

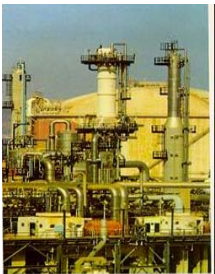
Africa Oil & Gas Forum

Maryland, November 2006



African Voices Address

The Changing Landscape of Competition



Chakib Khelil

Minister of Energy and Mines

Algeria

Outline

- ✓ Sonatrach's Profile & Vision
- ✓ Sonatrach Development Plan and Strategy
- ✓ Factors of Success

Sonatrach : The Algerian National Oil and Gas Company



Sonatrach was created in December 1963

Sonatrach mission is three folds:

- ↪ to meet Algeria's present and future energy needs;
- ↪ to maximize the long-term value of Algeria's hydrocarbon resources;
- ↪ to contribute to national development, primarily by providing the required hard currency revenues.

Sonatrach Vision:

- Sonatrach is a Business Entity;
- Oil and Gas are its core business;
- Its objective is to maximize the added value to its shareholder, the Algerian state, and to be among the leading international oil and gas companies;
- With good business practices, Sonatrach intends to contribute to the wealth of the Nation.

Sonatrach Today : Ranking

✓ **World Ranking**

- *1st company in Africa*
- *12th Oil and Gas company worldwide (*).*

✓ **Major energy supplier**

- *2nd in LNG, LPG and Condensate*
- *3rd in Natural Gas*

(*) *PIW ranking 2004*

Sonatrach Today : A Fully Integrated Company

Core Activities

- Upstream
- Transportation by pipelines
- Downstream
- Marketing

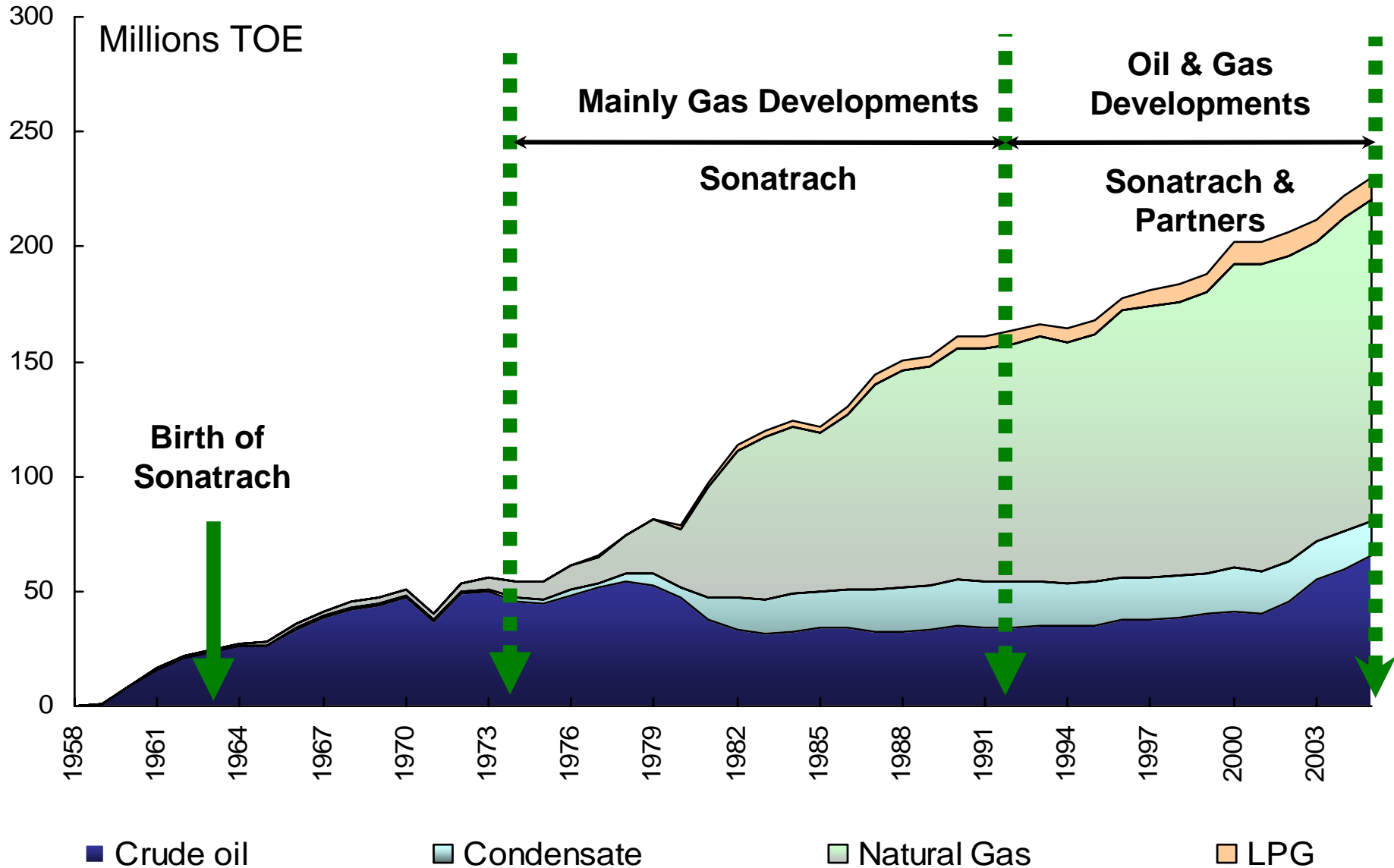
International Activities

- Upstream
- Pipeline Transportation
- Downstream
- Trading
- Shipping
- Others Services

Affiliated Activities & Cies

- Refining (NAFTEC)
- Petrochemicals (ENIP)
- Domestic Distribution of Petroleum Products (NAFTAL)
- Hydrocarbons shipping (HYPROC)
- Drilling (ENAFOR and ENTP)
- Well Services (ENSP)
- Geophysics (ENAGEO)
- Construction (ENGTP, BRC, ...)
- Power & Water Desalination (AEC)
- Renewables (NEAL)
- Training (Algerian Petroleum Institute)

Sonatrach Today : Algeria's Hydrocarbons Production 1958-2005



Sonatrach Today : Key Figures (2005)



- **Export Turnover** : US\$ 45.7 Billions
- **Drilling Exploration wells:**
Number of wells drilled : **64**
(of which 32 in partnership)
- **Discoveries** : **08**
(of which 02 in partnership)
- **Total Production** : **232 M.TOE**
(152 bcm of Natural Gas)
- **Transportation:**
16 000 kms of operational pipelines

Sonatrach Today : Key Figures (2005)

