

I. Transfers to EDL in 2011

► In February 2011, treasury transfers to EDL reached LL 255 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 240.6 billion
- ⇒ Debt service LL 14.3 billion

► In 2011, treasury transfers to EDL reached LL 349 billion, as follows:

- ⇒ Reimbursement of KPC and Sonatrach LL 333.1 billion
- ⇒ Debt service LL 16.3 billion

Table 1: Monthly transfers to EDL in 2011

(LL billion)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
EDL of which:	95	255											349
Debt service, of which:	2.0	14.3											16.3
• C-Loans and Eurobonds, of which:	2.0	14.3											16.3
– Principal payments	1.3	11.6											12.9
– Interest payments	0.7	2.7											3.3
• BDL Guaranteed Loan payments	0.0	0.0											0.0
Reimbursement for purchase of gas and fuel	92.5	240.6											333.1
• KPC & SPC	92.5	240.6											333.1
• EGAS	-	-											-

Source: Ministry of Finance

II. Transfers to EDL in 2011 in comparison with 2010

► Transfers to EDL in 2010 were LL 8 billion lower than the 2010 level

Transfers in 2011 registered a level that is LL 9 billion below that of the same period of 2010, which stood at LL 358 billion, as a result of the following two factors:

- ⇒ decrease in payments to Kuwait Petroleum Corporation (KPC) and Algeria's Sonatrach for fuel and gas oil purchases by LL 16 billion
- ⇒ increase in debt service by LL8 billion

Table 2: Transfers to EDL

(LL billion)	Feb 2010	Feb 2011	2010	2011	Change	% Change
EDL, of which:	264	255	358	349	(8)	-2%
Debt Service, of which:	8	14	8	16	8	92%
• C-Loans and Eurobonds, of which:	8	14	8	16	8	92%
– Principal Repayments	8	12	8	13	5	70%
– Interest Payments	0	3	1	3	2	287%
• BDL-Guaranteed Loan Payments	0	0	0	0	0	-
Reimbursement for purchase of gas and fuel	256	241	349	333	(16)	-5%
• KPC & SPC	256	241	349	333	(16)	-5%
• EGAS	0	0	0	0	0	-

Source: Ministry of Finance

► *Payments to the two oil suppliers in 2011 were LL 16 billion lower than their 2010 level*

The component “Reimbursement of KPC and Sonatrach Agreements” reached LL 349 billion in 2011, down from LL 358 billion in 2010. The registered 5 percent downward change resulted from a quantity-effect, whereby payments to the two oil suppliers in 2011 reflect around 31¹ percent and 8 percent lower quantities of gas oil and fuel oil, respectively, than that paid in the same period of 2010. In January-February 2011, no payments for natural gas were made to EGAS.

During this period, the average oil price according to which the 2011 payments were made is 14 percent higher than that pertaining to 2010. This pertains to the fact that 2010 payments reflect consumption over the period May-September 2009, where the crude oil prices averaged US\$ 67/barrel. The January-February 2011 payments reflect consumption over the period May-September 2010, where crude oil prices averaged US\$ 77/barrel, due to higher international demand.

III. Contribution of EDL out of the total oil bill

► *EDL contributed to 6 percent of the total oil bill in 2011*

With a total oil bill of LL 353 billion paid in 2011, of which a treasury payment of LL 333 billion for “Reimbursement of KPC and Sonatrach Agreements”, EDL contributed by 5.6 percent to repaying the two oil suppliers. It is worth mentioning that this figure was higher at 16 percent in 2010, out of a larger oil bill of LL 414 billion.

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