

BAPLINE

**TRANSBALKAN PIPELINE B.V.
HELPE – THRAKI A.E.**

The Developments in the Transportation of Oil from Russia and the Caspian Sea Region and The Burgas – Alexandroupolis (BAP) Oil Pipeline Project

Christos Dimas

General Manager
HELPE – THRAKI A.E.
The Originator and Greek
Shareholder of the BAP Project



**INSTITUTE OF ENERGY
FOR SOUTH-EAST EUROPE
International Conference**


“2nd South East Europe Energy Dialogue”

Thessaloniki, 21 – 22 May 2008

Russian and Caspian Main Crude Export Routes



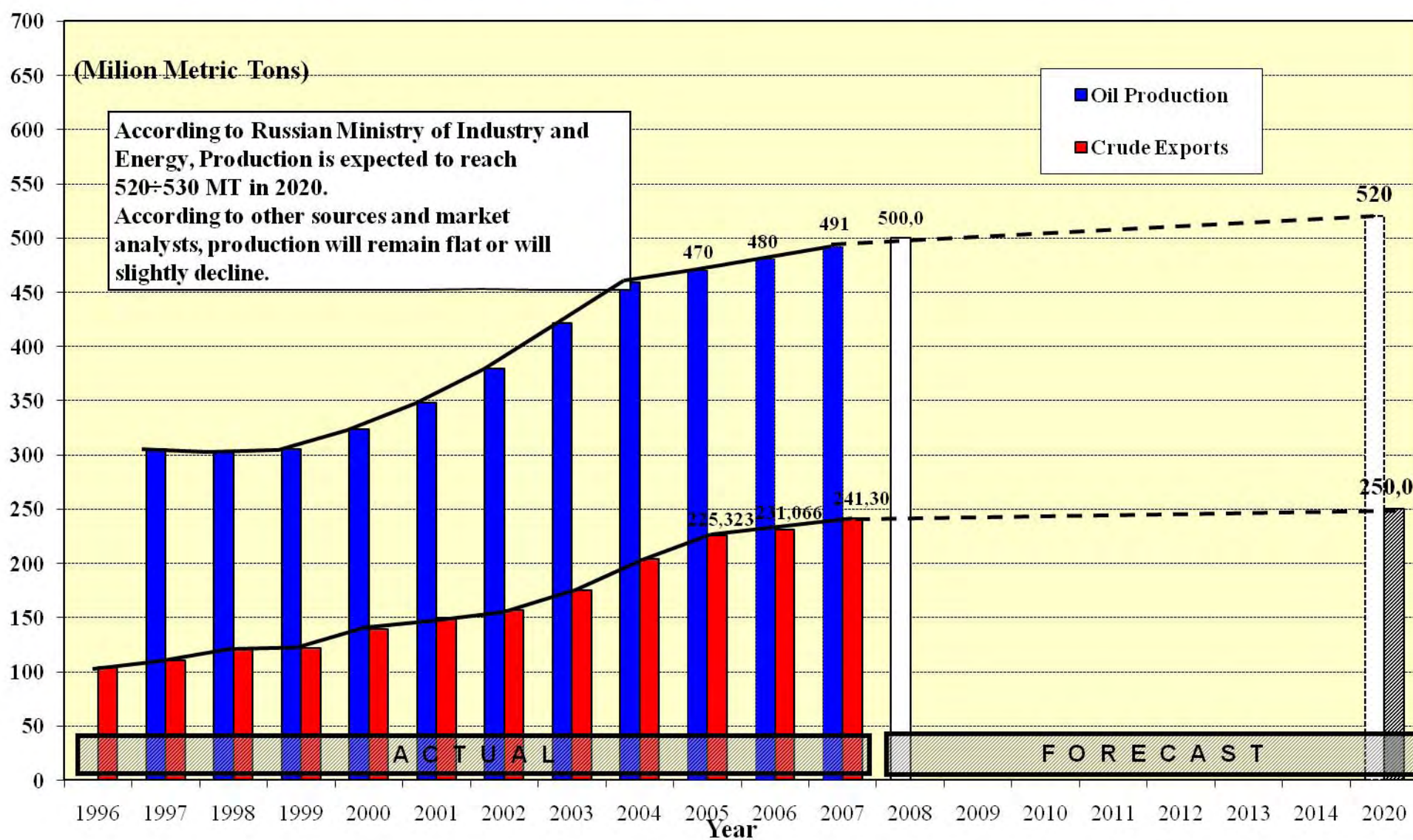
Legend

Major Oil basins 

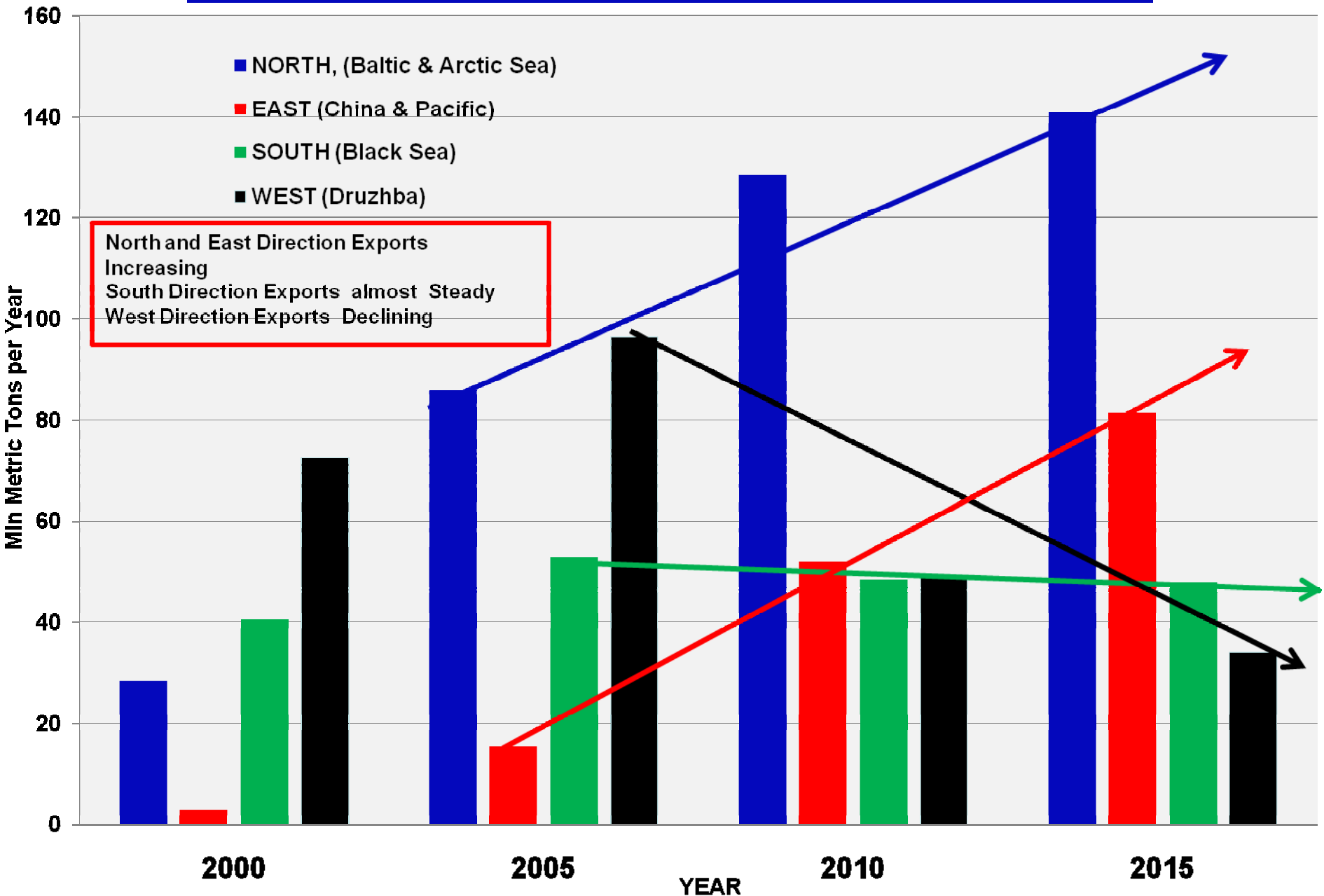
- Russian Crude Oil & Condensate Production

- Crude Exports to Non-CIS Markets

(Exports via Transneft System, including crude oil in transit via Russia + sea/rail/cpc)



