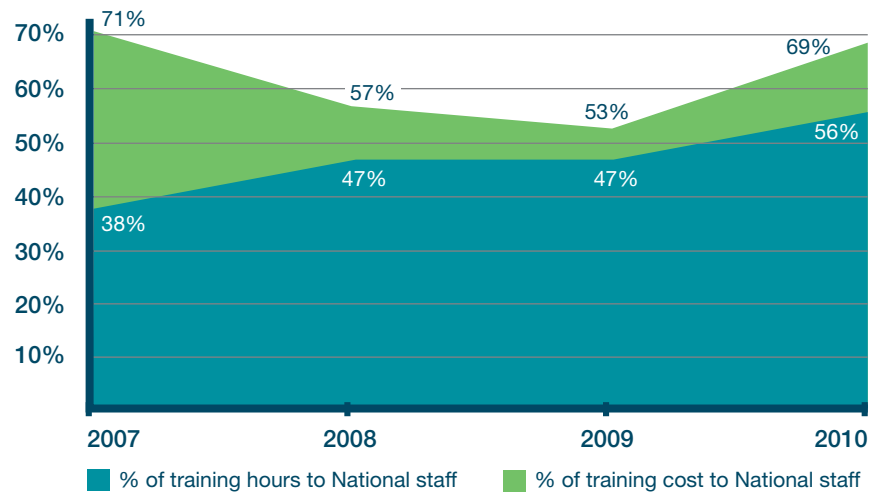
Capacity Building for Nationals

Nearly 70% of the staff training budget was dedicated to training Nationals in 2010, a 16% increase from 2009. Dolphin Energy has also begun to target specific career fairs to raise the number of National recruits. In 2010 four career fairs were attended by Dolphin Energy; six career fairs are being targeted for the 2011 recruitment year.

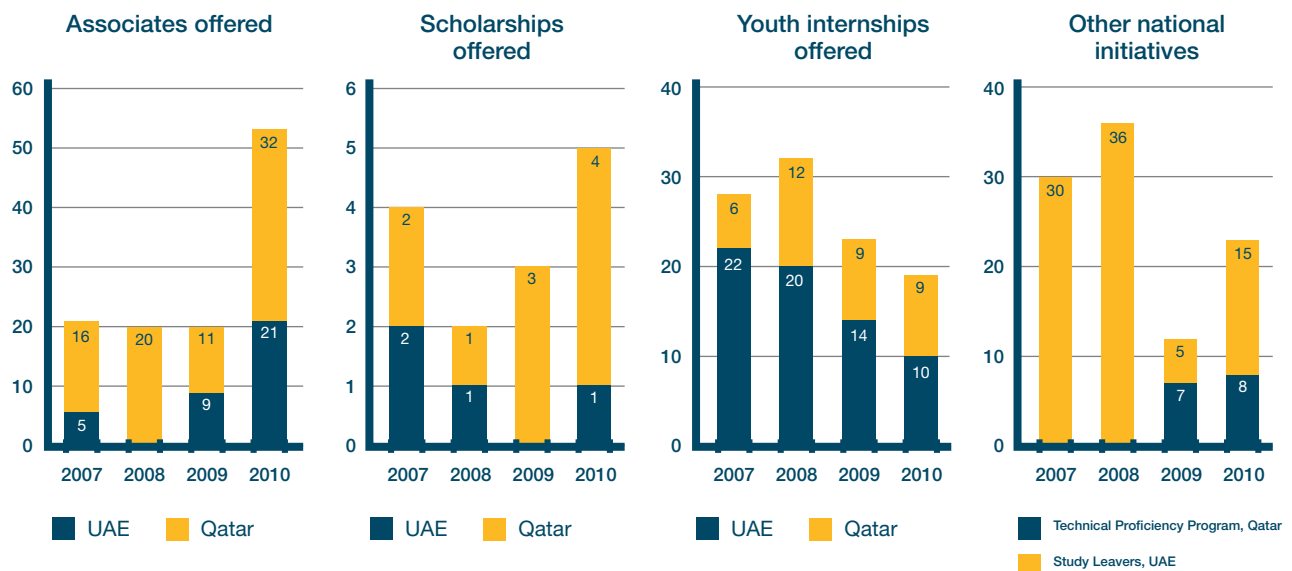
Number of Careers Fairs Attended for Nationalization Efforts

	2010
Qatar	3
UAE	1
Total Career Fairs Attended	4

Training for Nationals



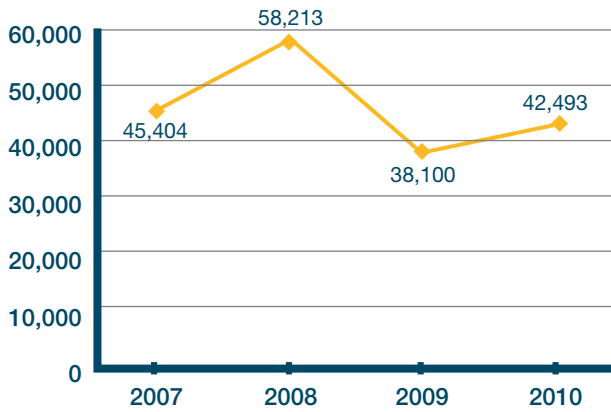
Investing in National Youth



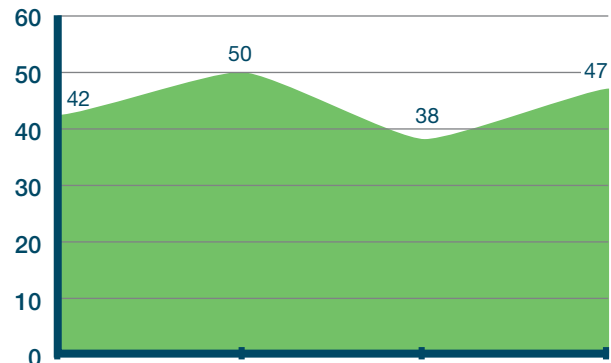
Company-wide Training and Development

Dolphin Energy will be providing sustainability training across the company in 2011, customized by business unit. In 2010, the number of training hours increased by 12%, and the average number of hours of training per employee increased by 9 hours compared to 2009. 📈

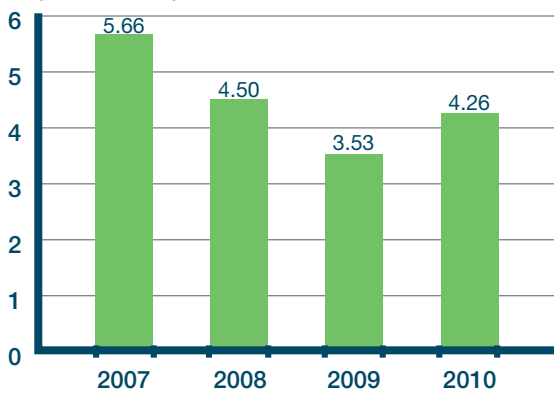
Total Number of Training (hours)



