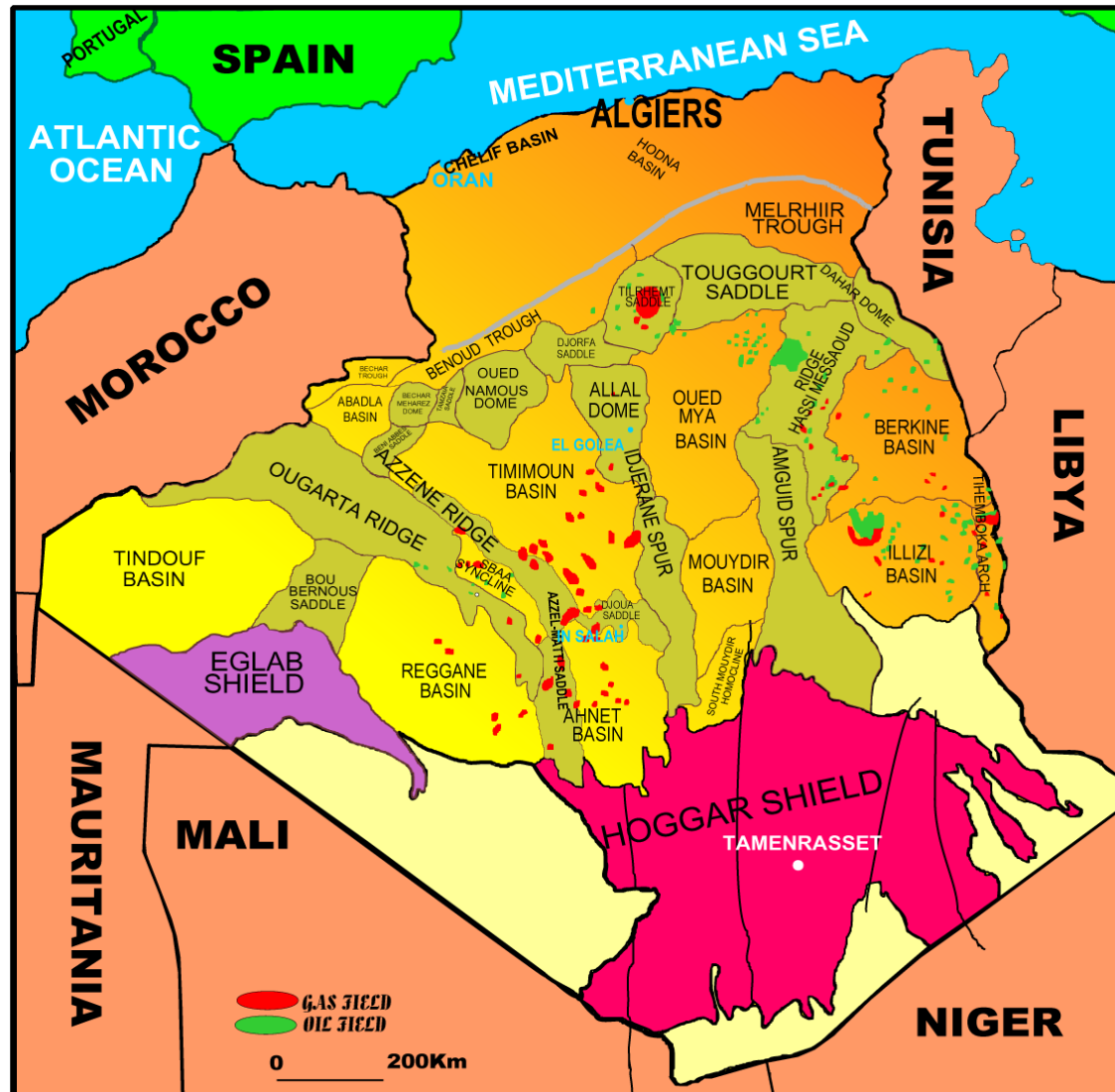


# Overview of Sonatrach Corporate Profile

# ALGERIA: Mining Domain



- Surface of the mining domain : 1 553 488 km<sup>2</sup>
- Offshore: 93 500 km<sup>2</sup> (6%)
- Onshore: 1 459 988 km<sup>2</sup> (94%)
- Activity being conducted on slightly over 50% of the total acreage.
- The activity is concentrated in the Eastern region covering the basins of Berkine, Illizi, Oued Mya and Amguid –Messaoud

# SONATRACH: An Integrated Company over the entire value chain



## Subsidiaries





- Drilling (ENTP & ENAFOR)
- Well Services (ENSP)
- Geophysics (ENAGEO)
- Construction (ENGTP, ENGCB, ...)
- Distribution (NAFTAL)
- Shipping (HYPROC)
- Electricity and Seawater Desalination (AEC)
- Fertilizers (ASMIDAL, AOA, Fertial, OCI,...)



