



Achievements and opportunities

The beginning of the new year 2019 is a good time to examine actions taken and to be undertaken. As such, the National Hydrocarbons Corporation (SNH) is pleased with the beautiful lights that illuminate its rear-view mirror.

In fact, 2018 was marked by a rebound in the hydrocarbons sector: Cameroon became a Liquefied Natural Gas (LNG) exporter, 41 years after its first crude oil exports. Concurrently, the first volumes of domestic gas derived from Cameroon's natural gas were produced and sold on the national market.

These achievements constitute a source of pride for SNH, as they reflect the conduct, with efficiency and convincing results, of the mandate entrusted to the company by the State. Indeed, the said achievements enable to generate additional revenue from the development of national hydrocarbon resources

on the one hand and, reduce the cost of subsidising the price of domestic gas on the other hand, while contributing to the comfort of households.

At the same time, SNH successfully ensured the continuous supply of natural gas to the Kribi thermal power plant, thus contributing significantly in diversifying and securing national electricity supply. On August 16, 2018, a record performance of

2000 days of incident-free operation of the Bipanga/Mpolongwe pipeline was achieved.

In addition to these performances, the company is actively pursuing its strategy of developing national gas resources, whose main objective remains the industrial development of Cameroon and the satisfaction of household needs.

In this context, several gas projects are under study. These notably include the supply of natural gas to a 300 megawatt thermal power plant in Limbe; and several industrial and mining projects in the Douala and Kribi areas; extending the operation of the floating liquefied plant installed offshore Kribi, beyond the initially eight-year period agreed upon; and the commercial operation of natural gas for vehicles in Cameroon.

Moreover, despite the unfavourable international oil market environment, we will continue and intensify our efforts to promote and develop the national mining domain, in a bid to increase Cameroon's hydrocarbon reserves and, consequently, national production of oil and natural gas.

These topics and many more, are the focus of this issue. Enjoy your magazine!

Adolphe Moudiki
Executive General Manager

**Promote and develop
the national mining domain**

Continuous increase of gas production

This is one of the highlights of the 2nd annual ordinary session of SNH's Board of Directors, held on December 4 at the company's head office.



The activities carried out between January and September were presented by the EGM Adolphe Moudiki to the Board, chaired by Ferdinand Ngoh Ngoh.

Projections made at the end of 2018 show that investments in hydrocarbon exploration and production increased by about 70% compared to 2017.

These made it possible to limit the drop in oil production to about 10%.

Natural gas production, on the other hand, increased by about 80%.

This exponential increase in gas production is attributable to the commissioning of the Hilli Episeyo, which produced its first liquefied natural gas (LNG) molecules in March 2018 and delivered its

first cargo the following month. As at September 30, seven LNG shipments had been lifted from the facility. Thanks to the floating plant, Cameroon has become the 20th LNG exporting country in the world.

In addition, since April, SNH has been supplying Yaoundé and its surroundings with Liquefied Petroleum Gas (LPG, commonly known as domestic gas), which has enabled to increase national supply by one third. As at September 30, 9 208.778 metric tons of LPG had been delivered to Yaoundé and its surroundings, equivalent to 736 702 gas cylinders of 12.5 kg, which are most used by households.

At the same time, the company continued to supply natural gas for power generation to the

Kribi Thermal Power Plant. As at September 30, SNH had sold 248.80 million m³ of natural gas to Kribi Power Development Company, operator of the power plant. This level corresponds to a used average capacity of 69.97% out of the 216 megawatts of installed capacity.

Thanks to the revenues generated by oil and gas sales, SNH transferred 283.71 billion CFAF to the Public Treasury on September 30, up 20.31% compared to the same period in the previous financial year.

The session ended with the approval of the consolidated financial statements of SNH Group for the 2017 financial year and the adoption of SNH's budget for the 2019 financial year.

Haouwa-Adji Garga Abdouramani

The EGM drew up a positive balance sheet



Ferdinand Ngoh Ngoh
Ministre d'Etat, SGPR

Le PCA de la SNH promu Ministre d'Etat. Ferdinand Ngoh Ngoh, qui occupe la fonction de Secrétaire Général de la Présidence de la République du Cameroun, a été promu le 4 janvier par le Chef de l'Etat, S.E. Paul Biya.

Le Président a en outre procédé à un réaménagement gouvernemental à cette date, marqué, entre autres, par la nomination de Gabriel Dodo Ndoke au poste de Ministre des Mines, de l'Industrie et du Développement Technologique (MINMIDT).



HAGA

Gabriel Dodo Ndoke
MINMIDT

« Il nous faut soutenir nos efforts »

C'est ce qu'a prescrit l'ADG pour 2019, tout en saluant le bilan de la SNH au cours de l'exercice écoulé.

« 2018 aura été pour la SNH une année riche, meublée de beaux succès. Je pense notamment, au lancement des exportations de gaz naturel liquéfié (GNL) et de l'approvisionnement du marché national en gaz domestique (GPL). Au 31 décembre, 12 cargaisons de GNL ont été enlevées (...). La SNH a parallèlement livré à Tradex (...) 770 camions-citernes [de GPL].