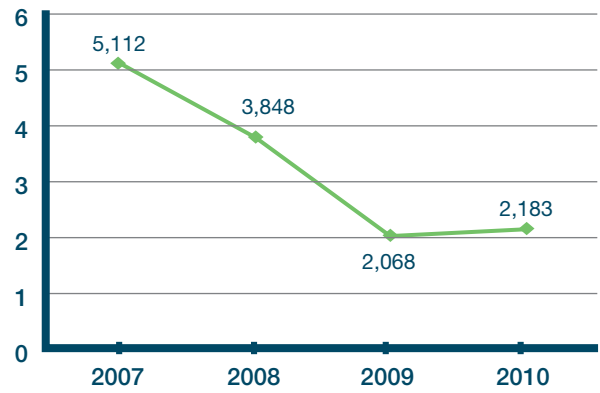
Average Hours of Staff training per Individual



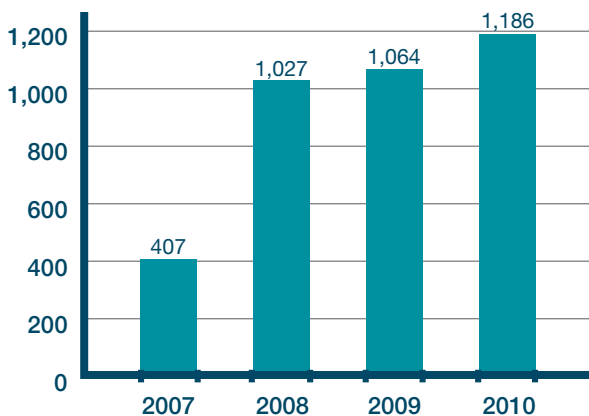
Total Cost of Training Includes training fees, DTR & cost of tickets (USD MM)



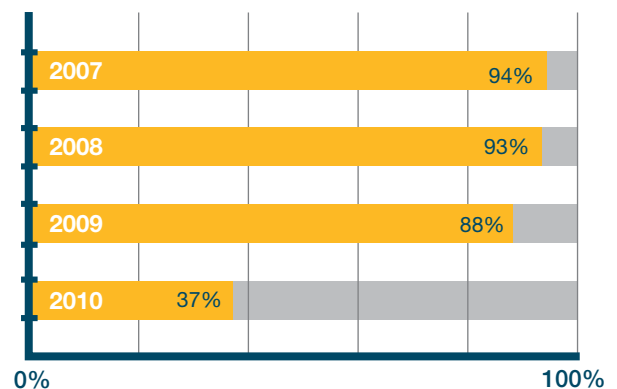
Average Cost of Staff Training per Individual (USD M)



Number of Employees Receiving Regular Performance Reviews*



Employees Receiving Regular Performance Reviews: % of Total Work Force



* 100% of Dolphin Energy employees receive annual performance reviews; service contractors are not provided performance reviews.

Recognition and Awards Programs

Our leadership views rewards and recognition both as key elements in the engagement of Dolphin employees. In addition to the existing 'Years of Service' awards, Dolphin launched in January 2010, a rewards program which helped recognize outstanding performers through 4 different tiers. The tiers include the Individual Award, National Developpee Award, Team Award, and the Unique Contribution Award. In 2010, we awarded 37 team awards and 16 individual awards in UAE and Qatar, respectively. In 2011, Dolphin plans to introduce new tiers to the program to help further recognize and reward employees through individual contributions.

To date, 192 employees in Qatar and 91 employees in the UAE have received 5-year services awards. Only two individuals, including the CEO, have received a 10-year service award.

Employee Recognition Awards 2010

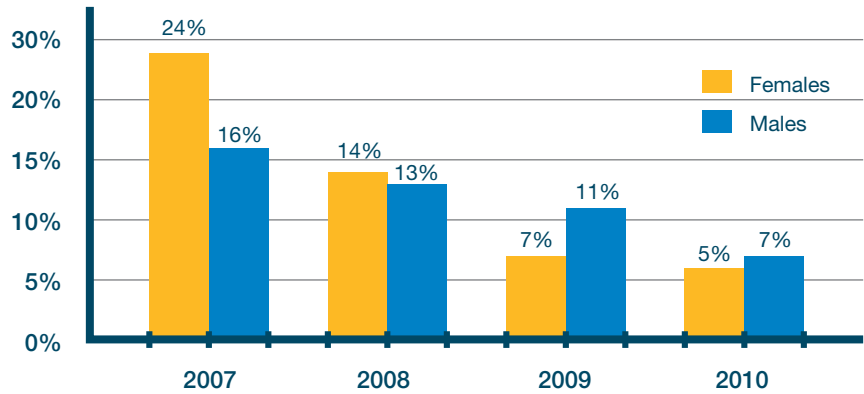
	Qatar	UAE
Individual Award	1	8
National Developpee Award	1	1
Team Recognition Award	16	21
Unique Contribution Award	1	4



