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Speakers from IQCD:	**Mr. Mohammed Al-Sulaiti, Manager, Privatized Companies Affairs, Qatar Petroleum** **Mr. Sami Mathlouthi, Assistant Manager, Privatized Companies Affairs, Qatar Petroleum** **Mr. Riaz Khan, Investor Relations and Communications Lead, Qatar Petroleum**
Moderator:	**Bobby Sarkar, Head of Research – QNB Financial Services**
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Operator:	Good day and welcome to the Gulf International Services Company (GISS) Q4 2020 Results conference call. Today's conference is being recorded. At this time, I'd like to turn the conference over to Bobby Sarkar. Please go ahead.
Bobby Sarkar:	Thank you. Hi, good afternoon everyone. This is Bobby Sarkar, Head of Research at QNB Financial Services. I wanted to welcome everyone to Gulf International Services Q4 and FY 2020 Results conference call. So on this call from Qatar Petroleum's Privatized Companies Affairs Group, we have Mohammed Al-Sulaiti, who is the Manager of Privatized Companies Affairs. We have Sami Mathlouthi, who is Assistant Manager in Financial Operations and Riaz Khan, who is the Head of IR and Communications. So we'll conduct this conference with first management reviewing the company's results followed by a Q&A. I would like to turn the call over now to Riaz. Riaz, please go ahead.
Riaz-ur-Rehman Khan:	Thank you Bobby. Good afternoon and thank you all for joining us. Hope you are all staying safe. Before we go into the business and performance updates of GIS, I would like to mention that this call is purely for the investors of GIS and no media representatives should be participating in this call. Moreover, please note that this call is subject to GIS's disclaimer statements as detailed on slide no. 2 of the IR deck. Moving on to the call, on 18th February, GIS released its results for the year ended 31st December 2020, and today in this call, we will go through these results and provide you an update on the key financial and operational highlights of GIS. Today on this call, along with me, I have: 1- Mohammed Al-Sulaiti, Manager, Privatized Companies Affairs, QP; and 2- Sami Mathlouthi, Asst. Manager, Financial Operations

	We have structured our call as follows: ▪ At first, I will provide a quick insight on GIS's ownership structure, competitive advantages, overall governance & BOD structure by covering slides 5 till 8, and slides 31 & 32; ▪ Secondly, Sami will brief you on GIS's key operational & financial performance matrix. ▪ Later, I will provide you with insights on the segmental performance. ▪ And finally, we will open the floor for the Q&A session. To start with, as detailed on slide no. 6 of the IR deck, the ownership structure of GIS comprises of Qatar Petroleum with 10% stake being the Parent shareholder, whereas GRSIA with approximately 22% stake is the largest shareholder. As detailed on slide no. 5, Qatar Petroleum provides most of the head office functions through a service-level agreement. The operations of GIS's subsidiaries are independently managed by their respective Board of Directors, along with the senior management team. The BOD structure is detailed on slide no. 7 of the IR Presentation. In terms of competitive advantages, as detailed on slide no. 8, all of the GIS's group companies, strategically placed having significant market share in their respective business sector within Qatar. Drilling business is the only Qatari on-shore drilling service provider with 100% market share and having more than 50% market share in the off-shore drilling business in Qatar. Similarly, the aviation business of GIS is a sole provider of helicopter services in Qatar oil & gas service sector and being one of the largest operator in the MENA region. In terms of insurance business, it is one of the leading medical insurance providers in Qatar. This is supported by an experienced senior leadership having expertise in the relevant business segments. In terms of the Governance structure of GIS, you may refer to slides 31 & 32 of the IR deck, which covers various aspects of GIS's code of corporate governance in detail. I will now hand over to Sami.
Sami Mathlouthi:	Thank you Riaz. Good afternoon and thank you all for joining us. Since the last down cycle in the oil and gas industry, the Group achieved success to an extent, where we started to show signs of early recovery from the start of 2019 up until Q1-20. However, since the outbreak of COVID-19 pandemic, the Group endured another layer of macro challenges, with crude oil prices plunging to a record low, coupled with strict implementation of lockdowns limiting the economic activities across the global markets. These impacts were mostly felt in the drilling segment, with stiff competition on asset utilization burdened the overall market environment.

