



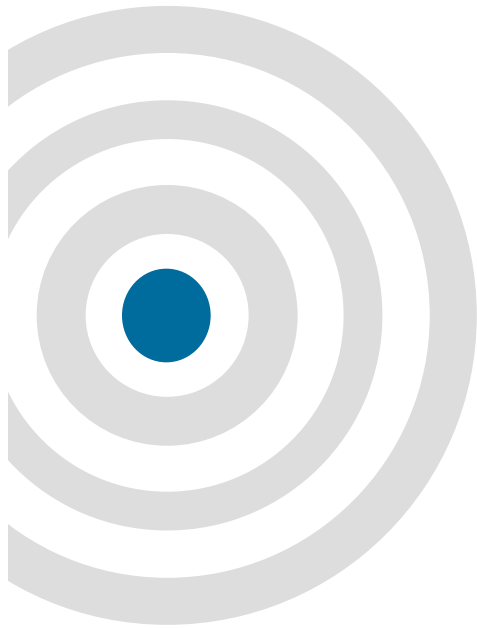
Trans Adriatic Pipeline

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Opening the Southern Gas Corridor

Agenda



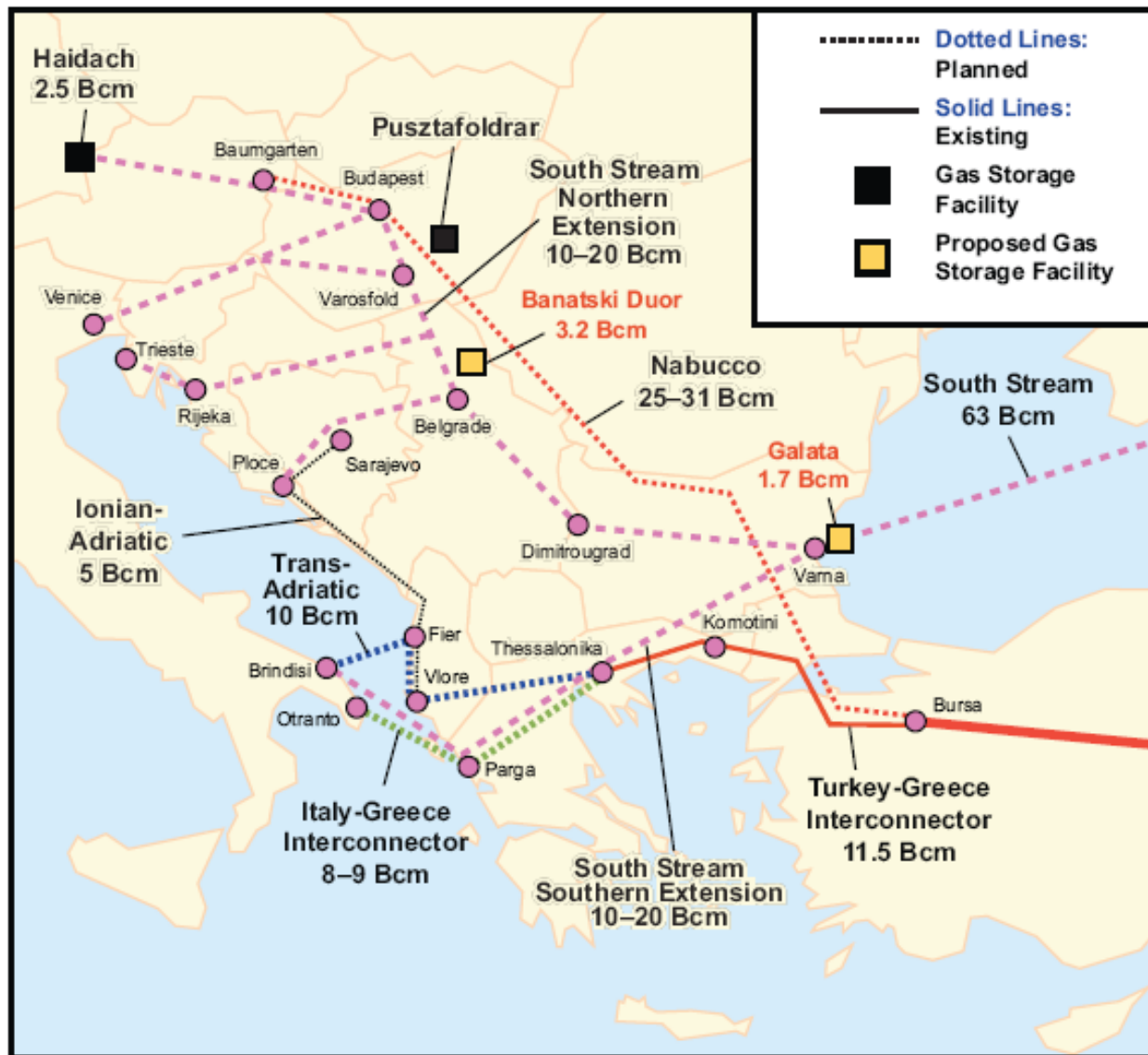
1. Background
2. TAP's key features
3. TAP added value
4. TAP's business concept
5. Project status
6. Summary