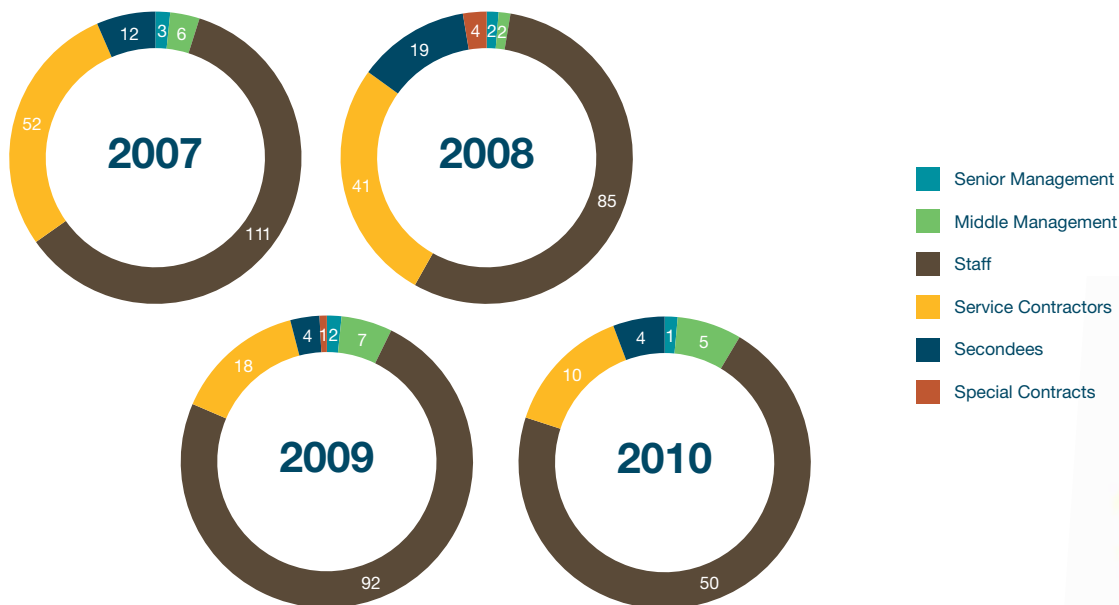
Turnover and Absenteeism

Turnover improved in 2010 decreasing from 11% to 7%. Qatar experienced a 3% unplanned turnover, while the UAE experienced a 6.5% unplanned turnover in 2010. Fifty-six percent of total turnover was unexpected. The highest rate of turnover was in the general staff, followed by contractors and then middle-management staff.

Turnover by Gender (Percentage)



Turnover Level of Employment (Number of Individuals)



Communication and Engagement

Dolphin Energy implements an extensive employee engagement strategy, ensuring that the company keeps clear and open channels of communication with all employees. Dolphin Energy conducts meetings with employees on a regular basis to discuss issues of importance to them. In both the UAE and Qatar, staff meetings take place with the General Managers and senior management, where employees are encouraged to voice opinions and make suggestions to improve the workplace and efficiency of the organization. These meetings are supplemented annually by a staff meeting with the CEO.

To evaluate the level of satisfaction among employees, Dolphin Energy conducts bi-annual employee satisfaction surveys. Three of the highest priority areas identified in the most recent survey in 2008 were: recognition, compensation and career opportunities. In response, the company prepared an action plan to improve the performance and resolve the issues raised by its employees in the survey in a systematic manner. Employee satisfaction improved from 72%, in 2008, to 73% in 2010. For more information, refer to the '2010 Engagement Survey Summary' article. ●

2010 Engagement Survey Concludes Dolphin Energy is a Top Ten Oil & Gas Firm

As part of Dolphin Energy's commitment to continuous improvement, the company contracted AonHewitt, a global Human Resources consultancy, to measure the engagement of Dolphin's employees. A score of 73% placed the company firmly in the top ten participating oil and gas firms worldwide as well in AonHewitt's global range of Best Employers. AonHewitt reports that their global research "provides

compelling evidence of the link between higher engagement ratings and stronger business performance". The response rate for the 2010 survey was a healthy 68%, with 816 employees participating.

The 2010 survey, which was completed in December, was Dolphin's second such survey (the first survey was administered during 2008). The 2010 showed impressive gains in areas identified for improvement in the 2008 survey, especially Employee Benefits and Compensation. The performance gains are attributed to the Dolphin

Equity initiative in 2010, which played a key role in this improvement (See the 'Employee Benefits and Compensation' article for more information).

Senior management, both in the UAE and Qatar, have met and developed preliminary action plans for further improvement to engagement. Once complete, these plans will be combined to form an overall Dolphin Energy action plan. More information will be available later, including focus areas for improvement and timelines.



Employee Benefits and Compensation

Dolphin Energy is committed to enhancing its status as an employer of choice, through high levels of employee engagement, and through its 'One Company – One Team – One Vision' initiative. A critical part of realizing this commitment lies with the company's compensation and benefits programs. As one component of employee engagement, compensation and benefits programs have to be competitive and to be seen as fair and equitable to employees.

To ensure that employee compensation remains highly competitive, Dolphin participates in an annual compensation and benefits survey, receiving market data that is used in planning employee programs. Company management relies on this market data when making compensation and benefits decisions.

As mentioned earlier in this report, Dolphin management uses a survey administered by AonHewitt to measure employee engagement. The 2008 survey discovered that only 48% of employees felt that compensation for the same job, same competency, and same performance was equitable. Also, that only 52% of employees understood how compensation decisions were made. There was clearly room for improvement. These survey results, coupled with employee comments, provided management with the data they needed to move ahead proactively. Employee feedback described that consistency across job grades needed to be improved. The Dolphin Equity program was launched in early 2010 to address this. ●

Under Dolphin Equity, the company re-evaluated and adjusted over 50% of its jobs, bringing them in line with industry standards. When the company's

engagement survey was replicated in 2010, there was an approximate 12% improvement in engagement scores for compensation and benefits. It is felt that the Dolphin Equity program along with the introduction of other compensation enhancements were largely responsible for this dramatic increase.

For the company's most junior staff, the compensation and benefits package is aligned with the energy sector. The company's overtime policy provides for supplementary remuneration for those who qualify, and service contract employees are compensated for additional days worked. Compensation is determined based on job roles and responsibilities, therefore all genders are treated equally in the salary administration process.



Human Rights



Upholding and promoting basic human rights is integral to Dolphin Energy's corporate culture. The company follows local laws and regulations relating to human rights in the areas where it operates, and with its multinational shareholder structure, Dolphin Energy is aware of international human rights expectations under the Equator Principles and other international agreements.

All employees have intranet access to the corporate Human Resources Manual and corresponding elements on human rights. To ensure the fair treatment of employees and to maintain communication regarding any violations of human rights that might occur, Dolphin Energy has implemented a grievance process whereby employees or a concerned individual from the public can communicate their complaints verbally or in writing and express their concerns to the HR&A division, which in turn communicates such complaints to the relevant division or department.

Dolphin Energy does not allow nor tolerate compulsory or child labor, and no incidences of either have been reported. The company has also never engaged in the practice of retaining employees' passports during the period of employment.

Dolphin Energy has an internal anti-discrimination policy governed and monitored by HR&A. No incidences involving alleged discrimination on the basis of race, color, sex, religion, political opinion, national extraction, or social origin have been reported.

With contractors, general contract conditions cover some aspects of human rights issues and particular conditions are issued to recruitment agencies for service contractors, outlining working terms and conditions.

2011 Goals

Being Employer
of Choice

- Integrate sustainability performance and criteria into the performance reviews of the sustainability team members
- Achieve 49% Emiratization rate in 2011
- Achieve 30% Qatarization rate in 2011
- Initiate and achieve a 25% completion rate of implementing globally-recognized certificates in HR practices (ie.CIPD, etc.)
- Launch a Talent Management Function within Dolphin Energy to develop career development plans, executive level training programs, and implement succession planning
- Participate in 4 Qatar-based and 2 UAE-based career fairs



Key Issues:

Employee Health and Safety

Product Safety and Responsibility

Emergency Preparedness and Crisis Management

Our Perspective: The health and safety of our employees, contractors, surrounding communities and ecosystems is of paramount importance.