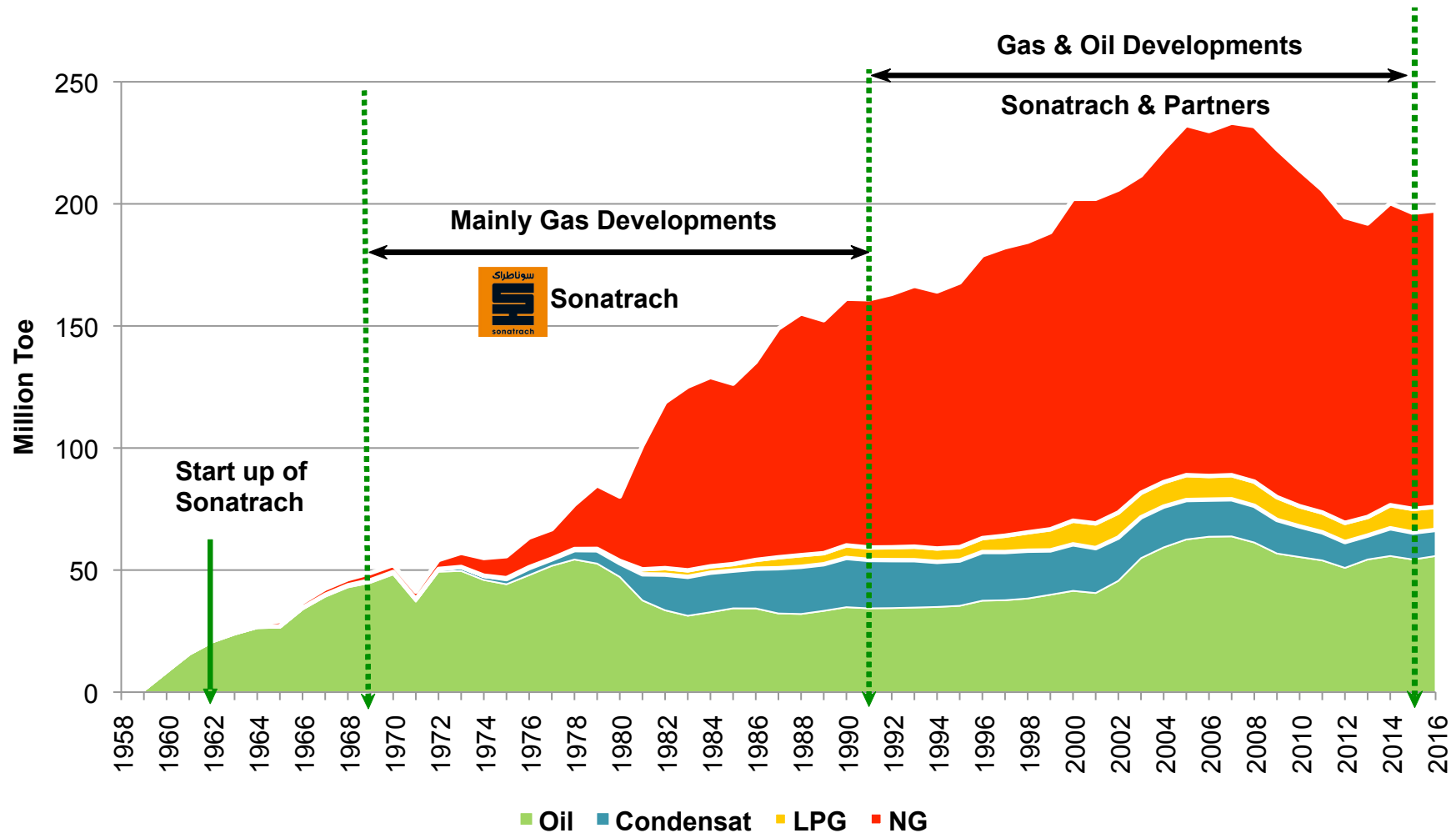
## International

- Upstream
- Transportation
- Downstream
- Marketing
- Shipping

# SONATRACH activities: 2016 key figures

E&P	Midstream	Downstream	Marketing
			
192 Mtoe production 63% gas 26 crud oil 6% condensat 5% LPG	37 pipelienes sysytemes  362 Mtoe/y capacity  19 623 km	6 refineries – 30 Mtoe/y  4 LNG Plants – 56 Bcm/ y 2 LPG Plants – 10,5 Mt/ y	Domestic Market 54 Mtoe
96 exploration wells 33 discoveries	81 pumping & compression stations	3 Petrochemical complexes	International Market 109 Mtoe
US\$ 8,8 Billions Capital Investment more then 80% in E&P			
61 subsidiaries : 32 domestic & 29 international			
46 sharholdings : 19 domestic & 26 intenational			

# SONATRACH: Successfull Partnership Strategy



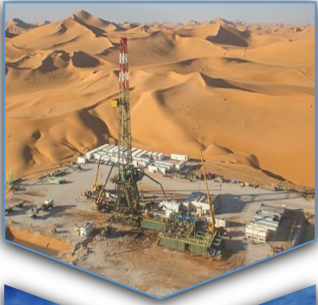


# Partnership : Decisive Leverage in the Development of the Algerian Hydrocarbons Sector



# Key Factors of Success

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- Underexplored mining area with attractive potential (more than 60% of 1.6 million km<sup>2</sup> mining area is unexplored)
- Important conventional reserves & unconventional resources (3<sup>rd</sup> world position in shale gas)
- Many decades of experience in vertically integrated oil and gas activities
- Proximity to important markets
- Considerable and qualified human potential (1.5 million students in more than 150 academic institutions)

# Strategic Priorities

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- Increase exploration efforts and start exploitation of undeveloped discoveries
- Executing structuring projects on time (time to market) within budgets
- Improve the business climate and the attractiveness of the mining sector
- Existing hydrocarbon law to be improved
- Strengthen and develop existing partnerships
- Promote openness and negotiations for win-win solutions
- Expand oil service companies portfolio
