SONATRACH ON THE INTERNATIONAL GAS MARKET.

1st Joint PGC-B PGC-C meeting, Oran, 26th-28th November 2012

OUTLINE

I. PAST

II. PRESENT

III. FUTUR (HOW WE SEE IT ?)

I. PAST

SONATRACH :

A pionneer 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.

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 begining of 2000's.

I. PAST : EXAMPLES OF ACHIEVEMENTS

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

	(NBP Index)	Henry Hub	Sonatrach exports to the US as % of total exports
2000	2,71	4,23	5,42%
2001	3,17	4,07	7,42%
2002	2,37	3,33	2,58%
2003	3,33	5,63	5,74%
2004	4,46	5,85	13,20%
2005	7,38	8,79	10,70%
2006	7,87	6,76	1,74%

II. PRESENT

II. PRESENT :

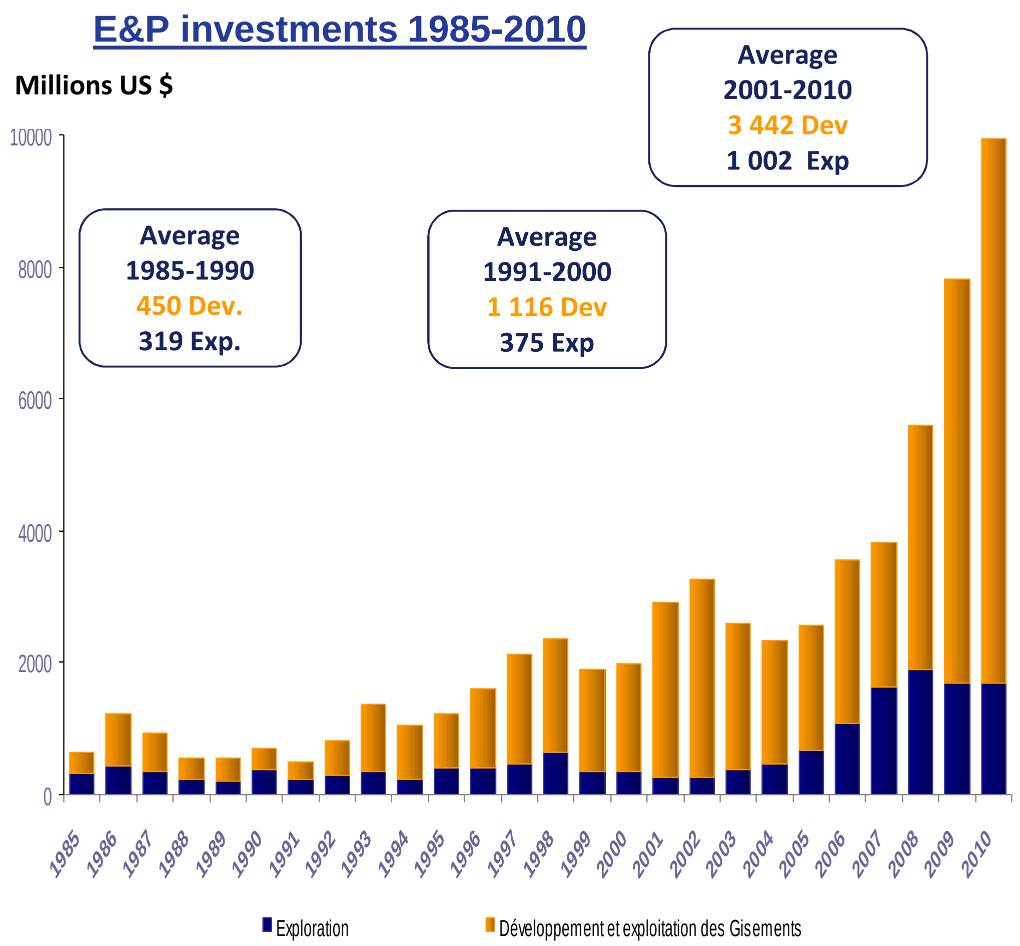
9th world gas producer,

7th natural gas exporter

7th LNG exporter.

