



Eni and Sonatrach expand their strategic partnership in Algeria

A contract to relaunch production in the Berkine basin and an agreement for decarbonisation initiatives were signed today in Algiers, further strengthening Eni's presence in the country.

Algiers (Algeria), 14 December 2021 – The Chief Executive Officer of Sonatrach, Toufik Hakkar, and the Chief Executive Officer of Eni, Claudio Descalzi, in the presence of the Minister of Energy and Mines Mohamed Arkab and the Ambassador of Italy to Algiers Giovanni Pugliese, signed today a new oil contract related to the onshore Berkine basin area, where Eni has been a leader since 1981. On the same occasion, Eni and Sonatrach also signed a memorandum of understanding for cooperation on initiatives in the energy transition.

Eni's CEO Claudio Descalzi commented: "Today's agreements are testimony to the commitment of Sonatrach and Eni to continue the shared strategy of accelerated project development, and to pursue the decarbonisation objectives within our common commitment to achieve carbon neutrality".

The contract, which is the first ever signed under the aegis of the new Algerian oil law, covers an area of 7,880 km² in the southern part of the Berkine basin, in close proximity to the company's current production assets, Menzel Ledjemet Est (MLE) and Central Area Field Complex (CAFC), already operated by the JV Eni-Sonatrach.

Descalzi and Hakkar shared the commitment to create an ambitious exploration and development program in the area. In the first phase, the project envisages the fast-tracked development of reserves estimated at 135 million barrels of oil equivalent, with a start-up of production expected by the end of 2022. This project will enhance synergies with existing plants. The entry into force of the new contract is subject to approval by the competent Algerian authorities.

With a view to building on the cooperation already in place in the technological field and to continue the decarbonisation process undertaken in support of the initiatives towards carbon neutrality, Eni and Sonatrach have also signed a memorandum of understanding with a strategic value for cooperation in the energy transition sector.

The agreement provides for the assessment of joint opportunities in the fields of renewables, hydrogen, the capture, use and storage of CO₂, bio-refining, and many other initiatives in line with the companies' respective decarbonisation objectives.

This agreement is in line with Eni's commitment to achieving carbon neutrality by 2050, consolidating the partnership with Sonatrach for a sustainable development and to jointly tackle the energy transition challenges.

Eni has been present in Algeria since 1981 where it is the operator of various mining permits. With an equity production in the country of 95,000 barrels of oil equivalent per day, Eni is the most important international company operating in the country.

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