



**Speech of Mr Mohamed Meziane
Chairman and CEO of Sonatrach**

**Ceremony of signature of the contracts
of acquisition of a VLCC in partnership
between SPC BVI and Kawasaki Shipbuilding Co**

Algiers, June 13th 2006

Ladies and Gentlemen,

Allow me to welcome our partners from Kawazaki and NAKCS from which we will acquire and build a new giant tanker, from the generation of oil tankers of great capacity.

I would like to say that I am very happy to see this VLCC project come to life that our subsidiary Sonatrach Petroleum Corporation launched in partnership with Kawasaki Shipbuilding Corporation.

It is indeed a step forward in the implementation of our marketing strategy by the continuous reinforcement of our hydrocarbon maritime transport fleet and a step forward as well in the enlargement and the diversification of our partnership policy threw out the hydrocarbon chain.

The new oil market dynamics necessitated multiple adaptations and Sonatrach, parallel to the constant efforts that it carries out in the Upstream to increase its production and double its harbour evacuation capacities, engaged itself successfully these last years, in the realization of a great acquisition programme and modernization of its maritime transport means of hydrocarbons in

order to give to its marketing policy more assets and a greater flexibility, to ensure an optimal valorisation of its products.

In this overall process, our subsidiary SPC BVI holds a specific place.

Specialized in trading and shipping, it acquired a valuable experience in the marketing and the transport of hydrocarbons and represents an appreciable share of the income generated by the international activities of our Group.

It has in addition the objective to develop the maritime transport segment and has increased steadily the share of its own transportation capacity.

I will recall in this respect the three LPG tankers of great capacities which SPC acquired two years ago from Kawazaki Shipbuilding Co, at the end of a mutually advantageous operation which allowed a new quality to this partnership by raising it today, at the level of a joint investment in the acquisition of a VLCC financed equally by SPC and Kawasaki Shipbuilding Co.

Under the terms of these agreement, SPC BVI and Kawasaki Shipbuilding Co will create a subsidiary, controlled by 50% by each one of them, which will be in charge of the acquisition of a VLCC " Malacca max ", three hundred and thirty three meters length, sixty meters wide and a capacity of three hundred and fifty thousand cubic meters.

Construction will be entrusted to the shipyards of NAKS, that Kawasaki and COSCO detain in China.

The price of this ship, which will be delivered in eighteen months, is one hundred and twenty million dollars.

I am pleased with the spirit of co-operation which exists between Sonatrach and Kawasaki and which knows today a solid and durable growth. A long term association between SPC and KSC, between a recognized actor of trading and international shipping and a naval manufacturer of worldwide reputation.

It is a beneficial operation between our two companies, supported by Sonatrach, and we wish that it opens the way to other joint projects with Kawasaki in all the areas and segments which we had the opportunity to discuss during our many different meetings.

All my congratulations to the Japanese, Chinese and Algerian teams which made this operation possible.

I thank you