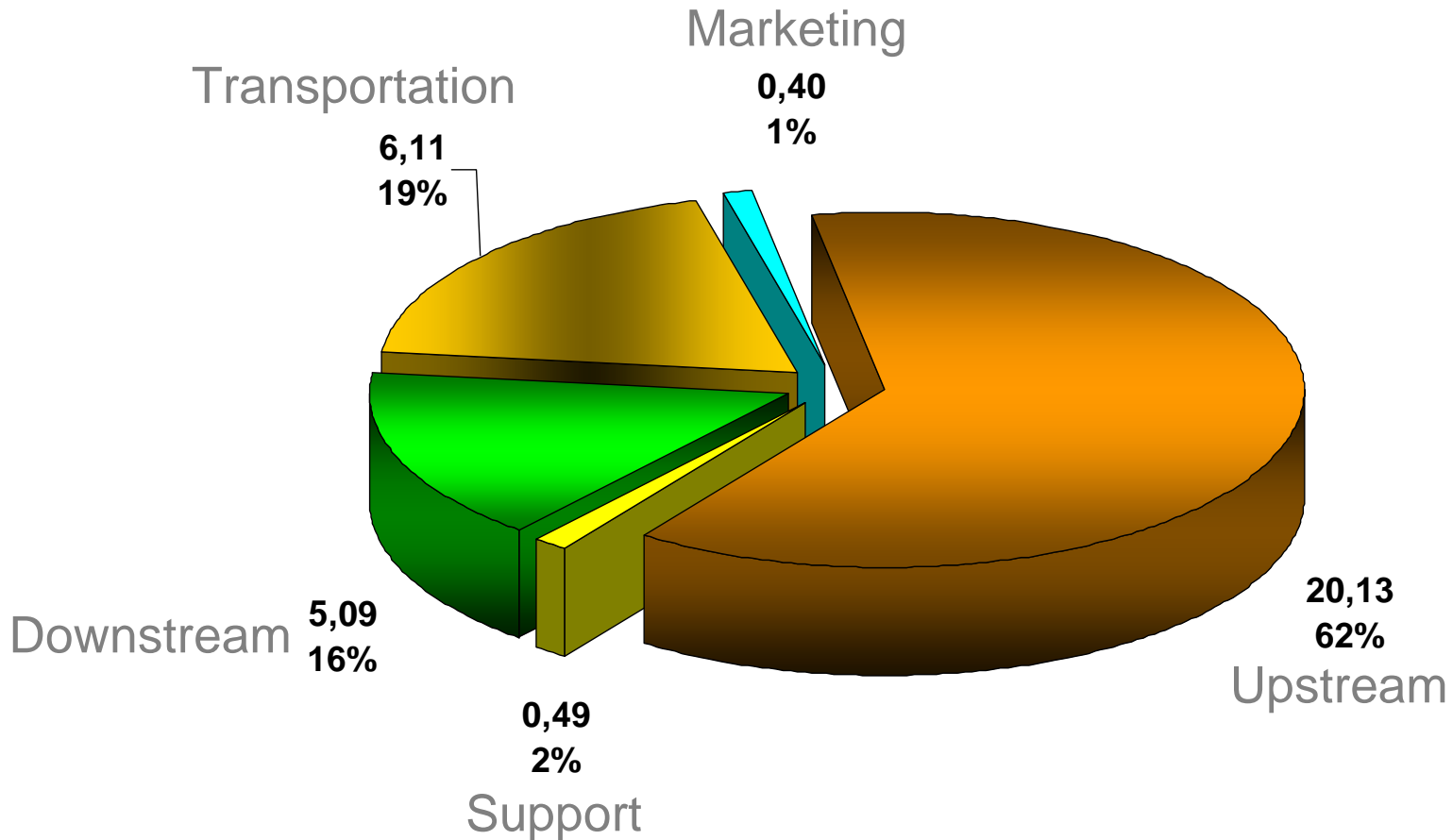


Liquefaction of Natural Gas :	41.0 M.m³ (*)
Separation of LPG :	8.6 M.T
Refining :	19.0 M.T
Marketing:	
- Domestic market :	29.0 M.TOE
- Exports :	141.3 M.TOE