Direction of Russian Crude Oil Exports May 2008



Russian and Caspian Main Crude Export Routes



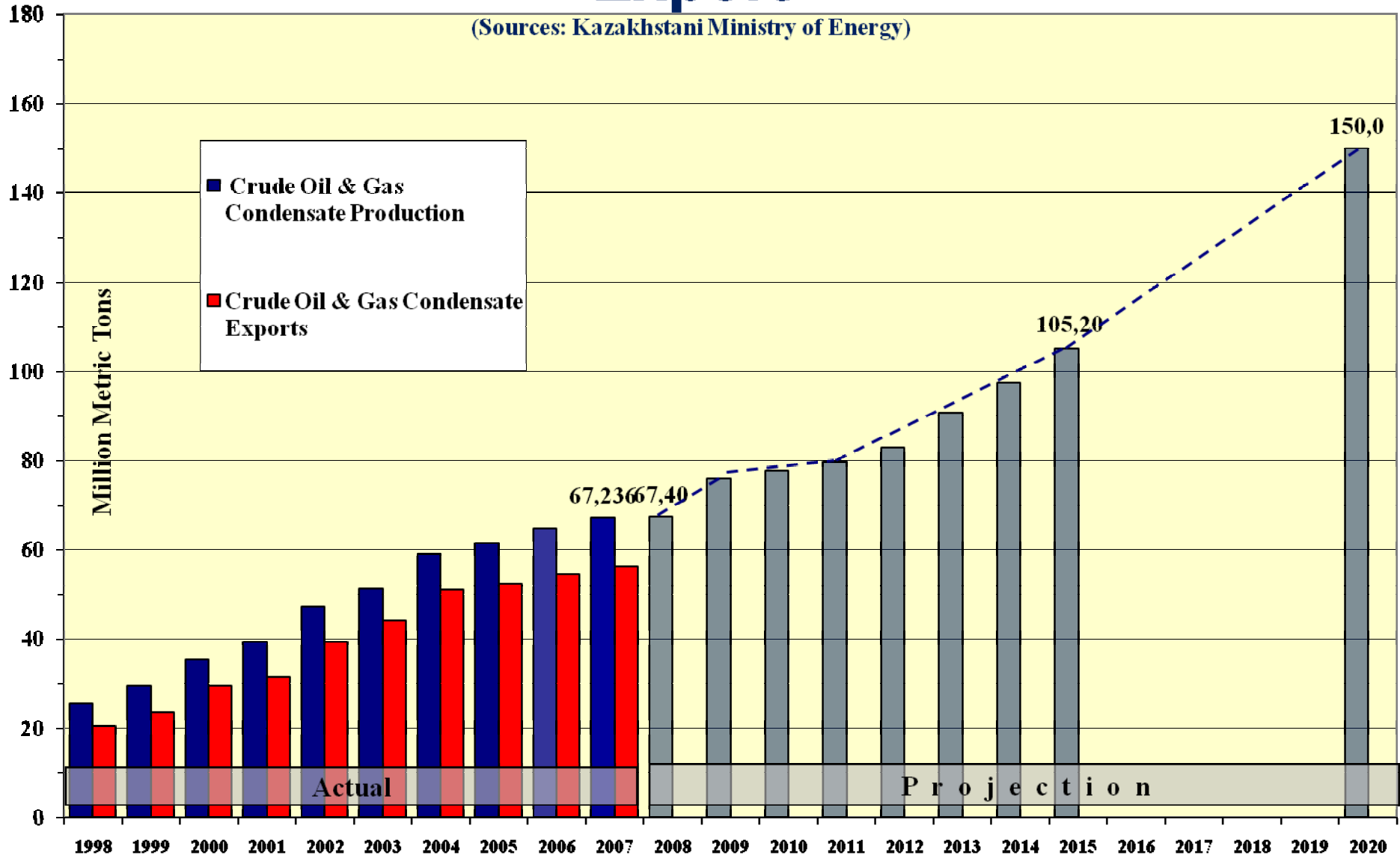
Legend

- Existing crude pipelines ———
- Planned crude pipelines - - - - -
- Major Oil basins (triangle icon)

Kazakhstan's Oil Production and Export

May 2008

(Sources: Kazakhstani Ministry of Energy)



Kazakhstan's Crude Oil Export Routes

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LEGEND:

