



National Hydrocarbons Corporation

**Partner of oil companies in Cameroon,
at the heart of the Gulf of Guinea**



Ours values

Professionalism

Efficiency

Quest for excellence

Profile

Created in 1980, the National Hydrocarbons Corporation (SNH) is a State-funded industrial and commercial company with financial autonomy.

■ **Capital** : Eight billion CFAF

■ **Mission** : Manage the State's interest in the upstream sector of the oil and gas industry.

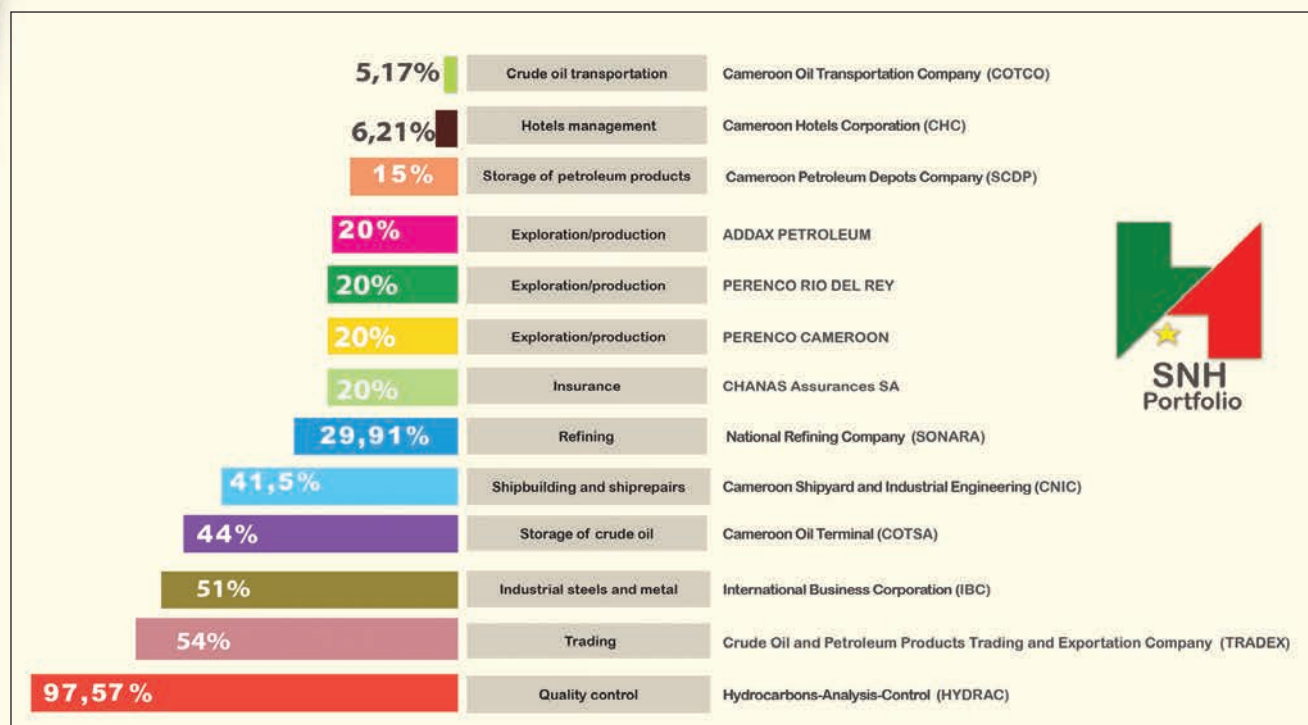
- promote, develop and follow up oil and gas activities throughout the national territory;
- market the share of oil production accruing to the State. Income derived from the sales is transferred to the Public Treasury after deduction of production costs.