9

Ensuring Safe Operations

2010 Performance against Goals

	Performance	Page
• Conduct HSE leadership programs	●	82
• Conduct Security Awareness programs	●	82
• Conduct Major Emergency Training Program on a Quarterly basis	●	85
• Conduct two major (external) and two minor (internal) emergency drills	●	85
• Achieve zero fatalities in 2010	●	82
• Achieve an average 1.8 TRIR for Employees and for Contractors	○	82
• Achieve an average 0.5 LTIR for Employees and Contractors	○	82

Employee Health and Safety

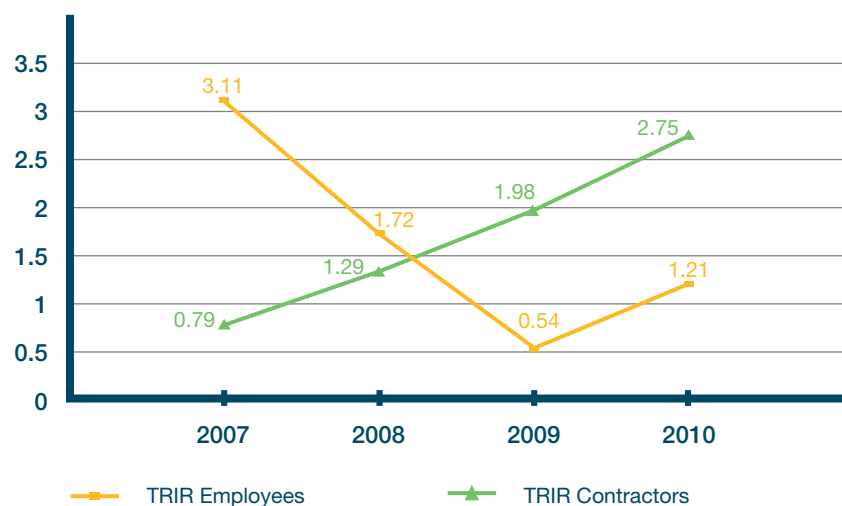
“Dolphin Energy measures its safety performance by adopting a number of leading and lagging key performance indicators.”

Health, safety and security of our workforce (both employees and contractors) is a top commitment for Dolphin Energy. Dolphin has established part of our business Health and Safety systems by which risks are properly identified, analyzed and assessed. As a result, risks are either eliminated or reduced to acceptable levels.

In 2010, a “Security Procedures Manual” was developed, specific to the UAE, and the corresponding awareness campaign is expected to be completed in 2011. In 2010, Dolphin Energy decided not to move forward with developing and launching an HSE leadership training program upon conducting a basic feasibility assessment. Dolphin Energy continues its ‘zero fatalities’ record into the company’s 10th year of operations.

As one of the leading companies in the energy sector, Dolphin Energy measures its safety performance by adopting a number of leading and lagging key performance indicators. A key measurement within safety involves recording the total number of injury or illness-related incidents that the company experiences per million hours worked – the Total Recordable Incident Rate (TRIR). Dolphin Energy saw increases in its TRIR rates in 2010 due to one accident caused by a contractor on our Taweelah Fujeirah Pipeline (TFP) Project; Dolphin Energy took various steps to improve the contractor’s H&S performance which proved to be successful (see the TFP case study on page 39 for more information).

Total Recordable Injury Rates (TRIR)



Additionally, Dolphin Energy records the Lost Time Incident Rate (LTIR) which tracks the number of incidents that result in a lost time injury or illness per million hours worked. The 2010 LTIR rates also saw an increase from previous years. Employee LTIR increased marginally from 0 in 2009 to 0.30 in 2010, and LTIR for contractors increased by 78%. LTIR rates saw an increase in 2010 for the same reason the TRIR rates increased in 2010 (see TRIR section above).

Our Management Approach

A key expectation of the company's QHSE Management System is to harness the collective experience and knowledge of managers, supervisors and members of the workforce, combined with the specialist skills of the company's HSE advisors, to jointly conduct regular risk assessments and review the outcomes such that appropriate risk reduction measures

and administrative controls are then developed and implemented. This ensures that workplace hazards and risks are eliminated or minimized to the lowest practicable level.

Communication of the existence of such hazards and risks are regularly provided to affected employees along with instructions on how best to eliminate the hazards and reduce such risks – whether in terms of influencing employee

behavior, adopting engineering controls, developing new or updated work processes or the use of special HSE equipment.

As for security, standards and procedures are established to ensure the security of personnel, facilities, property and information. The procedures also ensure that the human rights of people who may be affected are not violated.

“Dolphin’s concern for employees’ welfare, health and safety is not restricted to its employees, but also to those who work as contractors.”

Dolphin’s HSE obligations under the main contract are also obligatory to all contractors and their subcontractors. As such, Dolphin expects its HSE standards to be universally applied and fully enforced.

Dolphin Energy has put in place various HSE programs to lower these TRI rates over the course of the year. To address the increase in TRIR in 2010, proper investigation of incidents and their causes were conducted, followed by increased communication channels among employees and contractors, increased audits and inspections, and finally increased provision of training. Dolphin Energy conducts corporate-wide HSE training for all relevant employees, and each business unit also follows an HSE training matrix which is audited by the QHSE department. Dolphin Energy conducts essential training for all staff such as first aid, evacuation drills, and basic firefighting among others.

Road Safety Handbook

Dolphin Energy launched a Road Safety Handbook in 2010, to increase awareness among community members, employees and contractors of the high risks associated with driving motor vehicles.

Dolphin Energy’s QHSE&S department carried out a gap analysis in 2010 to find out what other companies have been doing on road safety and prepared a program based on best practices

from international organizations. The Dolphin Road Safety Program was launched in both the UAE and Qatar with working groups overseeing implementation in both countries.

One aspect of the program involves monitoring driver behaviour by installing an In-Vehicle Monitoring System (IVMS). Dolphin installed the systems across vehicles in both Qatar and UAE, with 71 units operational by year-end.

HSE Champions Awards

At Dolphin Energy’s Annual CEO Staff Meetings, HSE Champions Awards were distributed to 10 outstanding employees, 5 from each of Qatar and UAE’s Operations. The awards were established in 2006 to embed a health, safety and environment culture within the organization. Employees who demonstrate commitment to and strong performance in maintaining high levels of HSE standards are nominated for the award annually.