	As detailed on slide 12, the Group's total revenue for the financial year 2020 remained flat compared to last year, to reach QR 3.0 billion. Revenue growth from the insurance and aviation segments was entirely offset by revenue reduction in the drilling and catering segments. For the year ended, the Group has averaged an EBITDA of QR 565 million, with a decline of 22% compared to last year. The Group reported a net loss for the financial year 2020 of QR 319 million. When analyzing the profitability in more detail, as reflected on slide 14, the main contributor towards the decline in the bottom line profitability was the booking of one-off, non-cash impairment losses of QR 308 million in relation to GDI-3, Msheireb and 19 old non-operating bell aircrafts. On a year-on-year basis, revenues contributed negatively by QR 12 million to the decline in net earnings. Similarly, direct costs at the Group level also increased by 2% on a year-on-year basis, and contributed negatively by QR 61 million to the net earnings. On the other hand, finance cost contributed positively to the bottom line earnings and decreased by 31%, on the back of the declining interest rates. Before we go into the segment details, I would like to highlight some of the key initiatives, as detailed on slide 29, which the Group had taken to ensure our resilience in this challenging macroeconomic situation. These measures included optimizing human resource structures, reducing direct costs, reducing non-production related expenditures including corporate and PR related expenses. The implementation of these measure began in June 2020 and the effects of the same has already started to realize. On overall basis, our base case strategy will continue to focus on market development focusing on building market share, reducing operating costs and continue to improve utilization of assets. I will now hand over to Riaz, to cover the segmental performance.
Riaz-ur-Rehman Khan:	Thank you Sami. Drilling I will start with Drilling segment and you may refer to slides 16 till 18. The drilling segment's net losses reached QR 453 million, up by 345%, compared to last year, mainly due to booking of one-off impairment losses and an overall decline

in revenue which was partially offset by improved cost savings to an extent on account of optimization initiatives. On the other hand, segment profitability was slightly supported by share of results from GulfDrill JV and lower finance costs due to declining interest rates.

Drilling revenues for the financial year 2020 declined by 21% compared to compared to last year, to reach QR 923 million.

Topline performance was mainly impacted by premature rig suspension within the on-shore fleet, amid COVID-19 pandemic. Moreover, the rig day-rates, with effect from July 2020, has been repriced with lesser rates.

Revenue reduction was partially offset by additional revenue streams from the GulfDrill JV, as two of the planned rigs had already commenced operations during the year.

Aviation

Moving on to Aviation segment, as detailed on slides 19 to 21, the overall profitability of this segment, excluding the impact of one-off capital gain & impairment, has remained strong with an overall increase in the bottom-line earnings of 42% year-on-year basis. This was mainly due to increased revenues of 17%, as the revenue across all the aviation business units reported a positive variance.

The domestic segment was successful in revising contract rates effective from the year 2018, along with an addition of one new aircraft. This has resulted in an increase in the domestic revenue by 7% compared to last year.

International segment successfully won new short term contracts in Angola and South Africa. Moreover, the Turkish subsidiary, witnessed improved financial performance, amid growth in commercial flying hours. International segment reported a growth of 27% in revenue, versus last year.

In addition, the aviation segment continued the expansion of its MRO business, with a new contract won during the year.

Although, the overall flying hours were on the lower side compared to the last year, but the fixed charges remained unaffected and supported the overall growth in segment revenues.