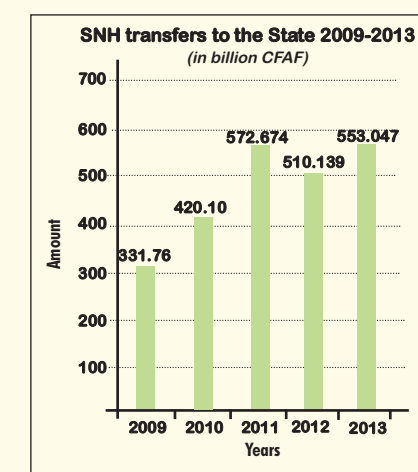
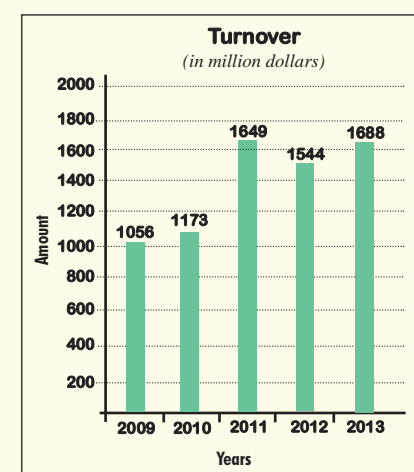
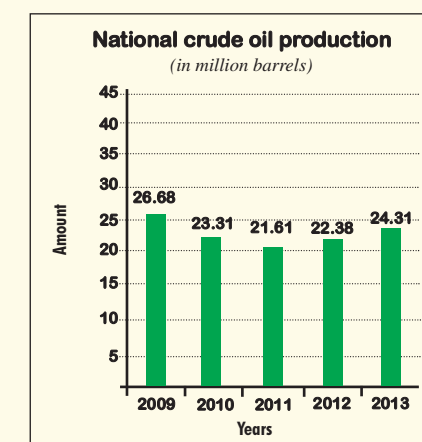
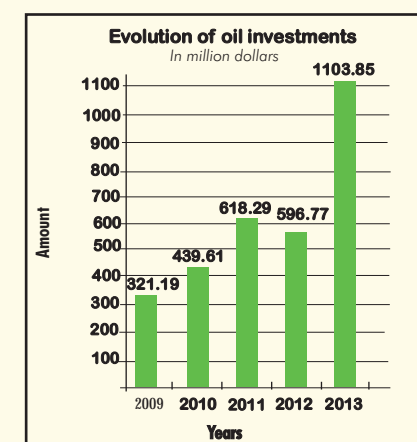
The headquarters of SNH, in Yaounde

An expanding portfolio

As an expanding group, SNH has been diversifying its activities since 1994. Its portfolio includes 13 active share companies in the petroleum, para-petroleum and related sectors.



All promising indicators



Oil revenues contribute to about 22% of State budget

SNH is now a full oil operator

The putting on production of the Mvia field, located in the Douala/Kribi-Campo basin, in November 2013, confers the status of full oil operator to SNH. This field, which is the very first onshore concession in Cameroon, has been operated since 2009 by the Corporation, which did not get discouraged by its marginal nature.

Sedimentary basins

In Cameroon, there are two main types of sedimentary basins which belong to three active African petroleum systems: Niger Delta, West African Salt Basins and Southern and Central Africa rifts. They are:

- Producing coastal sedimentary basins (Rio del Rey, producing since 1977 and Douala/Kribi-Campo, producing since 1997), and
- non producing intracratonic basins (Logone Birni, Mamfe and Garoua).

Petroleum associations, at the heart of activities

Exploration/production activities are carried out in the Rio del Rey, Douala/Kribi-Campo and Logone Birni sedimentary basins. Mamfe basin is on promotion.

Activities are carried out within the framework of investors' associations comprising SNH, which is the State's Representative, and international oil companies. In each association, one of the members, called operator, is appointed to conduct jointly funded activities on the field.

Assets of the hydrocarbons sector

An attractive legislation

Cameroon's petroleum code provides for contractual, economic and tax incentives, in particular the reduction of corporation tax from 57.5% to a rate between 38.5% and 50% depending on the project economics.

The flexibility of the **petroleum code** gives room for the negotiation of two types of contracts recognised by the industry: the production sharing contract and the concession contract.

The **gas code** specifies the accounting, financial, tax and customs provisions applicable to activities related to the development of gas. It provides for:

- the concession system for transport and distribution activities;
- the license system for processing, storage, import and export activities;
- the authorisation scheme for the sale of gas, importation and installation of material and equipment intended for the commissioning of gas transportation and distribution networks, gas storage centres as well as measurement and safety equipment to be used by operators and customers.



The **gas code** also provides for tax incentives. For instance, during the installation period, which may not exceed five years from the date of notice, publication of deeds of awards or signing of contracts as the case may be, companies operating in the gas sector are exempted from various registration dues, including those relating to contracts for the supply of equipment and construction of buildings and facilities necessary for the execution of their investment program, or relating to corporate insurance contracts.

A database at the disposal of operators

The Petroleum Information Centre of SNH makes available to oil companies:

- well data (samples, various reports, logs);
- geophysical data (seismic, gravimetric, magnetometric);
- various technical studies available on paper and electronic medium.

Moreover, the Centre, which markets the data on paper and electronic medium, generates updated and digitalised maps.

Reliable partners

SNH partners with various international companies notably Glencore, Murphy, EurOil (subsidiary of Bowleven), Noble Energy, Dana Petroleum, Addax Petroleum, Kosmos Energy, Yang Chang, Perenco and Gaz du Cameroun (a subsidiary of Victoria Oil & Gas).



