



Eni and SONATRACH strengthen cooperation in the gas sector in Algeria

San Donato Milanese (Milan), 18 July 2018 – The Chairman and General Director of the Algerian state company SONATRACH, Abdelmoumem Ould Kaddour, and the Chief Executive Officer of Eni, Claudio Descalzi, signed an agreement that represents a further step towards the strengthen of their partnership in the Berkine basin. In combination with the existing assets of BRN (block 403) and MLE (block 405b), the aim is creating a gas hub in the area.

Such agreement, which is part of the Framework Agreement signed last April at the "Technical Scientific Days" event in Orano, aims to develop an ambitious program to relaunch exploration and development in the area, by optimizing existing infrastructures and putting them in synergy with the ones newly built: a 180 Km line that will quickly connect BRN with MLE's assets, transforming it into the Berkine basin's main gas hub.

Eni and SONATRACH also agreed the commercial conditions for the 2018-19 thermal year, in line with the gas market. Additionally, as part of a strengthening of their cooperation and partnership, the two companies have agreed to begin a negotiation to look into extending the gas supply beyond the contractual deadline of 2019.

The Chief Executive Officer of Eni, Claudio Descalzi, commented: "This is a further step forward in the strategic expansion of our upstream activities in Algeria and in Eni's renegotiation of long-term gas supply contracts. It also demonstrates a strong spirit of collaboration between SONATRACH and Eni, from exploration to the development of new projects in gas and renewable energy ".

Eni and SONATRACH also agreed to further strengthen their cooperation in petrochemical, renewables, offshore projects in Algeria and other international cooperation opportunities.

Eni has had a presence in Algeria since 1981 and currently operates 32 mining permits in the country, with an equity production of over 100,000 barrels of oil equivalent per day, making the company the country's main international player.

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