- Existing crude pipelines
- Planned crude pipelines



Azerbaijan's Crude Oil Export Routes



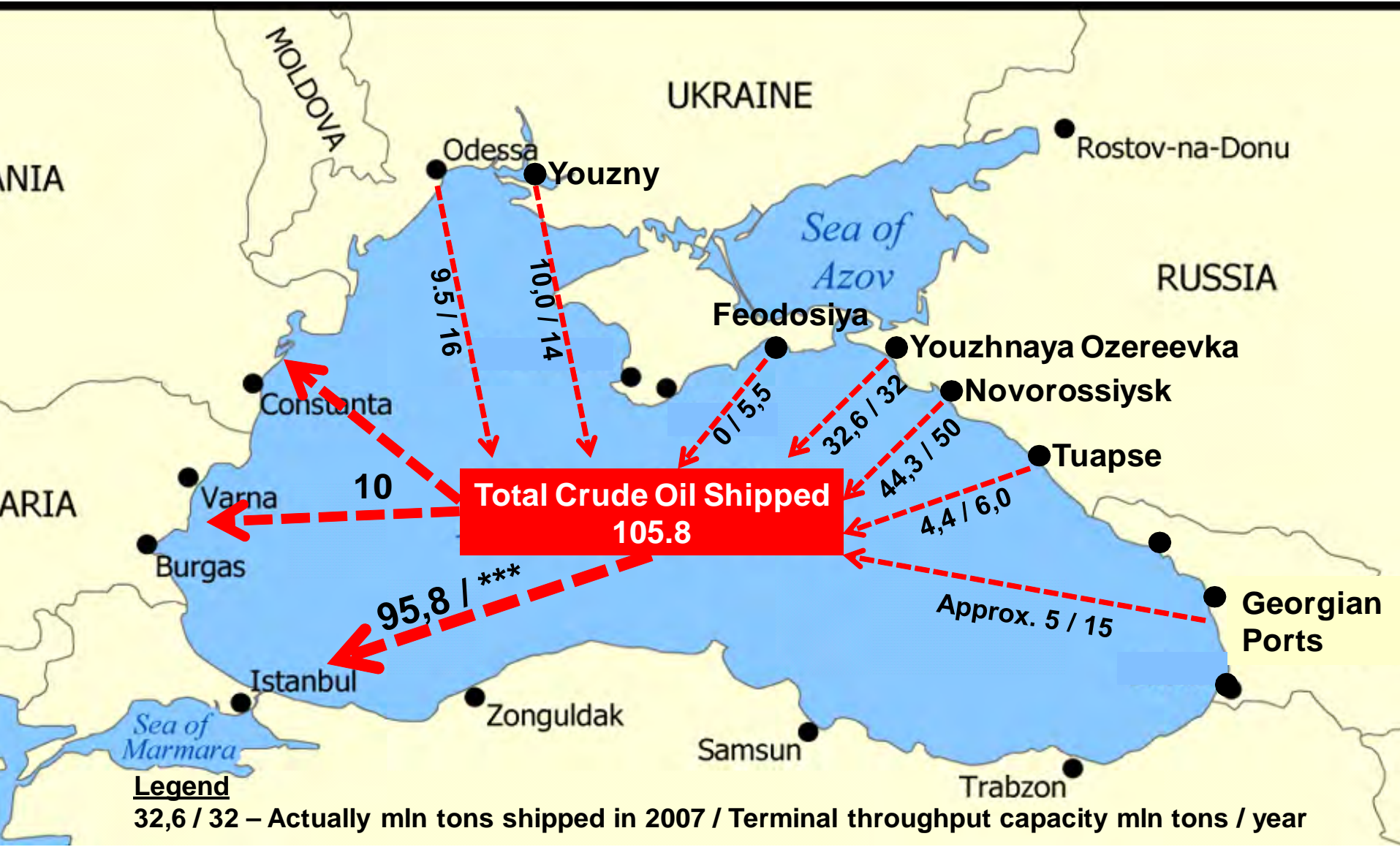
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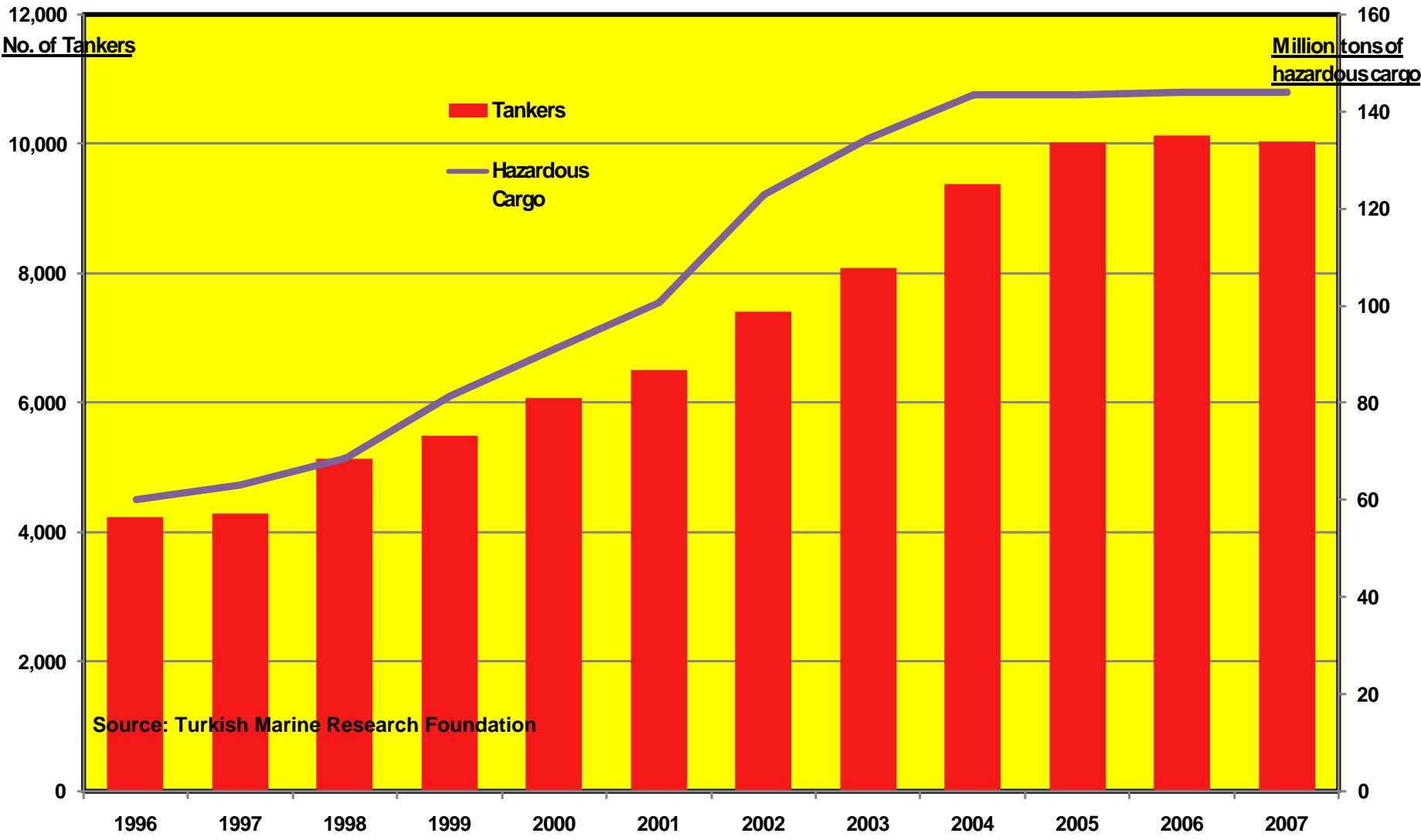
OIL CONCENTRATION IN THE BLACK SEA AND THE BOSPORUS STRAITS