Insurance

	Moving on to insurance segment, as discussed on slides 22 to 24, the bottom line profitability increased by 226% year-on-year basis, mainly on the back of successful renewal of policies, along with improved pricing terms on all major accounts within the medical segment. This led to segment revenue growth of 18% year on year basis. Furthermore, the growth in profitability was also supported by lower net claims by 20% compared to last year. Catering Finally, moving on to the catering segment, as discussed on slides 25 to 27, the segment reported a decline in revenue by 6% to reach QR 406 million during 2020. Decline in revenue was mainly driven by lowered revenues within the catering sub-segment, mainly impacted by the COVID-19 restrictions imposed, which led to lower number of meals being served across majority of the catering locations. The decline in revenue was also impacted due to demobilization of a contract. The segment reported a net loss of QR 10 million, compared to a net profit of QR 12 million for last year, mainly due to lowered margins and declining revenues. Now we will open the floor for the Q&A Session.
Operator:	Thank you. And if you wish to ask a question, please signal by pressing star one on your telephone keypad. Again, that is star one to ask a question.
Bobby Sarkar:	Hi, operator. This is Bobby Sarkar again. While we are getting ready to answer questions, can I just get started with a couple of my own? I just wanted to know with the recovery that we've seen in the oil prices, is there some chance or prospects that we might see a re-uptick in the rig rates, that you've contracted? And then if you could just give us an update on the NFE expansion in terms of deployment of the remaining four rigs? What is the progression we can look forward to this year? Thank you so much.
Mohammed Al-Sulaiti:	Hi, Bobby, so with regards to the rig rates, they're linked to oil indexing, however, that takes effect in the H2 of this year. So oil prices do sustain on those levels, we do expect that rig rates shall improve, materially as compared to whatever the rig rates were or the rig rates that were negotiated, at the H2 of 2020. So that's in relation to the offshore fleet of course, given the oil indexing is only limited to the offshore fleet. Or the onshore fleet, the expectation as well as that, with current ongoing negotiation with the clients is that, the drilling program should accommodate for some of the rigs to go back in contract.
	So, the current assumptions is that as well, that should take effect in the H2 of 2021 as well. With regards to the JV rigs, so two of the rigs, that's highlighted in our disclosure, has commenced operations, as part of the NFE program, which was announced in 2019. The remainder three rigs are planned to start in different timings in the H1 of this year that are currently being mobilized into operation. There were delays. And those delays were, of course due to the pandemic and the situations and basically, the difficulties that we faced in mobilizing those rigs.

Bobby Sarkar:	So, just to follow up, you do expect all the remaining four rigs to be deployed by the mid this year right?
Mohammed Al-Sulaiti:	In the few rigs?
Bobby Sarkar:	Yes.
Mohammed Al-Sulaiti:	Yes.
Bobby Sarkar:	Okay, great. Thank you so much Mohammed. Operator, we can open it up for questions, though, please. Thank you.
Operator:	Thank you. And again, as a reminder, please signal by pressing star one to queue for a question. We will now take our first question from Jonathan Mullen of Waha Capital. Please go ahead.
Jonathan Mullen:	Hi, good afternoon. And thank you for taking the time for the call. Following up on Bobby's question. When you mentioned an improvement in rates, if oil prices remain as is, what kind of an improvement are we talking about? Since this back to seven, it's almost back to six, high six. Could we see a material improvement? Could it be 15% 20%? Could we see GDI posting net profit in 2021? That's my first question. My second question; the rigs with the JV, do they command a higher rate than your current offshore rigs? Can we expect the JV to be profitable at current rates? Thank you.
Mohammed Al-Sulaiti:	Yes, so rig rates do improve, if you take into consideration the formula, the oil indexing, as long as the brent price is above $40. So depending on how much higher it is, it's reviewed on a quarterly basis and then adjusted accordingly. So that formula would accommodate for whatever increase you'd see in the rig rates depending on the prevailing oil prices, that other takes effect on 1st of July 2021. As for the JV rigs or the NFE rigs, yes, they are materially higher than the current rig rates of offshore that we have in our fleet. And that was as well, part of the negotiation program. So, given the delays that we envisaged in mobilizing those rigs, there were, let's say, penalties that GDI had to pay. So as part of the negotiation to waive those penalties, we had to agree to some sort of reduced rates. They're not materially reduced, however. But they were reduced to the initial rates that were agreed. Yet they remain higher. So the joint venture on a standalone basis is expected to be profitable in 2021. However, on overall GDI, it would depend on the prevailing rates, it depend on the mobilization or the utilization of the current seats and whether they're all utilized in the H2 of the year. Taking as well into consideration that Msheireb and GDI-3 were fully impaired, the intention is that both those rigs, one offshore, one onshore is going to be disposed off in 2021. So we're currently working on that as well.
Jonathan Mullen:	Okay, thank you for that. And on the Aviation segment, do you have any idea how much would they benefit from the expansion in North Field? I'm guessing they will cater to the North Field Fleet? And do you hedge fuel prices, in the Aviation segment?