The awards are issued based on recommendations and nominations made by the Executive Management Team.

Criteria for the HSE Champions Awards are based on exceeding LTI or TRI target rates and other HSE leading or lagging KPIs. Awards are also considered for successfully completing a milestone or in cases where outstanding levels of community outreach with regards to HSE awareness are demonstrated.

Health Campaigns

Several health campaigns were conducted during 2010; topics included heat stress, hypertension, diabetes, breast cancer, weight management, and respiratory diseases. The most successful campaign conducted in 2010 involved an ergonomic assessment which studied work-stations and evaluated set-ups on employee posture, stress management and overall health. A healthy lifestyle campaign was also conducted in 2010 focused on weight-loss; the campaign was titled “The Biggest Loser” after the popular TV show, which monitored the weight loss of over 30 participants.

All employees are required to get an extensive health check every 3 years, and all new employees are required to get a fit-to-work check up by a medical professional which is then reviewed by Dolphin Energy’s Occupational Health Team to determine whether potential employees are fit to work at Dolphin.

Health and Wellness Programs

Program Participants	Education/Training	Counseling	Prevention / Risk Control	Treatment
Staff	●	●	●	●
Staff Families	●	NO	NO	●
Community Members	NO	NO	NO	NO

Product Safety and Responsibility

Dolphin Energy’s products are premium quality hydrocarbon gas and liquids and as hazardous materials, strict QHSE controls are exercised at all stages of production, processing and dispatch for export for liquids and distribution of gas. There is no record of any incidence of non-compliance with product health and safety regulations. Where unplanned releases or spills have occurred, the responsible authority has been notified immediately.

Process safety focuses on preventing fires, explosions and accidental chemical releases in chemical process facilities or other facilities dealing with hazardous materials such as offshore platforms, pipelines, plants, gas production and distribution systems. Dolphin Energy uses industry best practices during design and modification, and during operations to ensure process safety. Issues with process safety are communicated through training and by making the information available to all employees.



Health and Safety Life Cycle Assessments

Product Life Cycle Stage	Assessment Conducted
Development of Product Concept	●
Research and Development (R&D)	●
Certification	●
Manufacturing and Production	●
Marketing and Promotion	●
Storage, Distribution and Supply	●
Use and Service	●
Disposal, Reuse or Recycling	●

Emergency Preparedness and Crisis Management



Dolphin Energy has established a robust Emergency Response and Crisis Management System to ensure preparedness for unplanned interruptions. The company has integrated crisis and emergency management into the QHSE&S Management System, whereby emergency arrangements based on potential risks are established, covering all company facilities, locations, activities and operations.

Emergency Response Plans (ERPs) are tested frequently, evolving to ensure up-to-date industry best practices are incorporated. There are specific teams and individuals assigned duties and who are chosen specifically for their abilities, qualifications and experience and are trained to deal with emergency events.

In addition to the above training, a rigorous schedule of crisis & emergency drills and exercises is not only met, but exceeded in most cases; these include a major corporate-wide Emergency Training Program which is conducted, at minimum, on a quarterly basis; furthermore, a minimum of one major emergency drill is conducted in each country, and at least 2 emergency drills are carried out on-site in Ras Laffan and Taweelah on an annual basis. ● These drills help us to identify areas where we can improve, following debriefs and observations.

The Emergency Pipeline Repair System

Dolphin Energy is in the final stage of a long term process, which began in 2006, for the development of an Emergency Pipeline Repair System (EPRS) for its submarine pipelines network. Dolphin Energy operates an export pipeline - a globally unique asset due to its size, pressure rating and length, which meets 30% of UAE's energy requirements.

The development of EPRS is therefore a landmark effort from many perspectives. Recognizing the unique technical challenges involved and also Dolphin Energy's core business focus as a single project gas operator, an international contractor was engaged in 2010 to develop and manage the long term operation and manage any intervention required to resolve any potential emergencies. This includes developing solutions

to emergencies such as a leak in the submarine pipeline and incorporates the design of action plans and intervention methods, the procurement and long term maintenance of key tools, the management systems and periodic training which will need to be conducted to ensure adequate preparation for such events. A comprehensive procurement assessment will be conducted in 2011.

2011 Goals

Ensuring Safe Operations

- Conduct Security Vulnerability Assessment
- Conduct an Emergency Equipment Procurement Assessment
- Ensure Dolphin does not exceed 1.6 TRIR for Employees and Contractors
- Establish Process Safety KPIs for the company
- Implement a Road Safety Program



10 ○

Key Issues:

Contractor Profile

Contractor Safety

Screening of Contractors

Our Perspective: Dolphin Energy's concern for integrity, safety, worker rights and the highest standards of performance extend to its contractors and supply chain.

10

Contractor and Supplier Relations and Practices

2010 Performance against Goals

	Performance	Page
• Enhance procurement and contractors' policies and procedures to directly address human rights and environment-related performance expectations, well beyond the letter of the law	●	89
• Achieve zero incidents of contractor integrity breaches	●	89
• Set a target for the number of reviews and checks for contractor compliance	●	88
• Create a sustainable procurement scorecard to evaluate contractors	○	89

Contractor Profile

Dolphin Energy deals with a significant number of contractors and suppliers. Most of Dolphin Energy's contractors and suppliers are registered in UAE and/or the State of Qatar. In 2010, the number of contractors and suppliers for Dolphin and the respective expenditures to these contractors and suppliers were as follows:

2010	UAE	Qatar
<ul style="list-style-type: none"> Total amount paid in Equivalent USD by Dolphin under contracts executed with contractors, vendors, consultants, service providers, etc. with local presence during 2010. 	\$248,274,397	\$154,034,620
<ul style="list-style-type: none"> Total number of contractors, vendors, consultants, service providers, etc. with local presence and have entered into contracts with Dolphin during 2010. 	383	409

Contractor Safety

Dolphin Energy procures goods and services necessary for the efficient and reliable operation of its facilities. The company's dealings with contractors and suppliers form an integral part of its operation. It is essential that they are properly selected and managed to mitigate potential risks.

Contractors are informed of all hazards and risks they could encounter when working under Dolphin Energy control or on company facilities and they are required to take all measures to prevent risks. In 2010, 22 audits were conducted on contractors to evaluate HSE compliance, but no target was established to measure this performance against. 🟡

For more information, please see the "Ensuring Safe Operations" section. For a case-study demonstrating Dolphin Energy's commitment to ensuring high standards in HSE are met by contractors, see the article, "Reaching Milestones: What it Meant to Complete the Taweelah-Fujairah Pipeline" in the 'Meeting Customer Expectations' section.