Balance of crude oil flow shipped through the Black Sea and the Bosphorus Straits during 2007 May 2008

(Million Metric Tons)



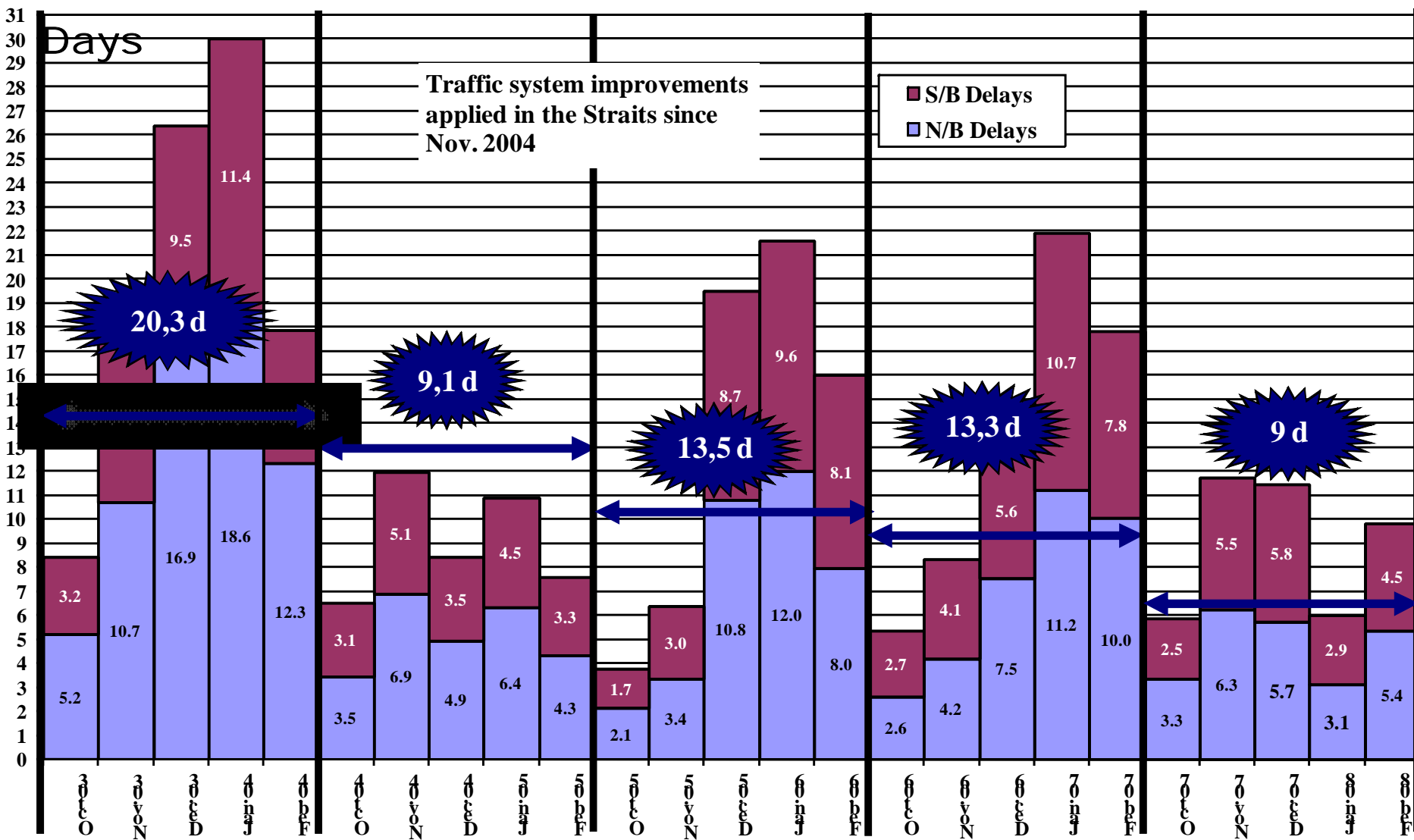
Number of Tankers and Volume of Hazardous Cargo (Crude oil + Products) Transiting the Bosphorus Straits



