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# Algeria Oil & Gas industry

## Partnership & Business Opportunities



**Abdelmoumen Ould Kaddour**  
Chairman & CEO

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# Sonatrach : A Fully Integrated Company / 2016 key figures



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

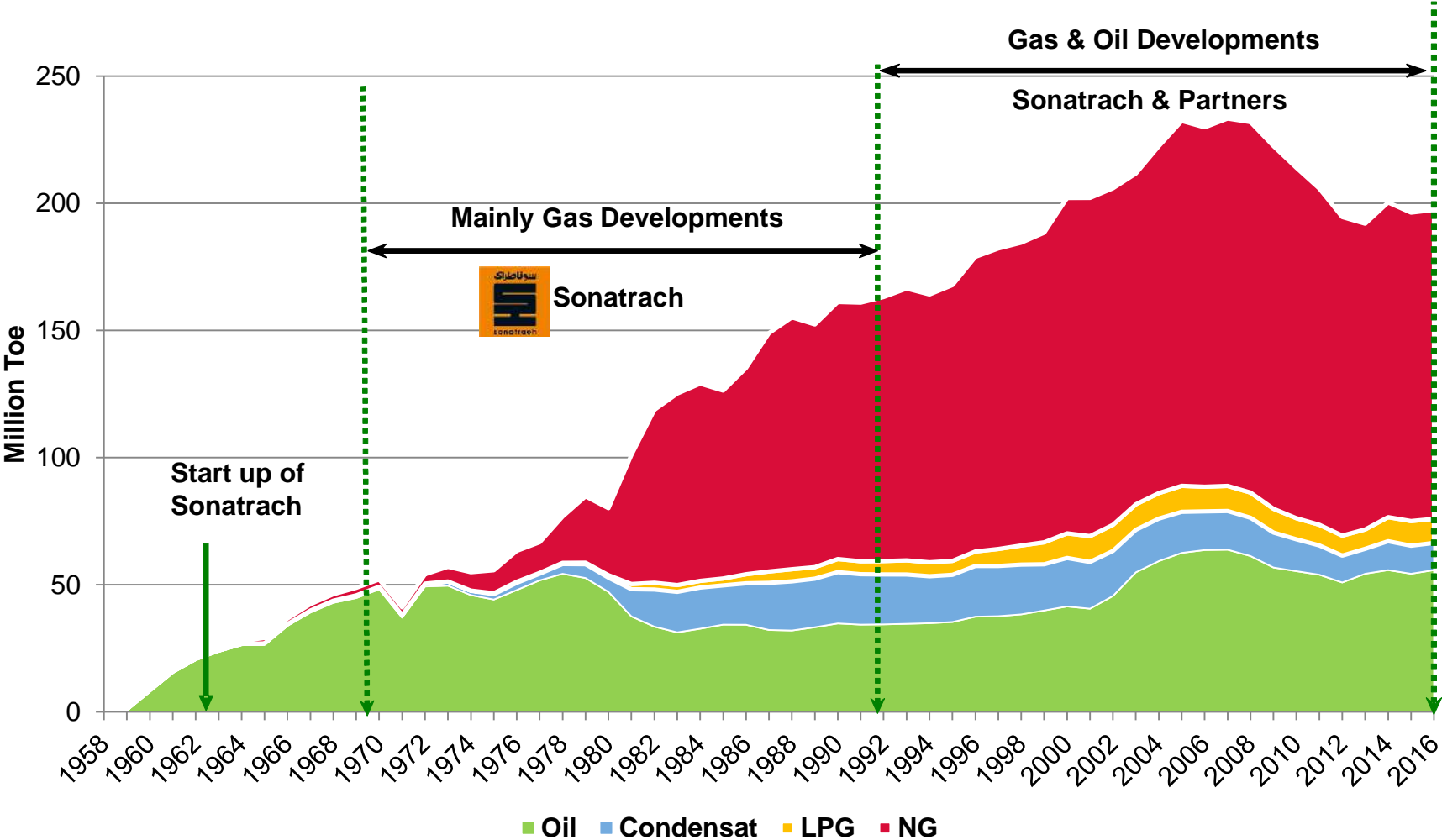
International Market  
 109 Mtoe

US\$ 8,8 Billions Capital Investment more then 80% in E&P

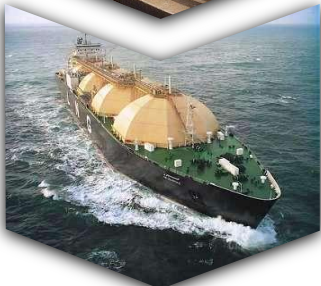
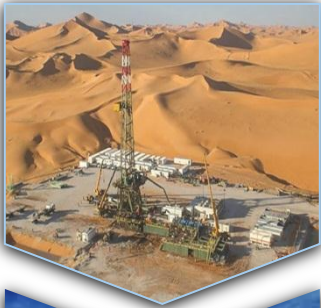
61 subsidiaries : 32 domestic & 29 international

46 sharholdings : 19 domestic & 26 intenational

# Successful Partnership Strategy



# Key Factors of Success



- 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)

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# Strategic Priorities



- 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

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# E&P Development Opportunities



- 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

# Downstream Development Opportunities



- 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

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# Further Partnerships are Possible...

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



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## Partnership ... strategic choice