Background Market Conditions



- The gap between declining indigenous gas production and gas demand in Europe will continue to grow.
- Diversification of gas supply routes and sources to EU remains crucial. Even more so in the South East region of Europe.
- Developing gas infrastructure is a long term solution. Growth of Gas markets is stagnant but expected to recover in the near future.
- Gas producers in the Caspian Sea and the Middle East are looking for outlet for their gas to Europe

Fourth Corridor Gas Projects



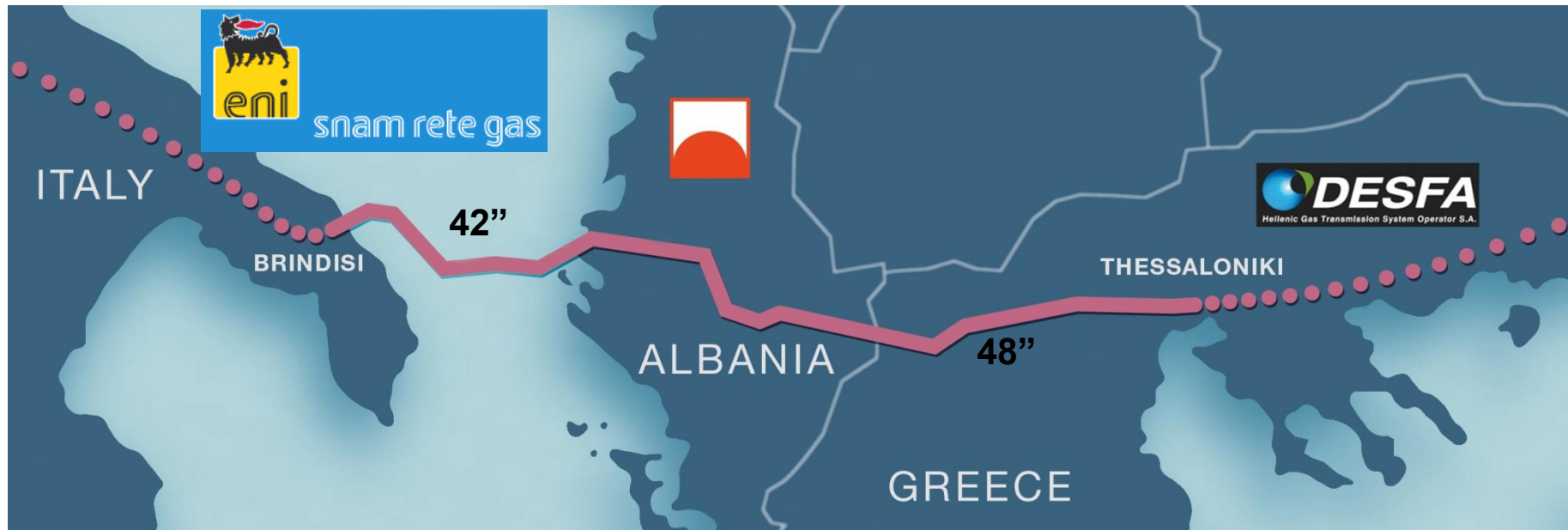
Source: IHS CERA.
80505-14_3103

TAP's Key Features



Pipeline length – 520 km

- Connects to existing networks in Greece and Italy
- Designed to expand from 10 to 20 bcm per year
- Option to develop gas storage facility in Albania
- TAP will be project financed



Supported by Strong Partners



Investment confidence in the times of economic recession



EGL (42.5%):

- European energy trading company with own assets in 16 countries
- Operates gas fired power plants in Italy

Statoil (42.5%):

- Second largest gas supplier to Europe
- The world's largest deepwater operator (8'000 km of subsea pipelines)
- Partner and commercial operator of the Shah Deniz consortium

E.ON Ruhrgas (15%):