Source: Turkish Marine Research Foundation

Actual Monthly Average Tanker Delays in the Straits - Winters

(Net waiting time of tankers > 200 m LOA passing in transit - Round trip)



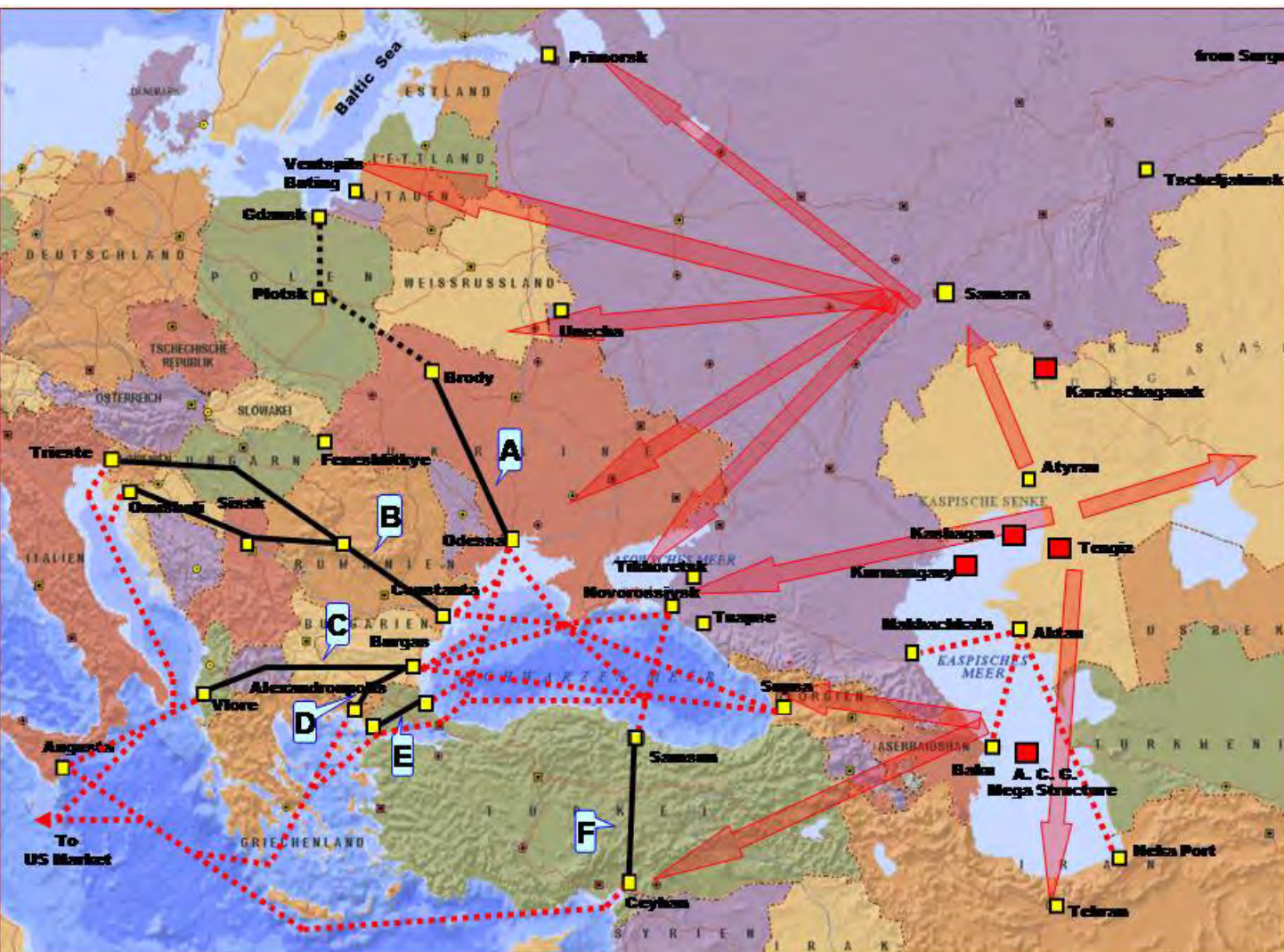
Source: Inchcape Shipping Services-Turkey