II. PRESENT

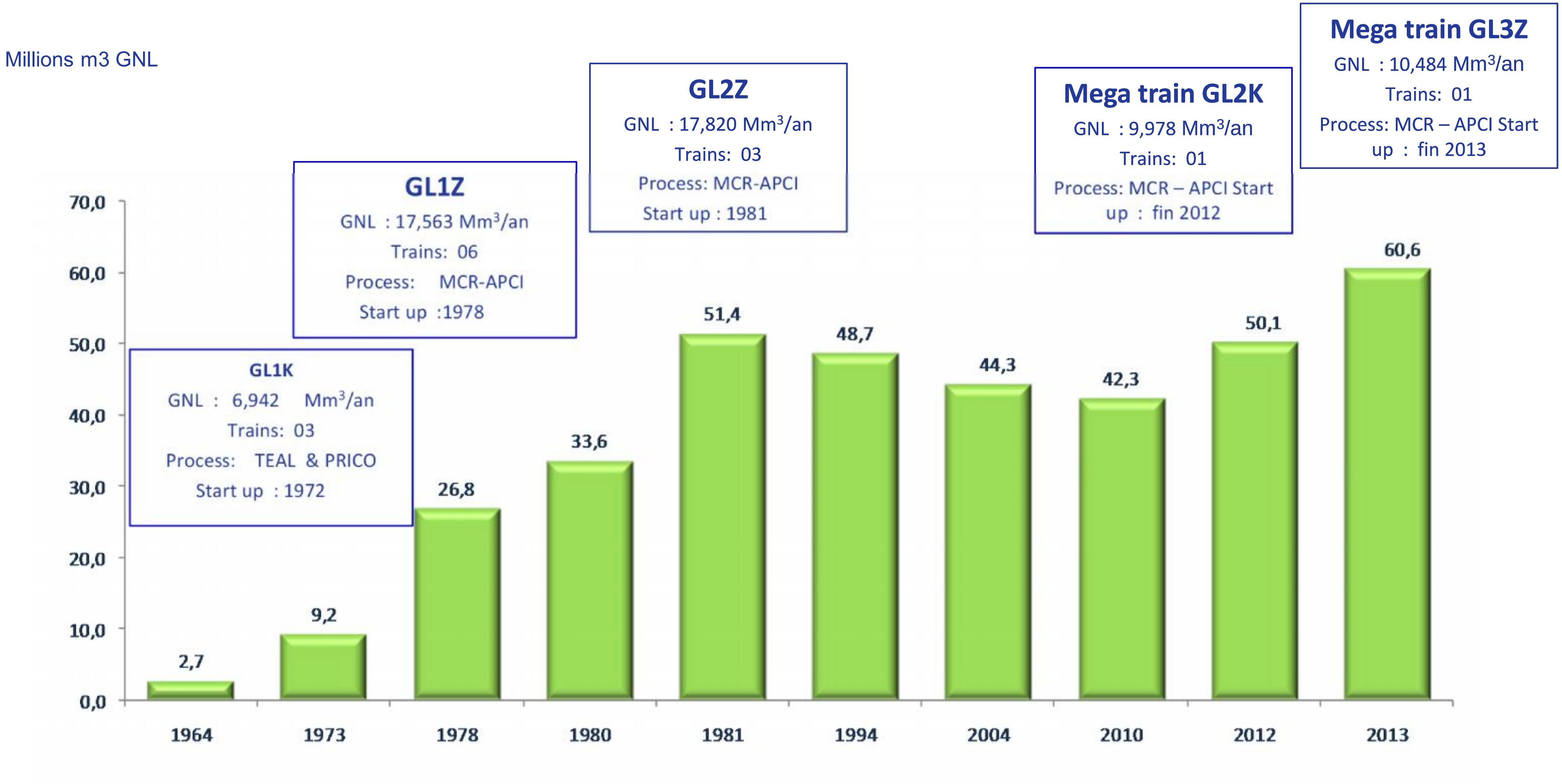
An integrated oil and gas company **still** mainly concerned by long term security of supply.



