

## **ALGERIAN CLIENT EXECUTES GUARANTEES FOR THE TOUAT GAZ PLANT**

**The Consortium formed by Neptune Energy and Sonatrach requests the execution of the performance bonds for the Touat Gaz Plant in Algeria.**

- In August 2013, Técnicas Reunidas, TR, announced the award of a \$1 billion contract to develop the hydrocarbon complex facilities near the town of Adrar, located in southwest Algeria. The Touat Gaz project included engineering, procurement, construction and commissioning of the gas processing facilities with an estimated gas production capacity of 13MMm3 per day.
- In September 2019, the customer started exporting the gas processed by the plant and in June 2020 the customer issued the Provisional Acceptance Certificate for the plant. The customer's high level of satisfaction was manifested in his public statements of 26 June 2020, in which he stated, "TR played a key role in enabling first gas export and ramping up the plant to plateau and I would like to thank them for their efforts on site".
- In October 2020, TR started its demands to the customer for compensation of the additional costs incurred, triggering the usual negotiation process for projects of this nature that has extended through 2021 and 2022. The strained developments in Algeria in the second quarter of 2022 culminated on June 8<sup>th</sup> with the customer requesting the execution of the performance bonds for the amount of 80 million euros.
- TR's efforts to recover positive conversations have been unsuccessful. If the customer's request is maintained, the execution of the guarantees could materialize in the near future.
- TR has initiated arbitration to enforce its rights under the contract and to recover the excess costs incurred and other damages in which it has been or may be injured by its client's actions in the future.