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**BYPASSING ALTERNATIVES
AND
THE BURGAS – ALEXANDROUPOLIS
OIL PIPELINE PROJECT**

BLACK SEA CRUDE OIL EXPORT PIPELINE ALTERNATIVES



- A. Odessa – Brody – Baltic Sea
- B. Constantza – Trieste
- C. Burgas – Flore
- D. Burgas – Alexandroupolis
- E. Kiykoy – Ibrice
- F. Samsun - Cheyhan

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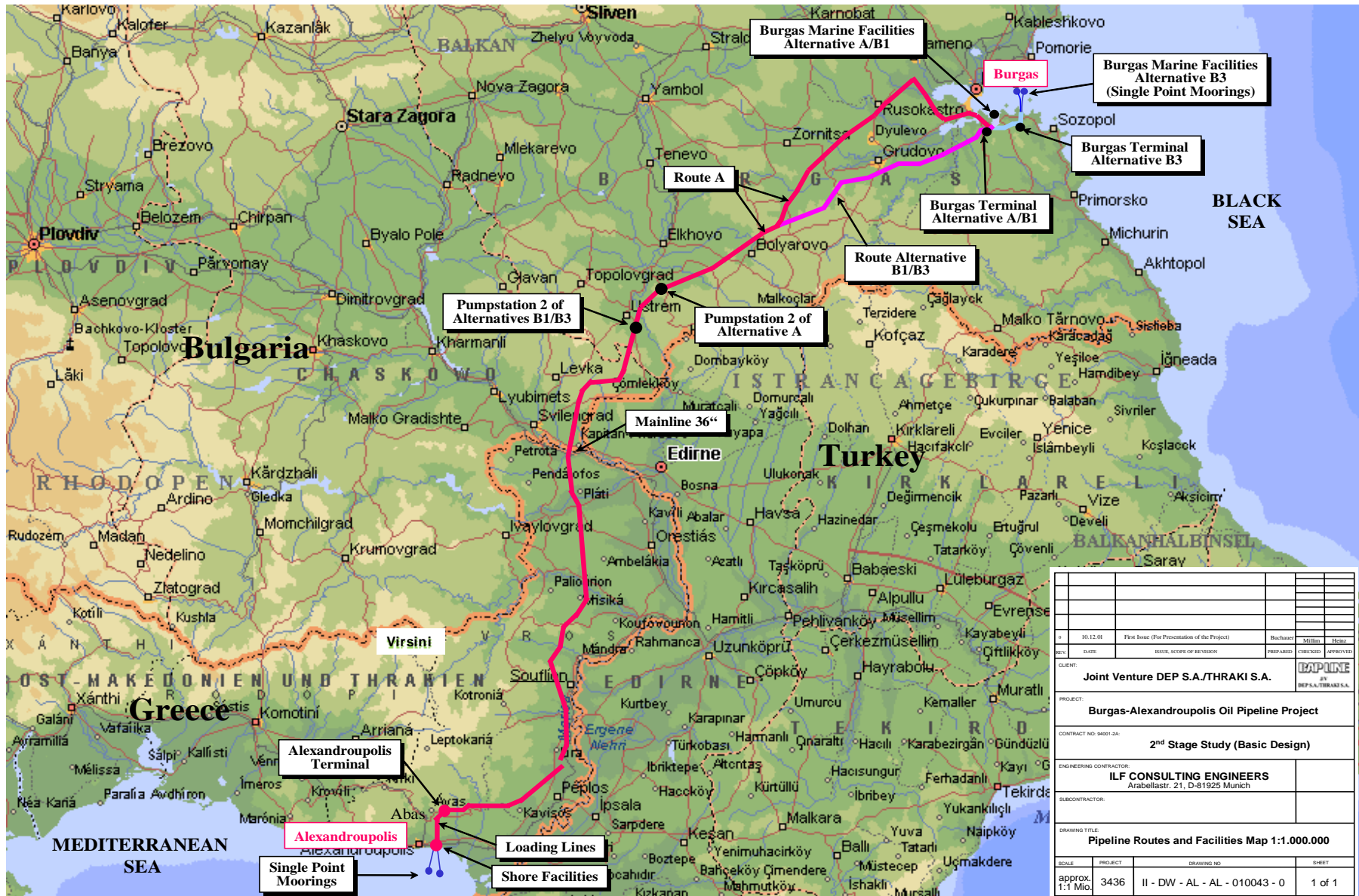
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WHY THE BURGAS – ALEXANDROUPOLIS PIPELINE?