Exploration: Intensified research in a mining domain still under-explored

Increase in oil investments

Investments in exploration, concession appraisal and infill development stood at close to 1 104 million USD in 2013, implying an increase of 85 %. This rise is an expression of the confidence and interest shown by investors in Cameroon's upstream petroleum sector, but also the dynamism of our technical teams.

Proven oil discoveries

23 wells were drilled in 2013 in Cameroon (exploration/appraisal/development) as against 11 in 2012.

The presence of hydrocarbons was confirmed in three wells in the Matanda, Iroko and Etinde Exclusive Exploration Licenses.

Production: Contributions from new recovery techniques

Oil production in Cameroon could rise by about 25% in 2014, as against 8.62% in 2013. This is due especially to the putting on production of the Dissoni field, whose production rate is expected to rise by 100% in 2014, as well as the putting on production of infill development wells in the Mokoko Abana concession. Moreover, SNH has been able to take advantage of new recovery techniques, which permit optimum exploitation of mature fields, notably in the Rio del Rey basin.



Documents required for the purchase of crude oil

- Full address of the company
- Name and nationalities of the main shareholders as well as senior managers of the company
- Certified balance sheets of the past three years
- Annual report of the past financial year
- Bank references (address, telex, fax, telephone) and contact persons in the banks.

Types of crude oil sold in Cameroon

Kolé, 30° API : 950 0000 barrel cargoes
Lokélé, 21° API : 650 0000 barrel cargoes
Ebomé, 35° API : 400 0000 barrel cargoes

Four unlicensed blocks on promotion

SNH launched an international invitation to tender for the promotion of unlicensed blocks of the mining domain, covering a total surface area of 3942.27 Km². They are Bomana, Ndian River, Lungahe in the Rio del Rey basin and Manyu in Mamfe basin. The related terms of references are available on the website www.snh.cm.

Gas: A new impetus



Cameroon's natural gas reserves are estimated at 157 billion m³, with a potential of 570 billion m³. Cameroon only started exploiting its gas resources in 2012, owing to the absence of a viable market. Various projects are implemented in partnership with international companies.

Gas supply to Douala-based industries

The natural gas reserves of the Logbaba field, located in the outskirts of Douala, the economic capital of Cameroon, supply local industries with clean energy, which is cheaper than fuel oil or diesel oil. Gas is supplied to customers via a pipeline constructed by Gaz du Cameroun, a subsidiary of the British company Victoria Oil & Gas, SNH's partner in this project.

Gas supply to the Kribi thermal power plant

The Sanaga Sud Association, comprised of SNH and the Cameroonian subsidiary of French group Perenco, has put on production the natural gas reserves of the Sanaga Sud offshore field (Douala/Kribi-Campo basin), to supply a thermal power plant having an initial capacity of 216 MW, constructed in the Kribi coastal town, in the southern part of the country. The thermal power plant is constructed and exploited by a subsidiary of AES group.



Cameroon Gas Association (ACG), a cooperation framework

ACG was created in October 2005, at the instigation of SNH, in order to create a synergy, profitable to the development of national gas resources. It brings together all stakeholders of the sector in Cameroon (upstream and downstream).

