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Sonatrach, PTTEP Sign Algeria Exploration MoU

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Sonatrach and Thai operator PTT Exploration and Production (PTTEP) signed a Memorandum of Understanding in Oran on 5 October 2026, marking the Thai national oil company's formal entry into a cooperative framework with Algeria's state energy giant. The agreement establishes a basis for the two companies to explore potential collaboration, though no block award, work programme, or financial commitment has been announced at this stage.

The signing took place in Oran, suggesting the MoU may have been concluded on the sidelines of an industry event or bilateral meeting in the city, though the press release does not specify the forum. PTTEP is an established international upstream operator with a track record of deepwater and frontier exploration across Southeast Asia, Africa, and the Middle East. Its interest in Algeria would align with a broader pattern of Asian national oil companies seeking acreage in North Africa's mature but still prospective basins.

Sonatrach has been actively courting international partners to accelerate exploration activity across Algeria's hydrocarbon-rich but underexplored territories. The Algerian state company controls one of Africa's largest proved reserve bases and has in recent years opened successive licensing rounds to attract foreign capital and technical expertise. An MoU with PTTEP does not constitute a block award or exploration licence; it is a non-binding instrument that typically precedes joint technical studies, data-sharing agreements, or formal bid submissions.

For the moment, the commercial and technical scope of the partnership remains undefined in public disclosures. Key variables — including which basins or blocks may be under discussion, the governance structure of any future joint venture, and the timeline for progression to a binding agreement — have not been disclosed. Industry observers will watch for follow-on announcements covering data room access or participation in any forthcoming Algerian licensing round as indicators of how quickly the relationship matures beyond the MoU stage.

Algeria remains a strategically significant hydrocarbon province for service and technology companies. Its gas exports to Europe carry heightened importance in the current supply environment, and Sonatrach's ambition to grow both oil and gas output creates a sustained demand pipeline for upstream services, infrastructure, and processing technology. Whether the Sonatrach-PTTEP relationship translates into active field work — and the associated procurement opportunities — will depend on negotiations that are, by definition, still at an early stage.

Why this matters to partners and clients of Saga

This instrument is an MoU only — no block has been awarded and no contract is in place — so Norwegian service companies should monitor rather than approach procurement channels at this stage. Partners with existing Sonatrach relationships or Algerian in-country presence should track whether PTTEP progresses to a formal exploration licence, which would signal the start of a procurement cycle for drilling, well services, or subsurface technology. Relationship-building with PTTEP's international business development teams is worthwhile given the Thai operator's established use of Western service contractors in other markets.

PARTNER ANGLES

- **Drilling:** Monitor for any PTTEP-Sonatrach exploration drilling programme that could require directional drilling or well-engineering services in Algerian basins.
- **Subsea/FPSO:** If collaboration extends to Algeria's offshore or deep basin targets, FPSO and subsea contractors should position early in PTTEP's supplier qualification process.

- **Service:** Norwegian well-services and reservoir-characterisation firms with existing Sonatrach approvals should watch for data-room or technical-study phases that typically follow an MoU.
- **LNG:** PTTEP's interest in Algeria may encompass gas assets; LNG and gas-processing technology providers should track whether the partnership targets Sonatrach's gas development pipeline.
- **Pipeline:** Any future upstream development tied to this MoU will require gathering and export infrastructure — pipeline engineering firms should log this relationship for future tender monitoring.

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Saga Advisory

General: info@saga-advisory.com · saga-advisory.com

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