SONATRACH ON THE INTERNATIONAL GAS MARKET.
OUTLINE

I. PAST

II. PRESENT

III. FUTUR (HOW WE SEE IT ?)
I. PAST

**SONATRACH:**

- A pioneer in the world gas industry.
- Delivered more than 1000 BCM of gas to Europe.
- Already delivered more than 1 billion CM of LNG to the world

**SONATRACH:**

- An experience of almost 50 years in the liquefaction of gas,
  more than 30 years in the piped gas.

1st Joint PGC-B  PGC-C meeting, Oran, 26th-28th November 2012
I. PAST : EXAMPLES OF ACHIEVEMENTS

➢ Through the E. Mattei gas pipe we have ensured more or less 40% of the Italian gas consumption in the 80’s.

➢ Through the P.D Farell gas pipe we have ensured more or less 60 % of the Spanish gas consumption until the beginning of 2000’s.
I. PAST: EXAMPLES OF ACHIEVEMENTS

We have been succesful in experiencing the arbitrage model on the Atlantic Basin

<table>
<thead>
<tr>
<th>Year</th>
<th>NBP Index</th>
<th>Henry Hub</th>
<th>Sonatrach exports to the US as % of total exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>2.71</td>
<td>4.23</td>
<td>5.42%</td>
</tr>
<tr>
<td>2001</td>
<td>3.17</td>
<td>4.07</td>
<td>7.42%</td>
</tr>
<tr>
<td>2002</td>
<td>2.37</td>
<td>3.33</td>
<td>2.58%</td>
</tr>
<tr>
<td>2003</td>
<td>3.33</td>
<td>5.63</td>
<td>5.74%</td>
</tr>
<tr>
<td>2004</td>
<td>4.46</td>
<td>5.85</td>
<td>13.20%</td>
</tr>
<tr>
<td>2005</td>
<td>7.38</td>
<td>8.79</td>
<td>10.70%</td>
</tr>
<tr>
<td>2006</td>
<td>7.87</td>
<td>6.76</td>
<td>1.74%</td>
</tr>
</tbody>
</table>
II. PRESENT:

9th world gas producer,
7th natural gas exporter
7th LNG exporter.
II. PRESENT

An integrated oil and gas company still mainly concerned by long term security of supply.

E&P investments 1985-2010

- Sonatrach invested on average 4,4 billion USD per year in the upstream oil and gas during the period 2001-2010 Vs 1,4 billion USD per year on average in the previous decade.

- The development of the Oil and gas upstream continues to be the top priority of the 2012-2016 business plan of the company, with an amount of 60 billions USD (EO&GR, developments of new conventionnal fields, shale gas...).

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II. PRESENT : A GROWING LIQUEFACTION CAPACITY

Two new LNG mega trains will come on stream soon.

1st Joint PGC-B PGC-C meeting, Oran, 26th-28th November 2012
II. PRESENT : A SHIPPING CAPACITY OF MORE THAN 1 million CM OF LNG.
II. PRESENT

**SONATRACH’ market share on the EU(27) gas market**

Stability of our market share = proof that Sonatrach is a reliable and secure gas furnisher.

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SONATRACH is pursuing with European partners discussions on the GALSI pipe which will provide Europe with a new direct link to a gas furnisher.

1st Joint PGC-B PGC-C meeting, Oran, 26th-28th November 2012
III. FUTUR :

HOW WE SEE IT?
World economic crisis and the emergence of shale gas in the US have totally changed the World gas map.

The US gas market has turned into a surplus market.

European gas market

European market: slow recovery, strong commitment to become a single market, long term?

The Asian market: role of coal and emergence of a new LNG Power.

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III. FUTURE: HOW WE SEE IT?

**Focusing on the European gas market**

- Strong complimentarities between REN and natural gas.
- Strong commitment to diversify gas sources and to increase the share of LNG compared to Natural gas.
- European market is a competition market: succeeding in Europe enables succeed in less difficult market.
- The European market offers flexibility opportunities through our regaseification capacity on the UK market (Isle of Grain).
- The European market is the only market that can offer SONATRACH possibilities of hand over between LNG and NG.

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III. FUTURE : HOW WE SEE IT ?

Attractiveness of the Asian gas market


- Growth of 30% during the world economic crisis period 2007-2011.

Gas consumption by regions (BCM)

- Asie
- Europe
- USA
III. FUTURE: HOW WE SEE IT?

**Attractiveness of the Asian gas market**

- Logic of demand satisfaction.
- Demand not concentrated on a single market: Japan, Korea, China, Taiwan.
- Long term commitments.
- A potential of more than 200 BCM in 2020.

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III. FUTURE : HOW WE SEE IT ?

A growing gas exports capacity

- A pipe export capacity to Europe of 53 BCM
- An extension project of 8 BCM

- A liquefaction capacity of 42 millions m3 in 2012
- A liquefaction capacity of more than 60 millions m3 starting 2014

- An LNG shipping capacity of 1 million m3 (9 LNG tankers of which 2 MEDMAX)
CONCLUDINGS REMARKS:

- SONATRACH is a major gas player aiming at reinforcing its position on the European gas market and developing new positions outside Europe.

- SONATRACH is a major gas player aiming at developing new business models.

- SONATRACH continues to give priority to long term approaches based on an equitable risks sharing.