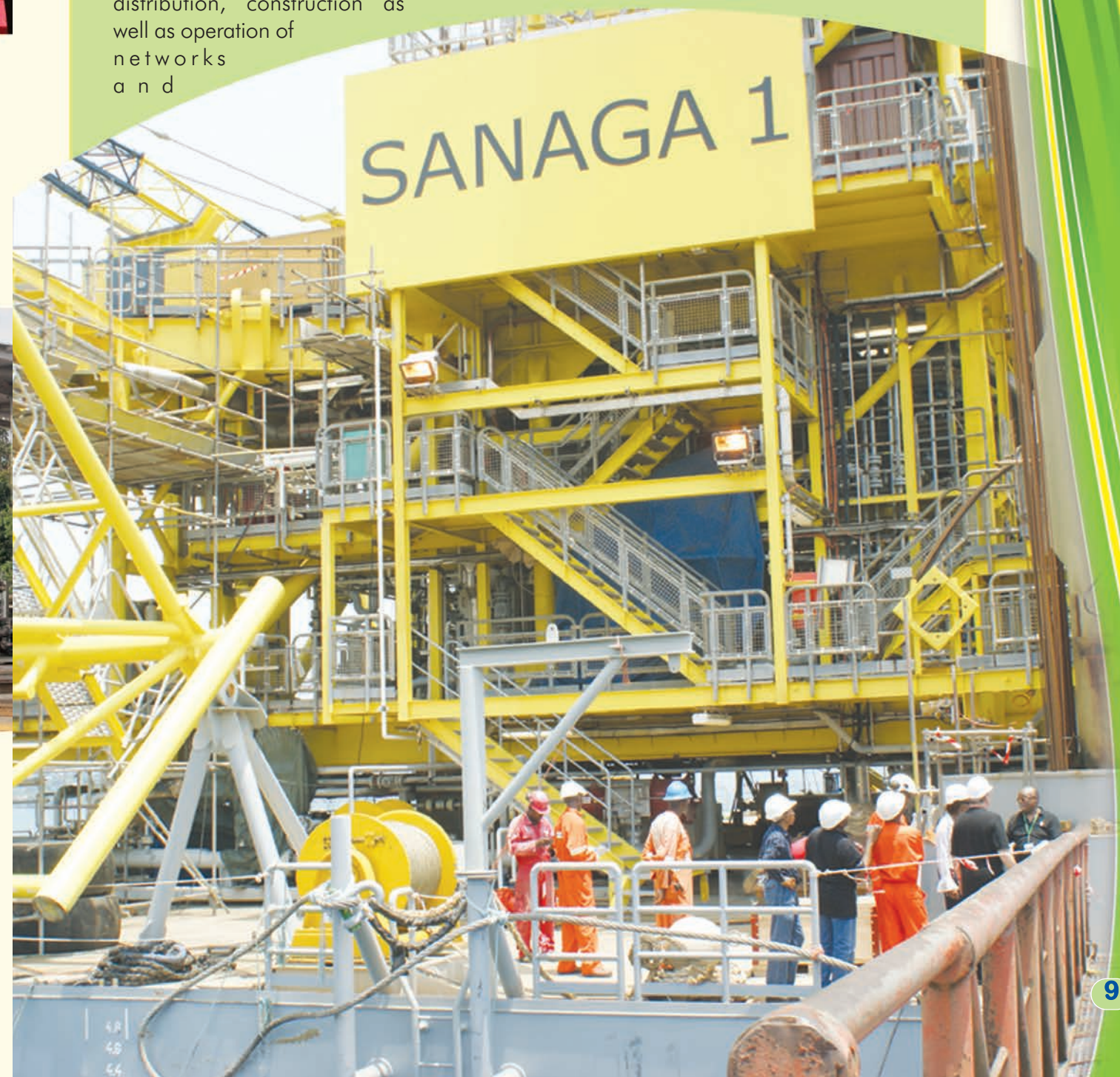
Main objectives of ACG:

- Seek all adequate means to promote the development of the gas industry in Cameroon, including exploration/production activities, supply, storage, transportation, distribution, construction as well as operation of networks and

facilities, manufacturing of materials and equipment;

- Contribute to the regulation, standardisation and certification of the gas industry, in collaboration with national and /or international organisations;

- Maintain relations with similar Cameroonian or foreign groups, facilitate exchange of information and ideas and maintain a spirit of fellowship among all its members.



Construction of a chemical fertilizer plant

This project, whose studies are underway, aims an annual production of about 600 000 tons of ammonia and 700 000 tons of urea, intended for local and export markets. It is carried out in partnership with German company Ferrostal. The envisaged plant would be located in Limbe.

Construction of a natural gas liquefaction plant

SNH and its Franco-Belgian partner GDF Suez have been carrying out the Cameroon LNG project since 2008. The project involves the construction of a natural gas liquefaction plant in Mboro, 30 km south of the Kribi coastal town. The plant will have a capacity of up to 3.5 million tons per year.

Environmental protection

SNH ensures strict compliance with legal provisions in this domain. Therefore, all activities carried out by the company and its partners in the exploration and production of hydrocarbons are subject to a prior environmental impact assessment, which presents in particular the incidence of such activities on the environment and the mitigating measures envisaged for the preservation of the ecosystem balance.

SNH also promotes the reduction of gas flaring on oil platforms and their release into the atmosphere. In this regard, the company signed a partnership agreement with the World Bank for the funding of the Global Gas Flaring Reduction initiative.



Youth training

For many decades, SNH has contributed to youth training by supplying books to libraries and multimedia centres of secondary schools in Cameroon. This has had very positive effects in rural areas in particular, where the low purchasing power does not permit students to have books, including textbooks.

Moreover, the company contributes to the professionalisation of teaching in the oil sector. In this regard, it has put in place a computerised petroleum geosciences laboratory in the University of Douala, in partnership with the Schlumberger oil service company, at a total cost of about 1.5 billion CFAF.



Support to sport

As one of the major sponsors of Cameroon's cycling, SNH has contributed to the revival of this activity in country. Similarly, the company participates in the development of golf, table tennis and karting, by sponsoring competitions organised in these disciplines.



SNH's commitment to its workers

SNH endeavours to create a working environment in which employees have the skills and tools necessary to enable them to work in pleasant and secure conditions, so that they can return home safe and sound at the end of the day. In addition, the staff also benefit from a range of facilities intended to foster their physical and intellectual well-being, including the Hydrocarbons Sports and Cultural Association (ASCH).





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