Mohammed Al-Sulaiti:	There is no risk on fuel prices, given that fuel prices, based on flying hours are paid for by client. So the contract works on a fixed price. And then a variable price that covers for the flying hours in every given month. Or the NFE, we initially saw an addition of two helicopters and two joint aviation operating contracts. So we have a total of 15 helicopters working domestically with Qatar Petroleum and their affiliates. So the increase that we see, it would be on flying hours. So we believe that the 15 helicopters do cater for the requirements currently, and what we see during 2021 and early 22'. Depending on how the activity as well picks up, there could be a potential that we may be required to add to the fleet of the total helicopters operating here in Qatar. However, in terms of the potential improvement that we see, that's strictly on flying hours. So the more flying hours.
Jonathan Mullen:	Okay, perfect. And how many helicopters you have in total in Qatar? And I understand some of your helicopters are quite old, would you be looking to replace them or do you recently dispose off them?
Mohammed Al-Sulaiti:	So, usually our strategy is that we keep the newest fleet here domestically. Some of the older fleets of the six plus year old helicopters are used for our international operations. So, we've been aggressive as well, with our international expansion and strategy, cater for international Oil and Gas operations. So we've been successful in maintaining specific contracts in the past. I'd say three to five years, we were also successful in winning some short term contracts in different parts of the world, some in Africa, other in Mena regions, or even in Europe. So, that's the strategy in terms of how we intend to deploy the older helicopters. We see less appetite and less demand for the Bell fleets. We're able to get some contracts for the Bell fleets in Spain or in India, but they're very immaterial as compared to the fleet that we have. And hence, us taking an impairment of QAR 87 million in 2020, on the non operating Bell fleets. So we've fully impaired those helicopters. We're going to still continue to try to market them, in order to try to utilize them. If not, then I think the decision is going to be to sell. So the market now is more leaning towards larger helicopters. And they're mostly Augustas 139s, 189s, that we have in our fleet, that are fully operational today.
Jonathan Mullen:	Okay, thank you. I'm sorry.
Mohammed Al-Sulaiti:	Your other question, I think it was fleet.
Jonathan Mullen:	How many helicopters in Qatar, yes?
Mohammed Al-Sulaiti:	Total helicopters in Qatar, so I said 15, working for the Oil & Gas sector. We have two VVIP helicopters working here for the MERD 1. And then we have some ad hoc operations as well, not linked to long term contracts that are working here in Qatar.
Jonathan Mullen:	Okay. And one last question on the Debt Restructuring. Sorry for taking too much time, Debt Restructuring. Could the Debt Restructuring entail forcing you to raise equity, could it have an impact on equity holders? But is it simply, something to do with the banks?

