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PRESS RELEASE

**PARIS CLUB AGREES ON ALGERIA'S OFFER
TO PREPAY UP TO US\$ 8 BN OF ITS DEBT**

The representatives of the Paris Club creditor countries and of the Government of Algeria met in Paris on 10 and 11 May 2006 to examine the offer made by the Government of Algeria to prepay its debts previously rescheduled in 1994 and 1995. This offer reflects the strong financial recovery of Algeria in recent years.

The principle of a prepayment at par and proposed to all Paris Club members was accepted. The prepayment operations will take place, on a voluntary basis, between 31 May 2006 and 30 November 2006, after conclusion of bilateral implementation agreements.

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Background notes

1. The Paris Club was formed in 1956. It is an informal group of creditor governments from major industrialized countries. It meets on a monthly basis in Paris with debtor countries in order to agree with them on restructuring their debts.

2. The members of the Paris Club which are creditors of Algeria are Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, the Netherlands, Norway, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

3. The delegation of Algeria was headed by Mr Mourad MEDELICI, Minister of Finance. The meeting was chaired by Mr Xavier MUSCA, Chairman of the Paris Club.

Technical note

The debt owed to Paris Club creditors and eligible to the prepayment operations amounts to US\$7.9 Bn which were, under the rescheduling agreements of 1994 and 1995, to be repaid between 30 November 2006 and 30 November 2011.