- 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…).

II. PRESENT : A GROWING LIQUEFACTION CAPACITY



Two new LNG mega trains will come on stream soon.

II. PRESENT : A SHIPPING CAPACITY OF MORE THAN 1 million CM OF LNG.

Mostefa Ben Boulaid

125 000 m³

Larbi Ben M'Hidi

130 000 m³

Bachir Chihani

130 000 m³

Didouche Mourad

125 000 m³

Abane Ramdane

125 000 m³

Lala Fatma N'soumer

145 000 m³

Berge Arzew

138 000 m³

Cheikh El Mokrani

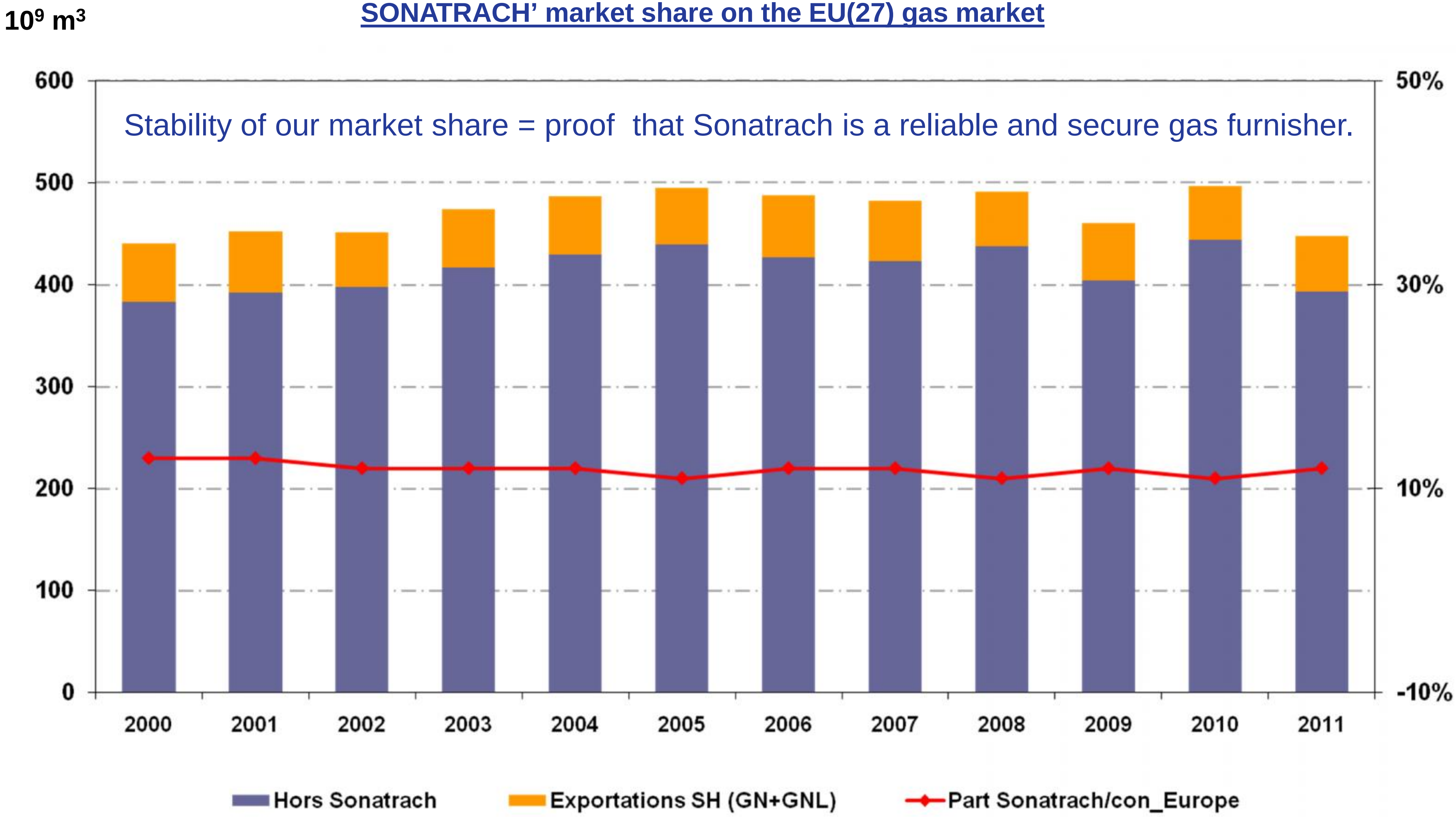
75 000 m³

Cheikh Bouamama

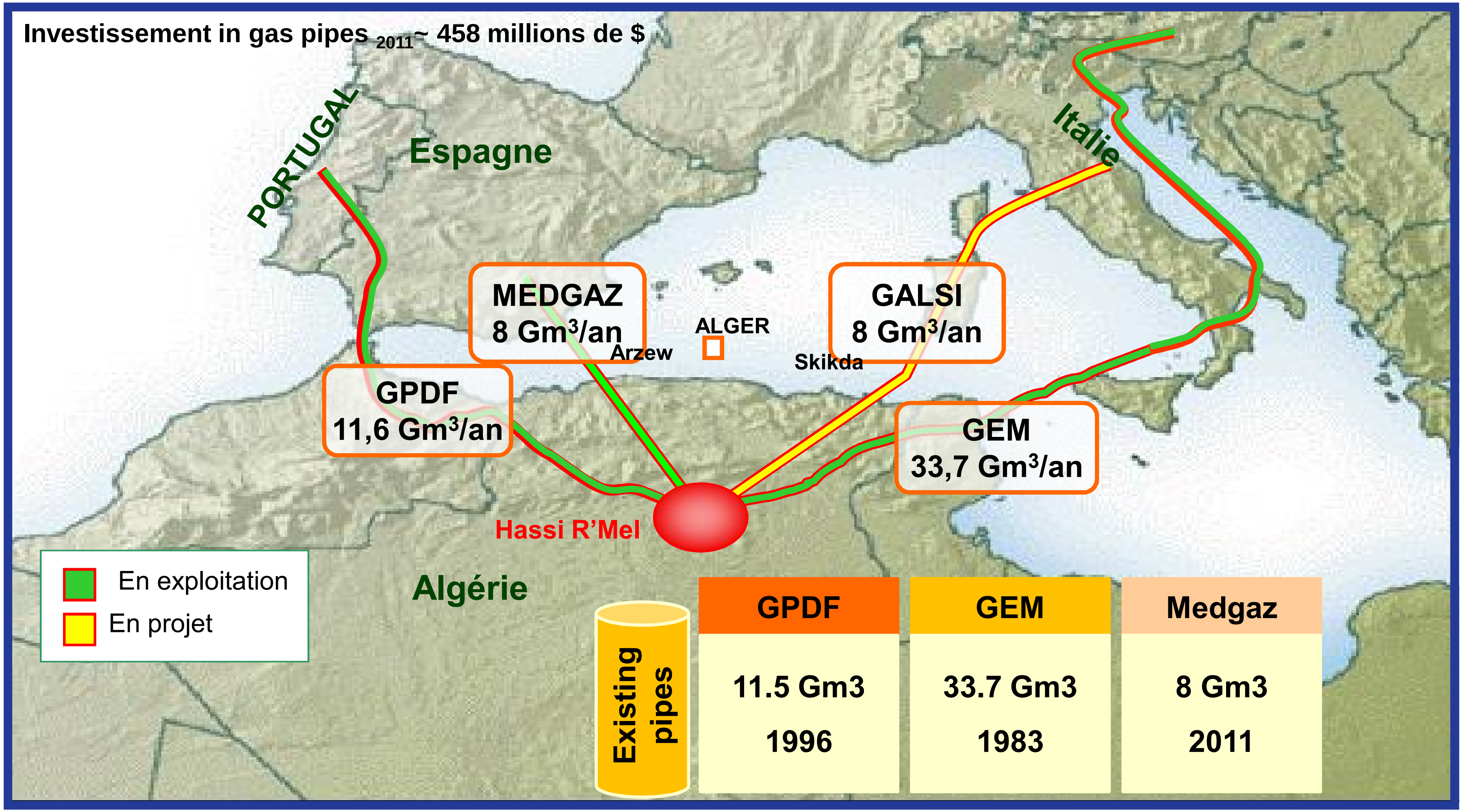
75 000 m³

II. PRESENT