Mohammed Al-Sulaiti:	Well, if you remember, in 2019, late and early 2020, we were on the verge of restructuring the debt. Then, in the process, the pandemic started and we've seen aggressive negotiation starting from the clients and then we decided to put on hold whatever we've concluded with the lenders. There were material, I'd say, changes in the business model, there were material changes in our cash flow projections as well. And therefore, we are currently working on a new structure. The new structure, however, is not limited to GIS. So we're currently working with different stakeholders, including the lenders and the anchor investors of GIS, if I may say, including QP. It requires different levels of thinking and discussion and how we redefine GIS, given the current outlook of, let's say the next 10 years and what GIS could generate in terms of cash flow to service its debt, with the current contracts and the current rates do not, let's say sustain the level of debt. So, that leaves us at the current state with the requirement for fresh capital, to either grow the fleet if the business is there, or write down the debt or repay down the debt. So, we're trying to work on an optimal model. The intention, however, is that whatever model we accept and take to the market is a sustainable, medium to long term strategy that protects the shareholders, minority as well as the major shareholders. We expect that this study that's being discussed internally should be, so the timeline we have is the H1 of 2021. We're trying to aggressively work on it to reach a conclusion and hopefully once that's reached, the necessary disclosure is also going to be made.
Jonathan Mullen:	Okay, thank you very much.
Operator:	We'll take our next question from Nitin Garg of SICO Asset Management. Please go ahead.
Nitin Garg:	Yes. Hi, thank you for your time. My first question is, after the full impairment of Msheireb and GDI-3, is there any more rig which is out of operation or looking for work?
Mohammed Al-Sulaiti:	The offshore fleet, there was an operation. For the onshore, we have three idle onshore rigs, that we expect are going to be back in operation in the H2 of the year. So that's the current understanding. And that's the ongoing discussion with the client.
Nitin Garg:	And these three rigs, are they also like old rigs? Are they also like finding difficulty to get work, like what happens with Msheireb?
Mohammed Al-Sulaiti:	They're onshore, so the onshore would depend on the requirements of the drilling program. So with the offshore, yes, so we have some older rigs and some more recent rigs. They're meeting the requirements of the clients in terms of their drilling program here in Qatar. So it's a factor of whether the work is there versus is it old or new. It would really depend on the drilling program.
Nitin Garg:	Okay. One basic question I have on the drilling segment. So the plan is like the JV thing, the five rigs will be deployed to drill 80 wells, over a period of three years. So my question is, what happens after three years? After drilling, these rigs go back and they go out of operation or they remain for any, other work over related stuff?
Mohammed Al-Sulaiti:	The expectation is that the drilling program of the NFE is a five to seven year program. And the structure of the contract, however, was structured to cover for

	three years, with the options of extension thereafter. So, the options have been included in the contract. The reason why the contracts were structured at three years was that, the rig operators were, it was difficult for them to price the market starting from the fourth year. And therefore, they've left it for, towards the end of the contract to re-secure the contracts, from a client perspective. So, it would depend on the price. At the time, the rig rates, whether GDI could competitively price those contracts with the structure of the bareboat that the JV is currently enjoying. And well, the factor of the drilling program, the drilling program is going to be there. It's only a factor of price and for a client, it would make more sense to make use of the rigs that are in the Qatari waters, to avoid the heavy mobilization costs.
Nitin Garg:	Okay. Just a follow up. My question is, what happens after the drilling? Let's say, the NFE program goes for six years, the drilling is completed, the gas starts flowing, LNG starts. So what happens to these rigs? Do they remain for other, maintenance related work? Or do they totally go out of operation? That's my basic question on drilling.
Mohammed Al-Sulaiti:	I'm not an engineer. So I cannot answer that question maybe thoroughly and very transparently. But what I understand is that work over drilling is required. And continuous drilling would be required to be able to sustain operations. And from an output perspective, if I'm looking at it from the gas and LNG activity, whether it's going to be at the levels of where they are in 2021, in terms of the extensive drilling activities, I'd expect it to be lower, but the magnitude of how much lower is something may be that I can't answer.
Nitin Garg:	So, do the rates also decline the work over?
Mohammed Al-Sulaiti:	Well, it's going to be enough drilling now for the next five, seven years. But then you'd expect it to gently go low, as operation kick starts. And by that operation, I mean, the expansion from 77 million to 124 million at the end of the December.
Nitin Garg:	Okay, just a one more follow up. Sorry for taking too much time. So, you said, the mass drilling will happen to increase the capacity. So, my question is, what are the current rigs doing? Right now, without NFE, there is no increase in capacity in Qatar. So, like the onshore rigs and offshore rigs, are they doing the work over related stuff now or they are doing proper mass drilling?
Mohammed Al-Sulaiti:	Some of them are continuously drilling in different wells, to sustain operations and sustain output. And the onshore again it'll depend on similar programs that they have. And there are some work over rigs, that just work on specific wells for specific periods of time, like current wells rather than new wells. And that's basically why you have contracts that end and some of our, the structural work contracts are more short term than long term, especially for the offshore.
Nitin Garg:	Short term, as I understood, right? Short term not long term. Right? Thank you. Thank you very much.
Operator:	And we will now take a follow up question from Johnson Mullen of Waha Capital. Please go ahead.
Jonathan Mullen:	Hi, thank you for letting me ask again. Just on the Insurance side. What are the growth prospects you believe for Al Koot Insurance, PNC, beyond what they have today and Medicaid, say on the mandatory insurance or gaining market share?
Mohammed Al-Sulaiti:	So, Al Koot's main focus ever since they moved away from being a captive insurance company was, how do they gain market share on a corporate level