- Continue international deployment strategy particularly in E&P segment



# SONATRACH: E&P Development Opportunities

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- 20 projects in Pre-FEED (to develop 65 undeveloped discoveries with 750 mmtoe recoverable reserves and an upside of 500 mmtoe)
- An existing portfolio of 120 new discoveries with a total volume in place of 1 150 mmtoe
- US\$ 53 billion capital investment in E&P 2017-2021: US\$ 17 billion for treatment & separation installations (15 EPC projects), US\$ 27 billion for drilling exploration & development wells (1800 wells), US\$ 9 billion for maintenance

# SONATRACH: Downstream Development Opportunities

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- 3 refineries to be built with a total capacity of 15 million tons
- Fuel cracking unit 4 million tons of capacity
- LPG / Ethane steam cracker for 1 million tons/y of ethylene.
- Methanol and derivatives Project 1 million tons/y
- Propane Dehydrogenation Complex and Polypropylene Production (PDH/PP) Complex : 0.5 million tons/y Polypropylene
- US\$ 26 billion capital investment in downstream 2017-2021: US\$ 15 billion for refineries, US\$ 11 billion for petrochemical units

# SONATRACH: Further Partnerships are Possible...

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1

## **Shale & Tight Gas**

- Huge unconventional natural gas potential to develop
- Cooperation agreement with NOC's & IOC's

2

## **Offshore E&P**

- Exploration program in the Algerian offshore
- Sonatrach has applied for two prospecting permits
- High quality 2D and 3D seismic data

3

## **Downstream**

- Growing demand for refined & chemicals products
- New refining units
- New Petrochemicals Plants

4

## **Equipment's production & engineering**

- Huge potential with regards to the energy sector perspectives
- Partnership to invest in equipment's production & engineering

5

## **Solar solutions for energy needs of oil & Gas fields**

سوناطرای



sonatrach