Our Management Approach

Under the QHSE&S Management System, the capabilities and competencies of contractors, including suppliers of goods and services, are subject to appropriate levels of assessment to ensure they meet the applicable company standards.

Contractors who could be involved in critical activities are assessed against the highest levels of established business and QHSE&S criteria, and specific performance requirements are clearly stated in contractual documents.

This assessment governs all contractual bases with contractors and is undertaken during prequalification or tendering prior to award of contract. Performance against these requirements is regularly assessed during the term of the contract. Dolphin Energy's QHSE&S division runs a senior-level quarterly meeting with contractors to emphasize focus on safety and related expectations, assess performance and discuss key issues.

Screening of Contractors

Dolphin Energy's agreements with suppliers or contractors require them to adhere to all relevant laws. Suppliers are selected using particular qualification criteria carefully drafted to suit specific requirements. With regards to tender documents addressing key human rights issues, new articles were introduced in 2010 which clearly outline the prohibition of the hiring of minors and Dolphin's position on favouring equal employment opportunities in all respects except for nationalization efforts. ● As Gulf countries rely heavily on expatriate labour and expertise, it is in the country's best interest to give priority to hiring local talent which is more sustainable in the long-term.

With regards to other human rights issues, which can be addressed through Dolphin Energy's activities, the company assessed internal-practices related to assessing contractor's worker-camp living conditions and environment-related practices. ● Dolphin Energy found that worker-camp standards are reviewed and audited regularly, with site-visits being conducted throughout the year, ensuring that camps associated with Dolphin's projects meet or exceed local law. No contractor integrity breaches were reported in 2010. ●

With regards to environment-related performance expectations, all contractors are required to submit environmental permits, and produce environmental records and incidence reports when going through the bidding process. Dolphin Energy's QHSE&S division also plays a role in conducting informal HSE audits on a quarterly basis during any significant project, while on specifically large-scale projects such as the TFP pipeline, daily HSE reviews are conducted.

In 2011, QHSE&S division will also work alongside P&C in order to define evaluation criteria for contractors – which will not only encompass an overall performance evaluation with regards to the project awarded, but also the overall sustainability performance of major suppliers. Dolphin Energy reviewed the 2010 goal to determine a target number of reviews to be conducted for contractor compliance, and found that it was not a necessary target; instead, the most important target is to ensure contractors are being evaluated using key sustainability criteria. ● In conclusion, Dolphin Energy has decided to determine the potential of implementing a sustainable procurement scorecard in 2011. ○



2011 Goals

Contractor and Supplier Relations and Practices

- Create a sustainable Supplier Performance Evaluation Form to evaluate Contractors / Supplier sustainability performance
- Emphasize within Procurement & Contracts (P&C) Policies and Procedures the importance of adhering to human rights and environment related performance
- Initiate the development of an online commercial directory for supplier e-registration

Annex A: GRI Index

GRI	Page/Description	GRI	Page/Description	GRI	Page/Description
1.1	7,9	EC1	47	LA2	76
1.2	7,9	EC2	32,34	LA3	74-78
2.1	14	EC3	78	LA4	No policy exist covering collective bargaining agreements
2.2	14,15	EC4	Dolphin Energy is a private company and does not receive financial assistance from the Government and as a UAE based company is not liable to tax.	LA5	Minimum time period is stipulated in writing in each individual's contract.
2.3	27	EC5	78	LA6	83
2.4	14	EC6	49,89	LA7	82-83
2.5	14	EC7	48,72	LA8	84
2.6	14	EC8	49	LA9	Not applicable - as trade unions do not exist
2.7	14	EC9	47,49	LA10	74
2.8	22	Environment -Overall Management Approach Disclosure - p. 52		LA11	Dolphin Energy typically goes beyond legal requirements to support individuals in transition
2.9	17,19	EN1	57	LA12	74
2.10	17,19	EN2	Not Applicable in the production and processing of natural gas	LA13	72
3.1	93	EN3	55,56	LA14	78
3.2	93	EN4	55,56		Human Rights -Overall Management Approach Disclosure - p.79
3.3	93	EN5	55	HR1	79
3.4	93	EN6	55	HR2	88-89
3.5	93	EN7	56	HR3	Dolphin Energy does not at this point offer any training on human rights issues
3.6	93	EN8	57	HR4	79
3.7	93	EN9	57	HR5	Employee associations such as unions, and collective bargaining are not present in the UAE and Qatar. Dolphin Energy takes extensive steps to engage employees individually and collectively as outlined on page 77
3.8	93	EN10	57,58	HR6	Dolphin Energy does not have operations where there is significant risk of child labor. The company furthermore does not hire anyone under the legal working ages in UAE (15) and Qatar (16).
3.9	93	EN11	61	HR7	Dolphin Energy adheres to all laws relating to worker rights and follows international guidelines. Overtime is duly compensated, and employee passports are not retained. The company also takes significant steps to help ensure that there are no violations of worker rights, including no forced or compulsory labor, amongst contractors.
3.10	All restatements have been identified within the report	EN12	61	HR8	Zero
3.11	All restatements have been identified within the report	EN13	61	HR9	Zero
3.12	92	EN14	61		Society - Overall Management Approach Disclosure - p. 64-65
3.13	93	EN15	61	SO1	64-65
4.1	26	EN16	53	SO2	27, Zero
4.2	26	EN17	54	SO3	27, All employees are trained via the CBC Manual
4.3	26	EN18	54-55	SO4	Dolphin Energy did not have any corruption incident. Any corruption incident must be reported to the Compliance Officer. Page 27
4.4	26	EN19	No ozone depleting substances are knowingly used in Dolphin Energy	SO5	14
4.5	Board Compensation is not linked to organizational performance	EN20	54	SO6	Dolphin Energy did not provide any financial support for any political party
4.6	26	EN21	57-58	SO7	There have been no legal actions against Dolphin Energy

4.7	It is taken into account amongst a range of areas of expertise required for the role	EN22	58-59	SO8	There have been no legal actions against Dolphin Energy
4.8	27	EN23	60	Product Responsibility – Overall Management Approach Disclosure p.38, 84-85	
4.9	26	EN24	No hazardous materials are reported to have been removed from operational sites	PR1	84
4.10	The board of Directors evaluates Dolphin's Business Plan performance, which sustainability indicators have been embedded	EN25	57	PR2	Dolphin Energy is not aware of any voluntary or regulatory non compliance issues related to products and services
4.11	9	EN26	54-55	PR3	Costumers' specifications are strictly met and product material safety data sheet is available which recognize environmental and social concerns, meets standards and accepted practices.
4.12	14,52	EN27	Not applicable - Gas is transferred in pipelines and liquids are shipped in tankers	PR4	Dolphin Energy is not aware of any voluntary or regulatory non compliance issues related to products and services information and labeling
4.13	14	EN28	Zero	PR5	38
4.14	19	EN29	53,56	PR6	38
4.15	19	EN30	52	PR7	Zero
4.16	19	Labour Overall Management Approach Disclosure – p. 71		PR8	38
4.17	19	LA1	70-71	PR9	No fines or monetary sanctions