SONATRACH' market share on the EU(27) gas market



II. PRESENT



GPDF	GEM	Medgaz
11.5 Gm3	33.7 Gm3	8 Gm3
1996	1983	2011

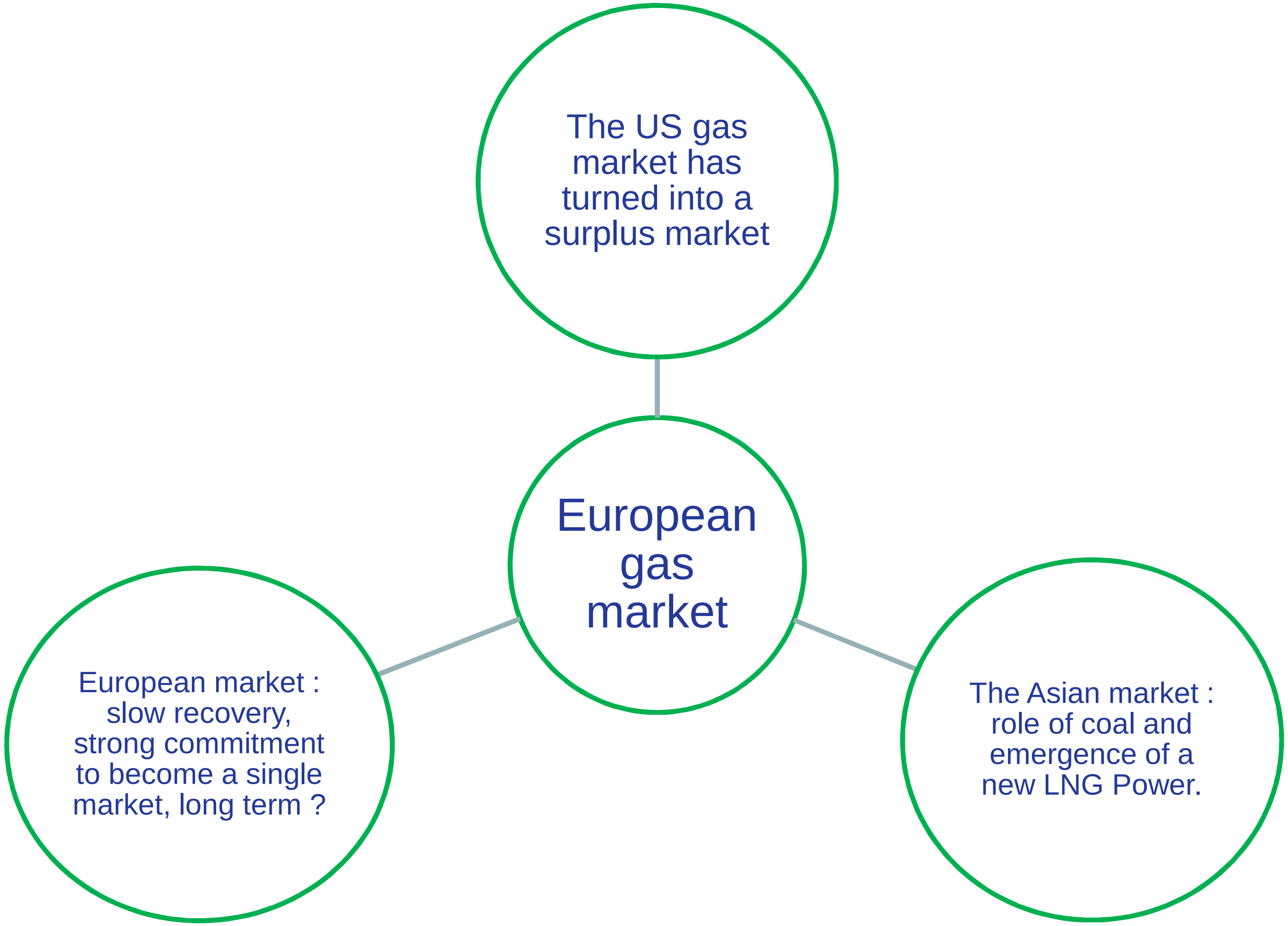
➢ SONATRACH is pursuing with european partners discussions on the GALSI pipe which will provide europe with a new direct link to a gas furnisher.

