I. Treasury Transfers to EDL in Jan-Apr 2012

- ***In April 2012, treasury transfers to EDL reached LL 261 billion, as follows:***

  ⇒ Reimbursement of KPC and Sonatrach LL 235.1 billion

  ⇒ Debt service LL 25.4 billion

- ***Between January and April 2012, treasury transfers to EDL reached LL 1076 billion, as follows:***

  ⇒ Reimbursement of KPC and Sonatrach LL 1,032.9 billion

  ⇒ Debt service LL 43.1 billion

Table 1: Monthly Treasury transfers to EDL in Jan-Apr 2012

(LL billion)	Jan	Feb	Mar	Apr	Total
EDL ***of which:***	**355**	**189**	**272**	**261**	**1,076**
Debt service, *of which:*	**3.7**	**14.1**	**0.0**	**25.4**	**43.1**
• C-*Loans* and Eurobonds, *of which:*	*1.7*	*14.1*	*0.0*	*1.4*	*17.2*
– *Principal payments*	*1.0*	*11.9*	*0.0*	*1.2*	*14.1*
– *Interest payments*	*0.7*	*2.2*	*0.0*	*0.2*	*3.1*
• BDL Guaranteed Loan payments	*1.9*	*0.0*	*0.0*	*24.0*	*26.0*
Reimbursement for purchase of gas and fuel	**351.0**	**175.1**	**271.7**	**235.1**	**1,032.9**
• KPC & SPC	*351.0*	*175.1*	*271.7*	*235.1*	*1,032.9*
• EGAS		-	-	-	*0.0*

Source: Ministry of Finance

II. Treasury Transfers to EDL in Jan-Apr 2012 vs. Jan-Apr 2011

- ***Transfers to EDL between January and April 2012 were LL 324 billion higher than the amount paid during the same period in 2011***

Transfers in January-April 2012 were LL 324 billion higher than the amount paid during the same period of 2011, which stood at LL 752 billion, as a result of the following two factors:

⇒ Increase in payments to Kuwait Petroleum Corporation (KPC) and Algeria's Sonatrach for fuel oil and gas oil purchases, by LL 331 billion

⇒ Increase in debt service, by LL6 billion

The above increases were partly offset by a decrease in natural gas purchases from EGAS, by LL13 billion

Table 2: Treasury Transfers to EDL

(LL billion)	Apr 2011	Apr 2012	Jan-Apr 2011	Jan-Apr 2012	Change	% Change
EDL, *of which:*	**248**	**261**	**752**	**1,076**	**324**	**43%**
Debt Service, *of which:*	**20**	**25**	37	43	6	17%
• C-Loans and Eurobonds, *of which:*	1	1	18	17	-1	-3%
- *Principal Repayments*	1	1	14	14	0	0%
- *Interest Payments*	0	0	4	3	-1	-14%
• BDL-Guaranteed Loan Payments	19	24	19	26	7	37%
Reimbursement for purchase of gas and fuel	**229**	**235**	**715**	**1,033**	**318**	**44%**
• KPC & SPC	215	235	702	1,033	331	47%
• EGAS	13	-	13	0	-13	-100%

Source: Ministry of Finance

- ***Payments to the two oil suppliers in January-April 2012 were LL 331 billion higher than their level during the same period of 2011***

The component "Reimbursement of KPC and Sonatrach Agreements" reached LL 1,033 billion in January-April 2012, up from LL 702 billion in January-April 2011. This 47 percent increase was mainly driven by higher international oil prices at the time when the gas oil and fuel oil shipments were imported.

- From a quantity-effect viewpoint: the payments made in January-April 2012 were 7% lower than the payments paid[1] for gas oil imports in May-November 2011, compared to gas oil imports in June-October 2010 (paid in January-April 2011). In return, fuel oil quantities imported during July-November 2011, and paid in January-April 2012, remained unchanged compared to quantities imported in July-October 2010 (paid in January-April 2011).
- From a price-effect viewpoint: the average oil price according to which the January-April 2012 payments were made is 44 percent higher than that pertaining to January-April 2011. This is due to the fact that 2012 payments reflect consumption over the period May-November 2011, where the weighted crude oil average prices were US$ 112.3 /barrel. The January-April 2011 payments reflect consumption over the period June- October 2010, where crude oil prices averaged US$ 78.1/barrel.