CRITERIA FOR SELECTING THE MOST SUITABLE BYPASS ALTERNATIVE

- 1. Cost Efficiency**
- 2. Diversification of Routings**
- 3. Political Risks**
 - a. Political stability of territory**
 - b. Political support**
- 4. Technical & Technological Risks**
- 5. Environmental Risks**
- 6. Viability and Financial Risks**
 - a. Oil availability and guarantees**
 - b. Legal and economical governmental commitments.**
 - c. The transport cost to be financially comparable with the existing through the Straits routing.**

BURGAS – ALEXANDROUPOLIS OIL PIPELINE



NO	DATE	DESCRIPTION	PREPARED BY
01	10.12.08	First Issue (For Presentation of the Project)	Bachvarov, Müller, Böcher
02			
CLIENT:			BAPLINE
PROJECT:			Burgas-Alexandroupolis Oil Pipeline Project
CONTRACT NO:			9401-2A
STAGE:			2nd Stage Study (Basic Design)
ENGINEERING CONTRACTOR:			ILF CONSULTING ENGINEERS Arabellstr. 21, D-81925 Munich
SUBCONTRACTOR:			
DRAWING TITLE:			
Pipeline Routes and Facilities Map 1:1.000.000			
SCALE:	PROJECT:	DRAWING NO:	SHEET:
approx. 1:1 Mio.	3436	II - DW - AL - AL - 010043 - 0	1 of 1

Source: ILF STUDY

PROJECT CHARACTERISTICS FOR THROUGHPUT OF 35 MLN TONS BASED ON ILF STUDY, SUBJECT TO CHANGE UPON COMPLETION OF STUDY UPDATING

Pipeline

- Main Pipeline Length: 256 ÷ 279 km
- Overall Pipeline Length: 280 ÷ 303 km
- Pipeline Diameter: 36"
- Intermediate Pumpstation

Burgas Tank Farm and Marine Facilities

- Tank Farm Capacity: 450.000 m³ + 2 Swing Tanks x 20.000 m³
- Marine Facilities: 2 Piers x 2 Berthing Points for Tankers of 150.000 dwt

Alexandroupolis Tank Farm and Marine Facilities

- Tank Farm Capacity: 750.000 m³ + 2 Swing Tanks x 20.000 m³
- Marine Facilities: 2 SPMs x Accommodating 2 Tankers of 300.000 dwt each

Capex

- Total CAPEX for Both Countries Including Facilities for 300.000 dwt tankers in Alex/lis:
- 1 Bln Euros (updated prices for 2007)

PROJECT BACKGROUND

1993-1994	Athens	<ul style="list-style-type: none"> • Concept of the Burgas– Alexandroupolis Project by the late N. Gregoriadis- Establishment of THRAKI S.A, which is the initiator and promoter of the project..
Feb. 1998	Athens	<ul style="list-style-type: none"> • Establishment of the JV HELPE S.A. – THRAKI S.A., the Greek participant in the project.
Sep. 2000	Moscow	<ul style="list-style-type: none"> • Establishment of the Project’s Trilateral Working Committee among Bulgaria, Greece and Russia.
Jan. 2002	Project Studies	<ul style="list-style-type: none"> • Extensive studies completed by ILF Consulting Engineers.
Jan. 2003	Athens	<ul style="list-style-type: none"> • Signing of a Political Memorandum among Bulgaria and Greece.
Nov. 2004	Athens	<ul style="list-style-type: none"> • Political Memorandum initialed among Bulgaria, Greece and Russia.
Jan. 2005	Moscow	<ul style="list-style-type: none"> • Legal and economical transit framework initially agreed. • Group of Initiating Companies (GIC) created.
Apr. 2005	Sofia	<ul style="list-style-type: none"> • Russia, Bulgaria and Greece signed a Memorandum on cooperation.
Sep. 2006	Athens	<ul style="list-style-type: none"> • Russia, Bulgaria and Greece signed a Trilateral Declaration of Cooperation.
Mar. 2007	Athens	<ul style="list-style-type: none"> • Russia, Bulgaria and Greece signed an Intergovernmental Agreement.
6 Feb. 2008	Amsterdam	<ul style="list-style-type: none"> • Incorporation of the International Project Company of the Project “Transbalkan Pipeline B.V.” in Neterlands.

NEXT STEPS OF THE TRANSBALKAN PIPELINE BV

- Updating of the Project's Studies and its time schedule
- Preparation and signing of the Host Government Agreements
- Licensing
- Financing
- Construction

TRANSBALKAN PIPELINE BV SHAREHOLDERS