	Medical Insurance as well as General Insurance. Going forward, the focus is to maintain current market share at that, let's say segment of the market, as well as gain traction on the SME side of the business. And when it comes to both Medical as well as General Insurance, so we sustain a good or maintain a good share of the general insurance of the Oil & Gas sector and the industrial sector, here in Qatar. The potential of course, is to expand that into the SMEs where the premiums tend to be as well multiply, both on the Medical as well as the General Insurance. So we're still sticking to those two lines of, let's say our revenue streams. We have not considered as part of the strategy to venture into being a full fledged Insurance company that provides, for example, vehicle insurance and other sorts of travel insurance, et cetera.
Jonathan Mullen:	Okay. And do you think there's a possibility that we could see mandatory medical insurance implemented this year or next year? And would you be interested in participating in that, in offering insurance? And I'm guessing this would be low amp insurance, right?
Mohammed Al-Sulaiti:	So, what do you mean with what? Do you mean like the state insurance?
Jonathan Mullen:	I mean, Qatar could ask a good mandate that all companies have to give insurance to their employees. I mean, just like it's the case in say, United Arab Emirates, Saudi Arabia, Oman, I believe they've implemented it this year.
Mohammed Al-Sulaiti:	It's already mandatory here in Qatar, if I'm not mistaken. So for companies and corporations, they do require to provide insurance to their employees. I don't think that's a potential, let's say growth that you see in the market. The potential growth that we've been waiting for, or the medical insurance companies have been waiting for is, the National Insurance Program, that was expected to come back to the market in 2018. And it's been dragging ever since. And every year, the insurance company had been waiting and expecting that it may be rolled out. And we assumed that that does roll out, that Al Koot stands a very good position to gain a good share in that context.
Jonathan Mullen:	Okay. And do you think this could be rolled on this year, next year? Or is it a slim chance?
Mohammed Al-Sulaiti:	It's very difficult to be honest to forecast when it may be rolled out. It's been three years that this discussion has been ongoing. So it would be a state policy that I think the companies and GIS cannot control.
Jonathan Mullen:	Okay, thank you very much.
Operator:	We'll take our next question from Anchorage Ambali of Decimal Point. Please go ahead.
Anchorage Ambali:	Thank you for the call. And thank you for an opportunity. I have one question. We'll get to GulfDrill. As per the news, it's expected to have six rigs. So five rigs are expected to come from Seadrill and there is a one rig which is already present and that is a West Tucana. It is expected to join the GulfDrill. So whatever the revenue reported in the disclosures, QAR 161 million, it is from three rigs, right? The two rigs, which was deployed in 2020 and West Tucana. Am I right or my understanding is not correct?