Annex B: IPIECA / API Oil and Gas Industry Guidance on Voluntary Sustainability Reporting

IPIECA/ API	Page(s)	IPIECA/ API	Page(s)
	Environmental Performance indicators		
		SOC-1	79
ENV-1	60	SOC-2	29
ENV-2	57-58	SOC-3	Dolphin Energy did not provide any financial support for any political party
ENV-A1	60	SOC-A1	Dolphin Energy is a member of the AD SG and as such represents a lobby group and resource centre for the adoption of sustainability principles in government, private and NFP organizations throughout the UAE. On a regional level this commitment is maintained by the company's participation within the Arabian CSR Network which is helping to expand the concept throughout the region.
ENV-A2	57-60	SOC-4	79
ENV-A3	59	SOC-A2	77
ENV-A4	59	SOC-5	74
ENV-A5	59	SOC-6	79
ENV-3	53-54	SOC-A3	72
ENV-4	54-55	SOC-7	73-79
ENV-A6	54	SOC-8	64
ENV-5	56	SOC-A4	65
ENV-A7	57	SOC-A5	66-67
ENV-A8	Dolphin Energy is not pursuing renewable energy sources in its present operations, but is looking at ways to get LEED accreditation for the new Corporate HQ which may consider solar power	SOC-A6	64-67
ENV-6	52	SOC-A7	Through a comprehensive system of community and stakeholder engagement; Dolphin Energy has successfully avoided the need to resettle individuals or communities. On some occasions it has been necessary to acquire land for pipeline corridors. This land has been acquired through government agencies who have handled all compensation payments in accordance with federally agreed tariffs and compensation protocols.
ENV-A9	61	SOC-9	81-83
	Health and Safety Performance indicators		Economic Performance indicators
H&S-1	82-83	ECO-1	Dolphin Energy is a private company and does not receive financial assistance from the Government and as a UAE based company is not liable to tax.
H&S-2	77,84	ECO-A1	46-49
H&S-3	82-83	ECO-1	46-47
H&S-4	82	ECO-A2	48
H&S-5	84	ECO-3	47
	Social Responsibility Performance indicators	ECO-A3	The indicator payments to providers of capital includes; interest payment on loans, loan facilitation costs and any performance based supplementary payments.

Annex C: Report Parameters

This is Dolphin Energy's second sustainability report, reporting on performance in the year 2010. It is a follow-up report to Dolphin's baseline 2009 Sustainability Report. It also provides comparative information for 2009, 2008 and 2007, where possible.

Process for defining report content

This report focuses on Dolphin Energy's priority areas, which were identified through a process incorporating GRI's principles and the IPIECA/API reporting guidelines for defining report content, including:

Materiality	Dolphin Energy believes the report covers all major issues that reflect Dolphin Energy's significant economic, environmental and social impacts, or the issues that would substantively influence the assessments and decisions made by our stakeholders.
Stakeholder inclusiveness:	Dolphin Energy has identified and considered all key stakeholders, and has outlined how the company engages them, identifies their priorities, and responds.
Sustainability context:	Dolphin Energy has considered global trends in sustainability for the oil and gas sector, and has also taken into account the regional and local contexts of its operations.
Completeness and boundaries of this report:	Dolphin Energy has attempted to make this report as complete as possible. The report pertains to Dolphin Energy's 2010 performance, covering all our operations in the United Arab Emirates and Qatar unless stated otherwise. There are no excluded operations.
Reporting cycle:	Dolphin Energy will report on its sustainability progress annually.

Ensuring quality in our sustainability reporting

Dolphin Energy recognizes that insuring the quality and credibility of the information presented in this report is of the utmost importance; thus have used the GRI "principles for defining quality".

Balance	The report seeks to demonstrate transparency, presenting achievements while also highlighting the areas where Dolphin Energy believes there is an opportunity to improve.
Comparability	The report provides three to four years of comparable data for the majority of indicators.
Accuracy and reliability	Every effort has been made to ensure that the performance data is as accurate as possible, and to the best of the company's knowledge is of a very high level of accuracy. Where previous years' reported data were found to be erroneous, Dolphin Energy has restated them with an explanation in the given section of the report.
Clarity	This report targets a wide range of stakeholders with varying levels of awareness of sustainability. Dolphin Energy has strived to make the report easily understandable for all anticipated readers.
Assurance	This report has not been externally assured.

Cautionary Statement

Dolphin Energy's 2010 Sustainability Report contains certain forward-looking statements. All statements, other than statements of historical fact are, or may be deemed to be forward-looking statements. By their nature forward-looking statements involve known and unknown risks and uncertainties that could materially affect expected results of operations, cash flows and business prospects, because they relate to events and depend on circumstances that will or may occur in the future. Readers should not place undue reliance on forward-looking statements which speak only as of the date of this report.

Contact Information and Feedback Request

As an ongoing endeavour to engage stakeholders and to improve performance, Dolphin Energy welcomes your feedback. Please send your feedback and comments to: mark.woodall@dolphinenergy.com