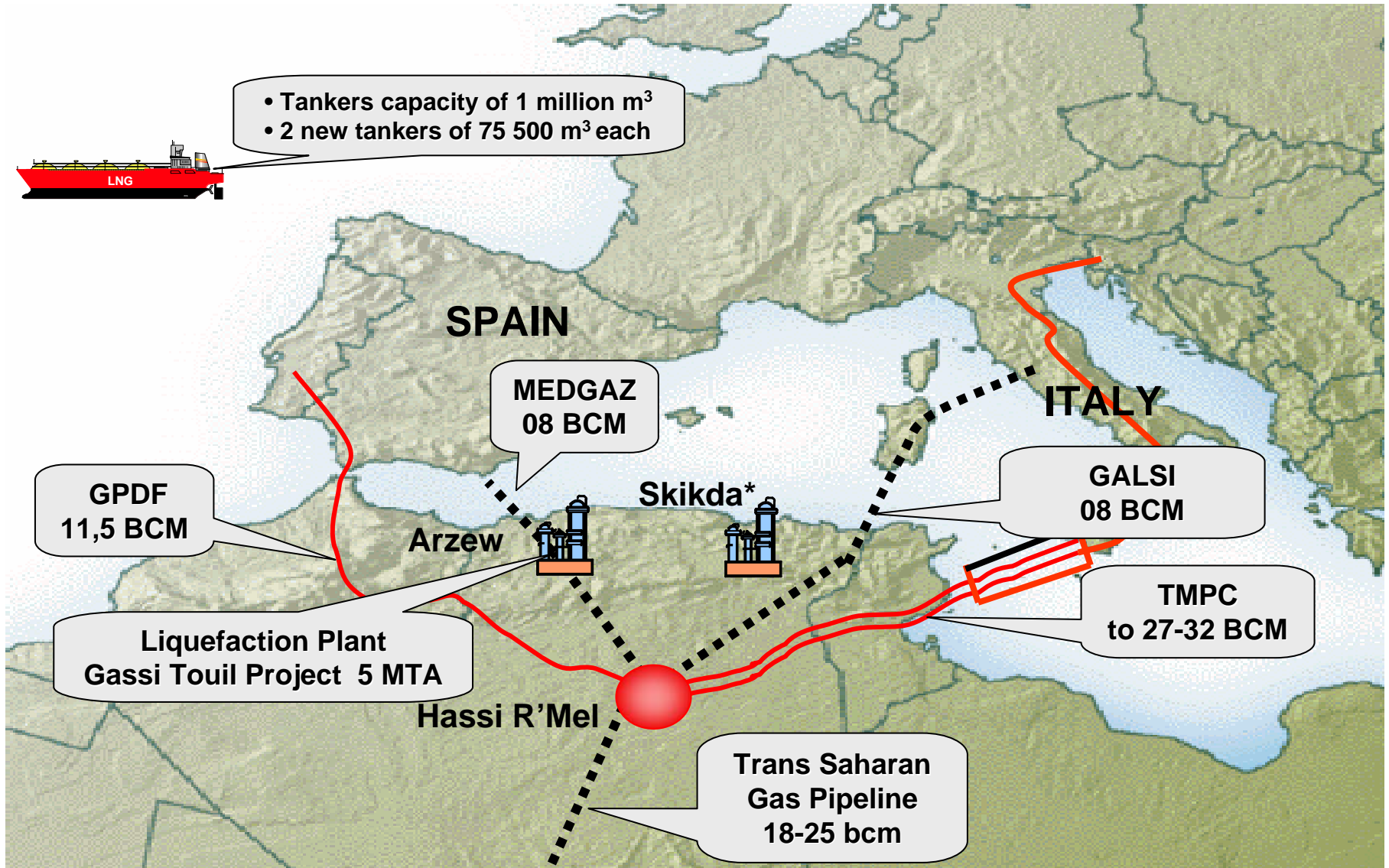
***- liquid CM3**

Sonatrach Development Plan : Investment Outlook 2006-2010

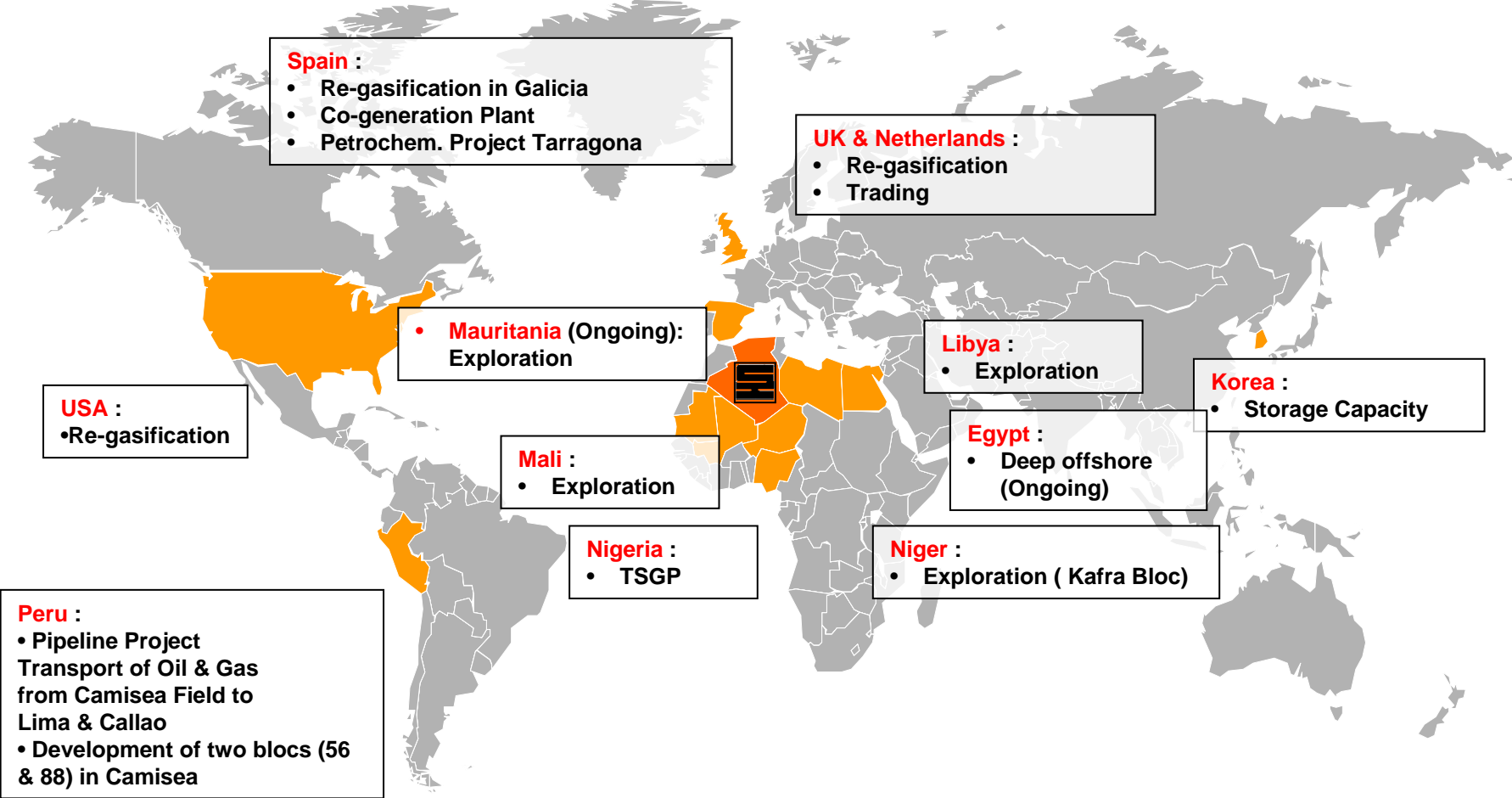
Projection over the medium term = US\$ 32.2 Billions



Sonatrach Development Plan : Major infrastructure projects



Sonatrach Development Plan : International Focus



Main Factors of Success (*)

1. Important reserve base
2. High E&P potential within Algeria;
2. More than 30 years of experience in oil and gas activities;
3. Leading experience in the gas chain;
4. Products of high quality with proximity to important markets;
5. Successful record in partnership.

*- Still Valid Today