- Europe's largest private utility supplying 53 billion m³ of gas yearly
- Own supply system comprises 11,600 km of gas pipelines

Securing supply for SEE region

TAP has significant physical reverse flow possibilities



- **Cross-border interconnector** between the Italian and South East European markets
- **Connecting to future gas hubs** in south Italy, Greece, Bulgaria and Turkey
- **Possibility for physical reverse flow**
- **Securing supply in emergency situations:** connecting SEE to Algerian and Libyan gas resources

Underground Gas Storage

Provides strategic storage for SEE and Italian market

- Contributes to Security of European Energy Supply (strategic & technical)
- Enhances flexibility for shippers and buyers of gas
- Boosts the SEE Gas-to-Power market



- **Where:** Dumre salt dome in Albania, 20 km to the north of TAP pipeline - unique and feasible gas storage option. Approximately 3 – 5 caverns

TAP's Business Concept

- **Project feasibility**

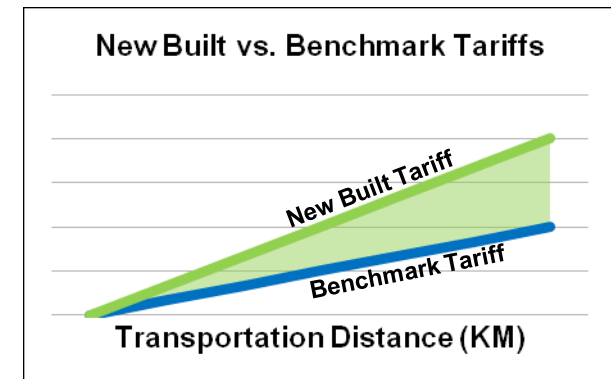
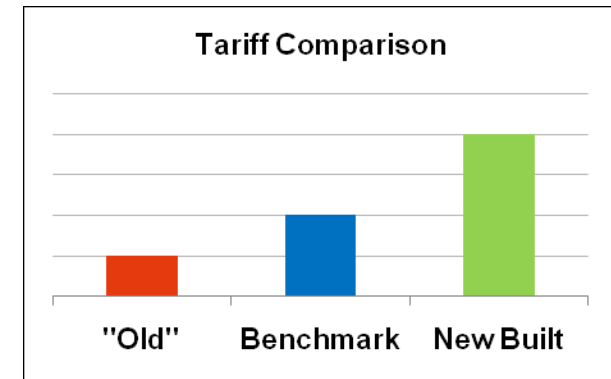
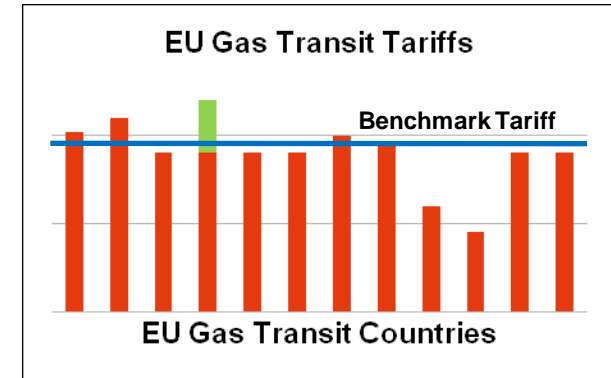
Develop, construct and own a new natural gas interconnector pipeline to provide the most economic outlet for gas from the Caspian Sea to high margin markets within Europe