III. Contribution of EDL out of the total oil bill

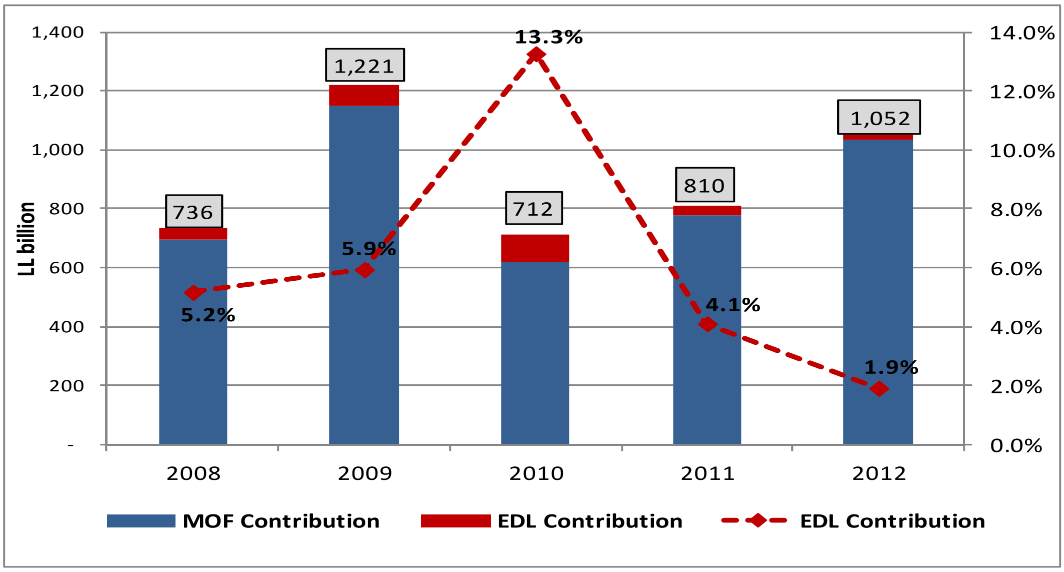
- ***EDL contributed 1.9 percent of the total oil bill in January-April 2012***

With a total oil bill of LL 1,052 billion paid in January-April 2012[2] of which a treasury payment of LL 1,033 billion for "Reimbursement of KPC and Sonatrach Agreements", EDL contributed 1.9 percent to repaying the two oil suppliers. This figure was higher at 4.1 percent in the same period of 2011, out of a smaller bill of LL 810 billion. In nominal terms, EDL paid higher contribution in January-April 2011, amounting to LL 33 billion compared to LL 20 billion during the same period of this year. This represents a much lower contribution compared to that of 2010, which amounted to LL 94 billion or 13.3 percent out of an oil bill of LL 712 billion.

[1] Quantity figures are calculated based on Letters of Credit (LCs) sent by EDL to the Ministry of Finance.

[2] The Treasury transferred LL 1,076 billion to cover EDL's deficit in January-April 2012. Out of this amount, LL 1,033 billion represented the Treasury transfer to purchase gas and oil (as shown in Table 2). However, the total oil bill for January-April 2012 summed up to LL 1,052 billion which is constituted of LL 1,033 billion of treasury transfers "plus" 20 billion of transfers made by EDL.

Figure 1: Contribution of EDL (Jan-Apr 2008 - Jan-Apr 2012)



IV. Share of "Transfers to EDL" out of Expenditures

- *Transfers to EDL constituted 24 percent of primary expenditures in January-April 2012*

With primary expenditures at LL 4,475 billion in January-April 2012, the share of transfers to cover EDL's oil bill reached 24 percent, registering the highest share in the last three years. The share of transfers out of primary expenditures was lower in January-April 2011, at 19.8 percent, due to a much lower amount of transfers to EDL.

Figure 2: Transfers to EDL out of primary expenditures (Jan-Apr 2010 - Jan-Apr 2012)