Annex D: Acronyms

ADESCO	Abu Dhabi Emergency Support Committee for Offshore Operators	KPI	Key Performance Indicators
ADSG	Abu Dhabi Sustainability Group	kt	Kilo tons
ADWEA	Abu Dhabi Water and Electricity Authority	LDAR	Leak Detection and Repair
ADWEC	Abu Dhabi Water and Electricity Company	LPG	Liquefied Petroleum Gas
AED	United Arab Emirates dirham	LTI	Lost Time Incident
AFP	Al Ain Fujairah Pipeline	LTIR	Lost Time Incident Rate
API	American Petroleum Institute	M3	Cubic meter
BAT	Best Available Technology	MM	Million
BBTU	Billion British Thermal Unit	MMbbls	Million Barrels
BCF	Billion Cubic Feet	MMBTU	Million British Thermal Units
BPEO	Best Practicable Environmental Option	MMscf	Million of standard cubic feet
bscf	Billion standard cubic feet	MWh	Mega watt hour
CBC	Code of Business Conduct	NGO	Non-governmental organization
CEO	Chief Executive Officer	NOx	Nitrogen Oxides
CIPD	Chartered Institute of Personnel Development	OEMP	Operations Environmental Management Plans
CLO	Community Liaison Officer	OGP	Oil and Gas Producers Association
CPR	Cardio Pulmonary Resuscitation	OIW	Oil in Water
CSR	Corporate Social Responsibility	QHSE	Quality, Health and Safety and Environmental management system
EAD	Environment Agency – Abu Dhabi	QHSE&S	Quality, Health and Safety, Environment and Security division
EEG	Emirates Environmental Group	QP	Qatar Petroleum
EGC	Export Gas Compressors	R&D	Research and Development
EPC	Engineering Procurement and Construction	RLC	Ras Laffan City
EPDD	Environment Protection and Development Department	RLES	Ras Laffan Environmental Society
ERPs	Emergency Response Plans	RLIC	Ras Laffan Industrial City
ESIA	Environmental and Social Impact Assessment	RLIC COP	Ras Laffan Industrial City Community Outreach Programme
EU	European Union	RLOC	Ras Laffan Olefin Company
GCC	Gulf Cooperation Council	SAP	Systems Applications and Products
GHG	Greenhouse Gas	SOx	Sulfur Oxides
GJ	Gigajoules	SPC	The Supreme Petroleum Council
GM	General Manager	P&C	Procurement and Contracts
GRI	Global Reporting Initiative	PMT	Project Management Team
GSA	Gas Sales Agreement	TFP	Taweelah Fujairah Pipeline
HR	Human Resources	TRF	Taweelah Receiving Facility
HRSG	Heat Recovery Steam Generators	TRIR	Total Recordable Incidence Rate
HSE	Health, Safety and Environment	TSS	Total Suspended Solids
IBRD	International Bank for Reconstruction and Development	UAE	United Arab Emirates
IFRS	International Financial Reporting Standards	UAEGN	UAE Gas Network
IPIECA	International Petroleum Industry Environmental Conservation Association	USD	United States Dollar
Kg	Kilogram		

Annex E: Glossary

Abu Dhabi Sustainability Group	A network consisting of fifteen Abu Dhabi organizations who are committed to introducing sustainability management and reporting practices within their own organizations
By-product	A secondary or incidental product derived from a manufacturing process
Climate Change	Describes changes in the variability or average state of the atmosphere over time scales ranging from decades to millions of years
Condensate	A low-density mixture of hydrocarbon liquids that are present as gaseous components in the raw natural gas produced from many natural gas fields
Corporate Governance	The set of processes, customs, policies, laws, and institutions affecting the way a corporation (or company) is directed, administered or controlled
Emiratization	A national program initiated by the government of the United Arab Emirates to proactively increase the number of Emirati nationals in the public and private sectors to empower nationals and reduce dependency on foreign workers
Environmental Management System	The management of environmental programs in a comprehensive, systematic, planned and documented manner. It includes the organizational structure, planning and resources for developing, implementing and maintaining policy for environmental protection.
Ethane	At standard temperature and pressure, Ethane is a colorless, odorless gas with chemical formula C ₂ H ₆ , isolated on an industrial scale from natural gas, and as a by-product of petroleum refining. Its chief use is as petrochemical feedstock for ethylene production
Flaring	Combusting waste gas released by pressure relief valves during unplanned over-pressuring of plant equipment
Gas Venting	The release of gas into the atmosphere through a vent pipe leading to the outside air from a gas furnace or other gas-fired equipment for removal of gaseous products of combustion
Global Reporting Initiative	A long-term multi-stakeholder, international process whose mission is to develop and disseminate globally applicable sustainability reporting guidelines
Greenhouse Gas Emissions	Gas emissions, which contribute to the trapping of heat inside the atmosphere (resulting in the Global Warming phenomenon). These gases include carbon dioxide, methane or hydro fluorocarbon emissions
Gulf Cooperation Council	A political and economic union involving the six Arab states of the Persian Gulf with many economic and social objectives
G3 Reporting Guidelines	A framework for reporting on an organizations' economic, environmental and social performance, created by the GRI Forum
Key Performance Indicator	A measure of performance commonly used to help an organization define and evaluate its success, typically in terms of making progress towards its long-term organizational goals
Liquefied Petroleum Gas	A mixture of hydrocarbon gases used as a fuel in heating appliances and vehicles, and increasingly replacing chlorofluorocarbons as an aerosol propellant and a refrigerant to reduce damage to the ozone layer, inferring that it is flammable
Natural Gas	A gas consisting primarily of methane. It is found associated with fossil fuels, in coal beds, as methane clathrates, and is created by methanogenic organisms in marshes, bogs, and landfills. It is an important fuel source, a major feedstock for fertilizers, and a potent greenhouse gas
Occupational Health and Safety	A cross-disciplinary area concerned with protecting the safety, health and welfare of people engaged in work or employment
Oil Platform	A large structure used to house workers and machinery needed to drill wells in the ocean bed, extract oil and/or natural gas, process the produced fluids, and ship or pipe them to shore
Onshore Drilling	Refers to the land based discovery and development of oil and gas resources
Offshore Drilling	Refers to the discovery and development of oil and gas resources which lie underwater through drilling a well. Most commonly, the term is used to describe oil extraction off the coasts of continents, though the term can also apply to drilling in lakes and inland seas
Qatarization	A national program initiated by the government of Qatar to proactively increase the number of Qatari nationals in the public and private sectors to empower nationals and reduce dependency on foreign workers
Stakeholder Engagement	The process by which a firm's stakeholders engage in dialog to improve a firm's decision-making and accountability toward sustainable development and achieving the triple bottom line
Stakeholders	A party that affects or can be affected by the actions of the business
Sustainability	The definition of Sustainability derives from the definition of Sustainable Development; Sustainable Development is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs ¹
Sustainability Reporting	The voluntary public presentation of information about an organization's environmental, social, and economic performance over a time frame, usually released annually. International standards around reporting, such as GRI, make sustainability reporting a platform for sharing and benchmarking individual company, as well as sector wide performance. Sustainability reporting may be published as a stand-alone document, on a company web site or incorporated into an annual report.

¹World Commission on the Environment and Development (WCDE) 1987



Statement GRI Application Level Check

GRI hereby states that **Dolphin Energy** has presented its report "Embedding Sustainability at Our Roots" (2010) to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 11 May 2011

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a large, faint watermark of the GRI logo.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: *Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on <date>. GRI explicitly excludes the statement being applied to any later changes to such material.*



Ensures that the paper meets the Forest Stewardship Council's (FSC) standards for responsible forest management and responsible use of forest resources.

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