III. FUTUR :

HOW WE SEE IT ?

III. FUTURE : HOW WE SEE IT ?

World economic crisis and the **emergence of shale gas in the US** have totally changed the World gas map.



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 :

succeding 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)

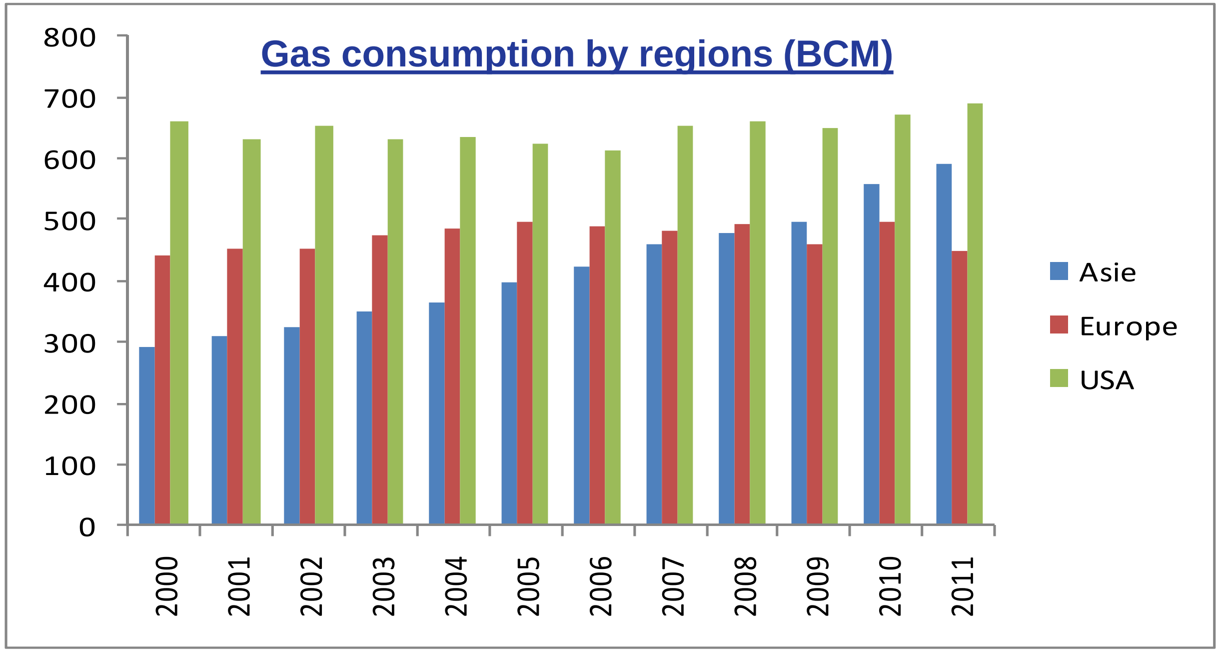
- The European market is the only market that can offer SONATRACH possibilities of **hand over between LNG and NG**.