Par ailleurs, les livraisons de gaz à la Centrale Thermique de Kribi ont enregistré une hausse d'environ 13%. (...)

Nos succès ne se sont pas arrêtés là. Ainsi, les investissements pétroliers en prévision de clôture pour l'année 2018 ont été relevés de 74% par rapport à 2017 (...). Dix-sept puits ont été forés sur le domaine minier, apportant des réserves additionnelles estimées à 8,4 millions de barils de pétrole, et nous avons pu contenir la baisse de la production pétrolière [autour] de 10%. La production gazière enregistre quant à elle une [forte hausse], grâce à l'entrée en production de l'usine flottante d'Episeyo.

Au plan commercial, nous avons su tirer profit de la hausse des cours du

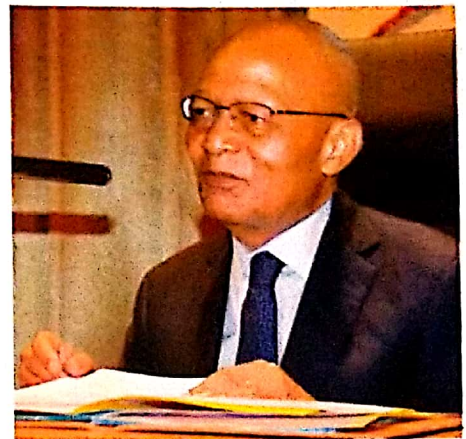
pétrole. Le prix moyen de vente de nos bruts s'est amélioré de 33%. (...)

Compte tenu de ce qui précède, la SNH a pu transférer à l'Etat, après déduction des charges, la somme de 413,325 milliards de Fcfa, ce qui représente une hausse de 30,76% par rapport à 2017, [À cette somme s'ajoutent environ] 30 milliards de Fcfa versés au Trésor Public au titre du Droit de Transit généré par le pipeline Tchad/Cameroun.

Au plan infrastructurel, il y a lieu de relever la mise en service du Centre de Stockage des Echantillons de Forages pétroliers et gaziers, qui a reçu ses premiers échantillons en novembre dernier. Par ailleurs, l'immeuble-annexe est occupé depuis le mois de juillet, ce qui permet d'améliorer les conditions de travail du personnel. (...)

Toutefois, nous ne devons pas nous endormir sur nos lauriers. Il nous faut soutenir nos efforts pour maintenir la SNH sur la voie de l'excellence.

Pour ce faire, nos actions devront principalement viser à attirer davantage d'investisseurs sur le domaine minier national, intensifier



la recherche, assurer une plus grande productivité des champs en exploitation et conduire des projets porteurs, notamment en ce qui concerne le développement des ressources gazières identifiées.

A cet égard, l'anticipation, la rigueur, la prudence et le pragmatisme, dans le respect des principes de bonne gouvernance, devront guider vos actions ».

*Extraits de l'allocution du 15/01/2019
proposés par HAGA*

2018 balance sheet : Oil investments up 74%

During the previous financial year, SNH continued to implement its action plan, with positive results.

Exploration/production activities were boosted following the upturn in crude oil prices. Thus the closing forecast for investments amounted to 441.09 million USD, corresponding to an increase of 74% compared to 2017.

A promotional campaign for eight free blocks was conducted in London and Houston with the aim of improving the 52.29% occupancy rate of the mining sector.

On the field, seventeen wells were drilled during the year, including 13 development and four appraisal wells, resulting in additional reserves estimated at 8.4 million barrels.

Oil production stood at 25.13 million barrels, down by 10% compared to 2017. The decrease is due, in particular, to the natural decline of oil fields.

Natural gas production stood at 61 454.28 million cubic feet, up 77% compared to 2017, thanks to the commissioning of the floating liquefied natural gas plant, Hilli Episeyo.

At the commercial level, 13.378 million barrels were sold at an average

**413.325 billion CFAF transferred
to the Public Treasury**

price of 71.32 USD per barrel, representing an increase of 33.88%. The turnover from crude oil sales was 954.185 million USD, up 6.51%. Added to this is the turnover generated by the sale of natural gas and its by-products, which amounts to 56.06 billion CFAF (+244%). Thus, 12 LNG cargoes were lifted, representing 1 748 520 cubic metres. Supply to the Kribi

thermal power plant amounted to 11 961 million cubic feet (at 1000 BTU/scf). As for LPG, the SNH delivered 770 trucks to Tradex for a quantity of 15 349.43 metric tons, which represents the equivalent of 1 227 954 cylinders of 12.5 kg.

Moreover, the operation of the Chad/Cameroon Pipeline generated a transit fee of 29.43 billion CFAF for a total volume of 40.56 million barrels of crude oil lifted from the Kome-Kribi 1 Terminal.

After deducting production costs, SNH transferred 413.325 billion CFAF to the Public Treasury. This contribution to the State budget is up 30.76% compared to 2017.

Alain Claude Alima