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TF 3.2

Local Content: An African perspective

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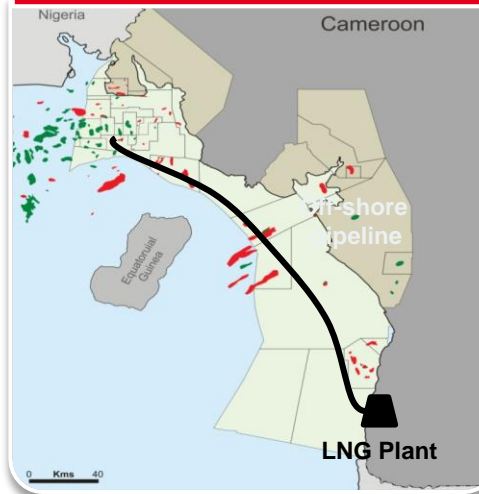
The Cameroon LNG project

- ENGIE and Société Nationale des Hydrocarbures (SNH) partnership;
- A 3.5 Mtpa onshore LNG plant;
- A 270 km feedgas pipeline;
- Investment decision targeted in 2017.

Aggregation of gas resources



Infrastructure



Onshore Site



Local content requirements in Cameroon

- **Participation:**
 - Employs, Cameroonian nationals as a matter of priority;
 - Gives preference to companies under Cameroonian law.
- **Development:**
 - Capacity development of Cameroonian nationals;
 - Development and upgrading of local enterprises.



Local content requirements in Cameroon

- Cameroonian Gas Code: Special account for local capacity building (1% to 5% of total investments);
- Cameroon LNG: Creation of a Participation Fund to implement local content activities;
- Breach of local content regulations: ~500 kEUR penalties.



The Cameroonian approach: pragmatic with the objective of avoiding undue cost to Projects.

ENGIE's local content ambition in Cameroon

- Comply with legal regulations and requirements;
- Seek to exceed the local content requirements without jeopardizing the economic viability of the project;
- Ensure proper integration between local (National) content, local community content, and social acceptance.



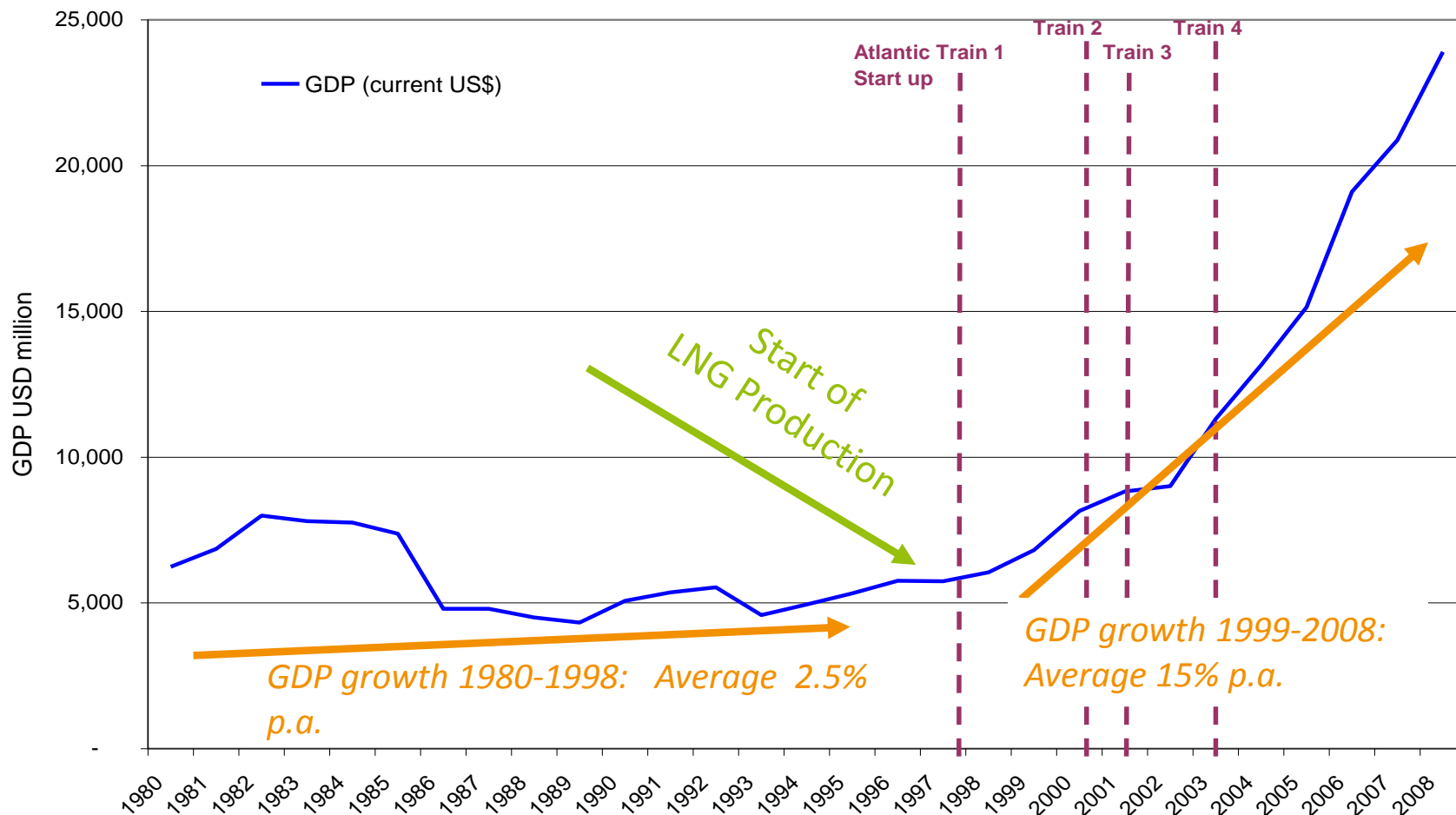
Significant expectations from Cameroon LNG...

Direct jobs during construction	2,000 to 5,000
Indirect jobs during construction	1 to 2.5 times direct jobs
Direct permanents jobs during plant life cycle	200 to 400
Indirect permanents jobs during plant life cycle	2 to 5 time direct jobs

Pre-FEED estimate of the number of direct and indirect jobs

...to follow the Trinidadian experience

Trinidad: Historic GDP



Source: GDP – World Bank

Source: Societe Generale

Local Content: An African approach?

Promoting

Frontier markets

- Inward investment
- Tax revenues
- Local jobs
- WTO compliance

Encouraging

Mature markets

- Tax revenues
- Industry development
- WTO compliance

Assertive

Mature markets (larger)

- Tax revenues
- Industry development



ENGIE's views of a successful local content plan...

1. Complies with legal regulations and requirements;
2. Has a directly impact on the national economy;
3. Integrates the local community;
4. Ensures a “direct” national benefit and fulfil a country need;
5. Limits impact on the project economics.



“Natural gas resource found in Tanzania belongs to the people of the United Republic of Tanzania...
...and must be managed in a way that benefits the entire Tanzanian society”

THANK YOU