III. FUTURE : HOW WE SEE IT ?

Attractiveness of the Asian gas market

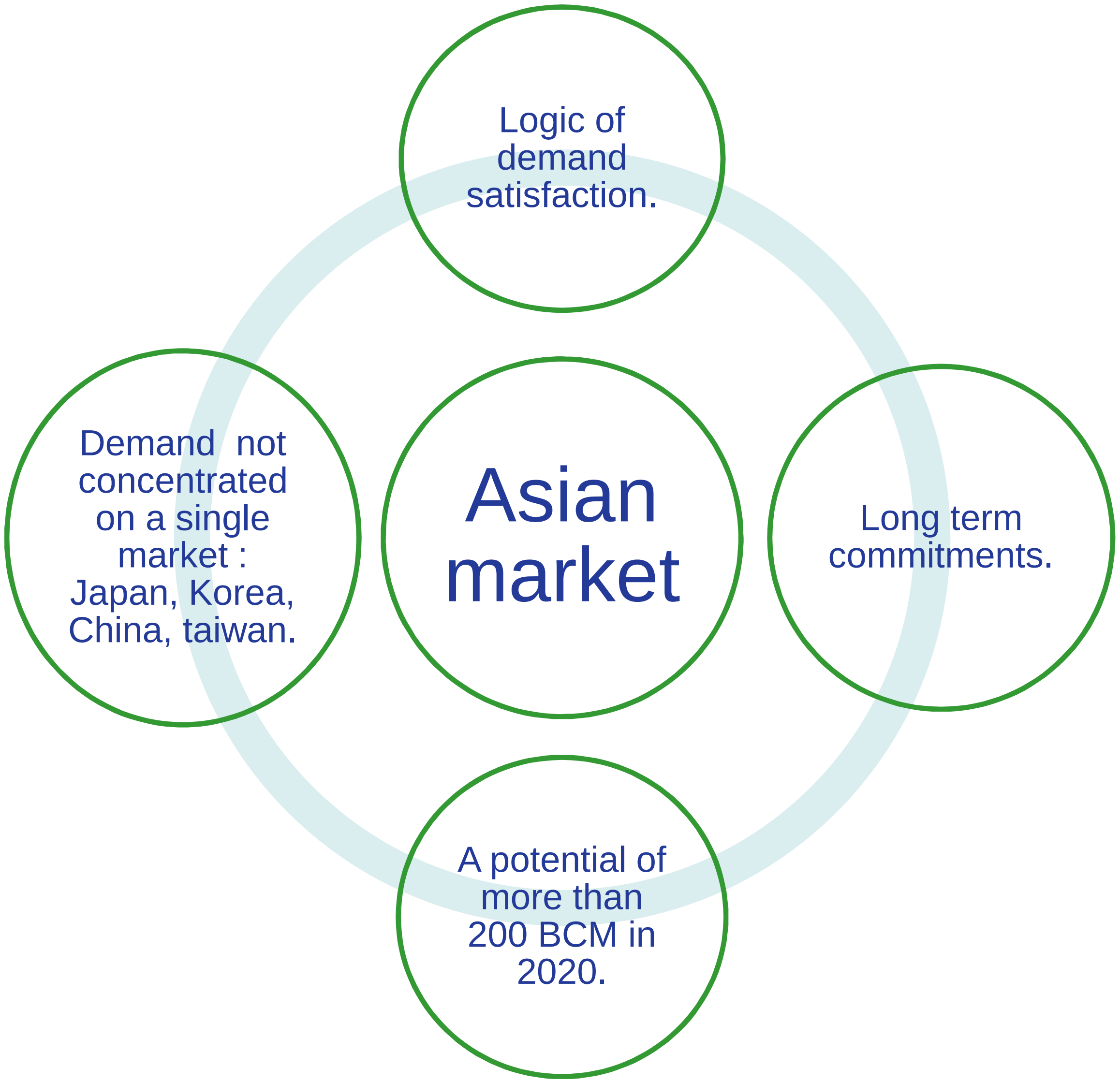
- The size of the Asian market almost doubled between 2000 and 2011, from 290 BCM in 2000 to 590 BCM in 2011.

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



III. FUTURE : HOW WE SEE IT ?

Attractiveness of the Asian gas market



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 capcity of more than 60 millions m3 starting 2014

- An LNG shipping capacity of 1 million m3 (9 LNG thankers 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.