Mohammed Al-Sulaiti:	Maybe just to fix your statement, it's six rigs, right, three from Seadrill, and three from Chinese Shipyard. All of the three rigs of Seadrill, West Tucana is part of them. The West Tucana was operating in some parts of 2020. That contract has expired, it was supposed to roll into a contract for the NFS. And that's currently being discussed at a different stage for a different operator, given that it's not acquired then.
Shabbir Kagalwala:	Okay, so this is a QAR 1.61 million revenue.
Mohammed Al-Sulaiti:	The five rigs of the joint venture of GulfDrill are still fixed to commence, the two have started, we are expected to start in 2021. The West Tucana has not gained that contract, that fixed contract. And it's being discussed for different kind of programs.
Shabbir Kagalwala:	Okay. So the revenue QAR 161 million, it is for the two rigs which are there, which were deployed in 2020. Right?
Sami Mathlouthi:	Yes. The revenue in the financial statements are coming from the two rigs which are deployed. And the profit share from that JV, it's around QAR 7.6 million, relating mainly to the two rigs.
Anchorage Ambali:	Okay, understood. Thank you.
Mohammed Al-Sulaiti:	Thank you.
Operator:	We'll take our next question from Shabbir Kagalwala, of Al Rayan Investment. Please go ahead.
Shabbir Kagalwala:	Gentlemen, thank you for the presentation. I had a couple of questions, if I may. You've mentioned that in the rig impairments, Msheireb and GDI-3 were fully impaired. Apart from that any other impairments happened for any other rigs in the QAR 221 million impairments reported this year, or these were only reported for the two rigs?
Mohammed Al-Sulaiti:	QAR 87 million for the helicopters, the old fleet, other for the rigs, those are the only two.
Shabbir Kagalwala:	Okay. So no other rigs were impaired apart from these two. Because you mentioned that there are three onshore rigs, which are also idle. If they don't go on contract, you will have to impair them or?
Mohammed Al-Sulaiti:	Potentially if they do not go back to contract, yes.
Shabbir Kagalwala:	Right. And this QAR 87 million pertaining to the Aviation was for the 19 helicopters. Were the 19 helicopters out of service? What was the reason for impairing the 19 helicopters?
Mohammed Al-Sulaiti:	They were non operational old helicopters. And we've impaired that on that basis, given that the carrying value was higher than the market value. However, we've decided to impair them to zero. And whether they are successful and gaining contracts or not, it's going to be 2021 to figure that out. If not, then they're going to be a potential of disposal.
Shabbir Kagalwala:	So, you've 19 as impaired to zero, just to clarify.
Mohammed Al-Sulaiti:	Yes.

Shabbir Kagalwala:	Okay. And my final question is on the drilling cogs. What we have seen is in the Q4, the operating expenses for the drilling segment has jumped significantly, to QAR 308 million. Is this a new normal or were there any one offs in this?
Mohammed Al-Sulaiti:	Maybe Sami, you can count on that.
Sami Mathlouthi:	Yes. The QAR 308 million, that's mainly relating to the write off of the Msheireb and the other rig and GDI-3. So there is nothing else that has increased the cost.
Shabbir Kagalwala:	Okay. So the QAR 308 million can be assumed as a new normal for the cogs, for the rest of the year, or for the quarter for 2021?
Sami Mathlouthi:	Part of that is including the impairment. But starting from Q1, 2021, that would be the normal if we deduct the impairment.
Shabbir Kagalwala:	Okay. All right. Thank you.
Sami Mathlouthi:	Allow me to guide on your question. The main reason for the increase was mainly due to the full operation for West Castor, which is rig as part of the JV. So during Q3, it operated only for one month. And during Q4, it operated fully.
Shabbir Kagalwala:	Okay. So, we would say the QAR 300 million cogs is a new normal for the rest of the year. And this will increase as the new, the more JV rigs are also part of the thing?
Mohammed Al-Sulaiti:	It will increase with the deployment of the new rigs.
Shabbir Kagalwala:	Alright. That was helpful.
Operator:	There are no further questions at this time.
Bobby Sarkar:	Okay. Thank you. This is Bobby, again. If there are no further questions, we can end the call now. Thank you Mohammed, thank you Sami, thank you Riaz. And let's do this again next quarter. Thank you. Thank you everyone.
Mohammed Al-Sulaiti:	Thank you.
Sami Mathlouthi:	Thank you everyone.
Riaz-ur-Rehman Khan:	Thank you.
Operator:	Thank you. That completes the call. Thank you for your participation. You may now disconnect.