



Bahr Essalam Phase 2 Development offshore project begins production

New wells of Libya's largest offshore gas field come on-stream

San Donato Milanese (Milan), 5 July 2018 – National Oil Corporation (NOC) and Eni announce that Mellitah Oil & Gas, Eni and NOC joint venture company (50/50), has started production from the first well of the offshore Bahr Essalam Phase 2 project. This comes just three years after the final investment decision. Two further wells will begin production within a week. An additional seven wells will come on-stream by October 2018.

Phase 2 of the project completes the development of the largest offshore producing gas field in Libya, increasing production potential by 400 million cubic feet of standard gas per day (MMSCFD). Phase 2 will be completed between September and October, bringing total field production to 1,100 MMSCFD. Bahr Essalam, located about 120 kilometres northwest of Tripoli, contains over 260 billion cubic meters of gas. This is delivered through the Sabratha platform to the Mellitah onshore treatment plant before principally being used to supply the national network.

Chairman of the Presidential Council of Libya and Prime Minister of the Government of the National Accord, Fayez Al-Saraj, attended the opening ceremony and thanked the workers of NOC, Eni and Mellitah Oil & Gas for their efforts in developing the Libyan oil & gas sector.

Mr Al-Saraj commented: "The opening of Phase 2 of the Bahr Essalam offshore project will definitely add true value to the national economy. In the past, we missed huge investment opportunities due to the lack of budget. However, today we are committed

more than at anytime to encourage investment in the oil sector, and to grant promising opportunities to global giants on a commercial basis that serves the interest of this partnership, and creates growth that gives new hope to the Libyan youth. Therefore, efforts must be intensified by all parties to have a deeper understanding and be willing to compromise for the youth of this country who are the real stakeholders in its stability.”

NOC’s Chairman Eng. Mustafa Sanalla added: “NOC is committed to guaranteeing and increasing gas production in order to supply Libyan power plants. This will support the development of the domestic market and reduce costly liquid fuel imports. This strategy will free up significant financial resources; essential given the enormity of challenges across the country. Eni have demonstrated the confidence that international oil companies have in NOC, and the success that legitimate partnerships can deliver for all Libyans.

Eni's CEO Claudio Descalzi commented: "Bahr Essalam is the product of a longstanding relationship between NOC and Eni, and represents an important milestone to ensure greater energy supply security for Libya. The project further demonstrates the trust and recognition Eni has in NOC as Libya’s sole legitimate oil corporation; one with whom we will continue to work exclusively in-country.

"The start of production – delivered in an impressive time-to-market, and in a challenging environment - is a significant achievement for Mellitah Oil & Gas. We are proud that Phase 2 will play an important role in supplying Libya with the necessary gas to fuel the country's recovery over the next 15 years.”

Eni has been present in Libya since 1959, where it currently produces around 320,000 barrels of oil equivalent per day.

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