- **Commercial model**

Lease capacity to shareholders through long-term gas transmission (ship-or-pay) contracts and in a measure equivalent to their share of ownership. Shareholders/shippers will be able to sell unused reserved capacity on a secondary capacity market

- **Business development**

Expandable pipeline to accommodate phased infrastructure development in the region – present time schedule aligned with developments of Shah Deniz II, but giving possibilities to accommodate other sources of gas in the long-term future.



Sound Financing Approach



TAP is a privately sponsored pipeline

- Project development financed by robust and credit worthy shareholders
- Discussions with International Financing Institutions including the EIB initiated
- Solid business case, banks signalled willingness of the market to provide financing
- ESIA, technical and procurement standards fully aligned with requirements from international financing institutions

Best Technical Experience

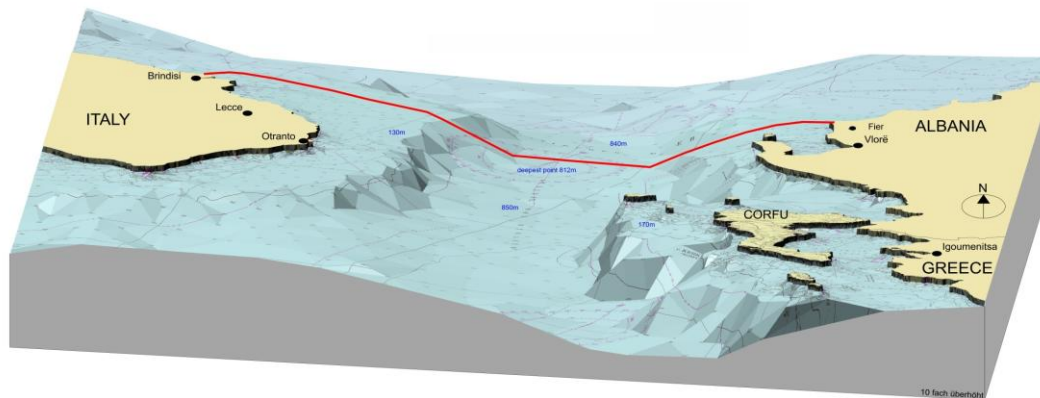


Pipeline laying onshore and offshore

TAP shareholders - Statoil and E.ON Ruhrgas - are **the world's specialists in pipeline laying**

Optimum route selected offshore (135 km):

- Shallowest water depth (820m) compared to other routes
- Favorable seabed slopes and geotechnical conditions



General TAP Project Progress



- ***RNG Inclusion***
- ***INGS license application update***
- ***TPA Exemption Consultations***
- ***Memorandum of Understanding and Cooperation*** signed with Albania (May 2010)
- Energy-related ***Inter-Governmental Agreement*** between Italy & Albania signed (March '09)
- ***Extensive routing studies*** and stakeholder consultations (2009-10)
- Various ***applications filed in Greece and Italy*** since 2008
- ***Basic engineering*** concluded in 2007 - Front-end engineering design stage (FEED) running
- Recognized by ***EU as Project of common interest*** (2003)



Summary



- **TAP** is backed by strong and financially stable shareholders
- **TAP** shareholders are resource owners in Shah Deniz II
- **TAP** has the shortest onshore & offshore routing
- **TAP** is technically advanced
- **TAP** adheres to the highest international (EBRD) standards
- **TAP** is open for partners
- **TAP** reinforces Greece's desire to create an Energy Highway in Greece

Thank you!

Find out more about TAP at:

www.trans-adriatic-pipeline.com