



## P R E S S   R E L E A S E

### **MEDGAZ ANNOUNCES RECEIPT OF LAST PIPE SHIPMENT FOR SUBSEA PIPELINE CONSTRUCTION**

- **The shipment contains a total of 6,000 high-strength carbon steel pipes**
- **Initial welding work will begin in March 2008**
- **This marks the first major milestone of the MEDGAZ pipeline construction phase**

MEDGAZ announced that it has now received 100% of the pipes, manufactured in Japan and coated in Malaysia, which will be welded together to build the ultra-deepwater natural gas pipeline system linking Algeria and Europe via Spain. The third and final shipment arrived today at the port of Almería aboard the Global Saikai, which sailed out of the port of Kuantan, Malaysia on January 17<sup>th</sup>.

This shipment contains a total of 6,000 high-strength carbon steel pipes, altogether measuring 75 kilometers. Each section is 12 meters long and 24 inches (610 millimeters) in diameter and coated with three layers of propylene for corrosion resistance. The pipes assigned to shallower areas will be additionally covered with a layer of concrete to protect the pipeline from sea currents and other external factors.

The material will be offloaded and stored at the port of Almería until the initial welding work gets underway, scheduled for mid-March.

All in all, 90,000 tons of high-strength carbon steel were produced. The pipes, which were manufactured and coated by Japan's two leading steel producers – Mitsui and Sumitomo - were delivered in three shipments. The first arrived in Almeria in October 2007 and the second in December 2007.

This third and final delivery marks the completion of the first major milestone of the construction phase of the MEDGAZ pipeline, which is slated to come on-line in mid-2009.

## PRESS RELEASE

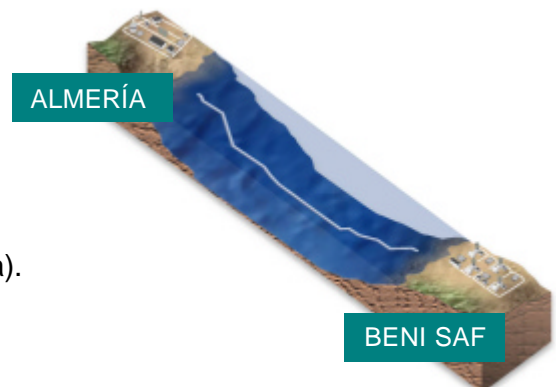
### Project Milestones

#### Timeline

- December 2006: MEDGAZ SA makes Firm Investment Decision (FID).
- February 2007: MEDGAZ SA awards EPC contracts .
- February 2007: Piping manufacture begins in Japan.
- June 2007: Pipe coating begins in Kuantan, Malaysia.
- July 2007: Groundbreaking and trenching work starts in Beni Saf, Algeria.
- September 2007: Groundbreaking and trenching work starts in Almeria.
- October 2007: First pipe shipment arrives in Almeria.
- December 2007: Second pipe shipment arrives at port of Almeria.
- February 2008: MEDGAZ receives third and final pipe shipment at the port of Almeria.

#### MEDGAZ: Technical Features

- Capacity: 8 BCM/year (8 billion m<sup>3</sup>/year).
- Length: 210 kilometers (between Beni Saf and Almería).
- Diameter: 24 inches (610 millimeters).
- Maximum water depth: 2,160 meters.
- Investment: €00 million
- Start-up: 2009.
- Shareholders: SONATRACH (36%), CEPESA (20%), IBERDROLA (20%), ENDESA (12%) and GAZ DE FRANCE (12%).



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