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The logo for the Trans Adriatic Pipeline (TAP) project, featuring the letters 'TAP' in a bold, black, sans-serif font. A horizontal blue bar is positioned above the 'T'.

Trans Adriatic Pipeline

**TAP Project Presentation**

Thessaloniki, 3 June 2010

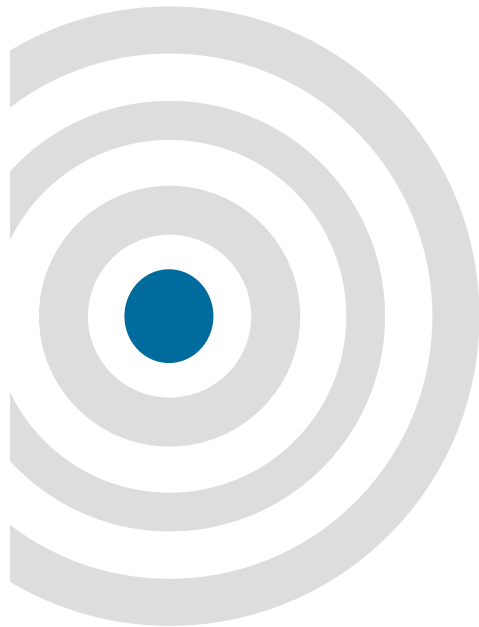
**Marija Savova Velkoski, Commercial Manager**



**Opening the Southern Gas Corridor**

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1. Background
  2. TAP added value
  3. TAP's key features
  4. TAP's business concept
  5. Project status
  6. Summary
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# 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 to be crucial. Even more in the South East region of Europe than in other regions.
- Developing gas infrastructure is a long term solution. Growth of Gas markets is stagnant but expected to recover in near future.
- Gas producers in the Caspian Sea and the Middle East are looking for outlet for their gas to Europe

# Southern Gas Corridor Projects



# TAP added value - why TAP?



## *Missing link in the Southern Gas Corridor*

- **TAP** is a commercially & technically viable gas pipeline project linking Caspian and the Middle East gas sources to Europe
- **TAP** contributes to increased security of energy supply in Europe, by diversification of gas supply routes and sources
- **TAP** can realise Europe's desire to create a competitive market



# 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 and the Middle East to high margin markets within Europe

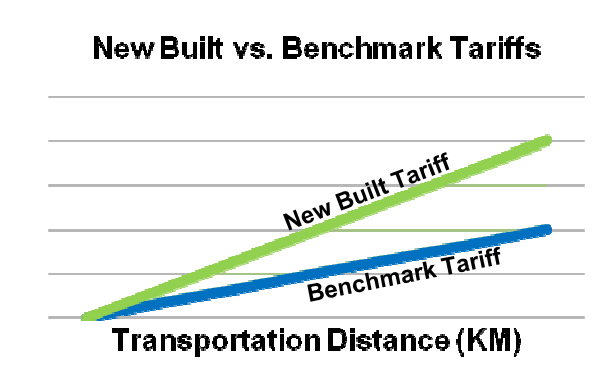
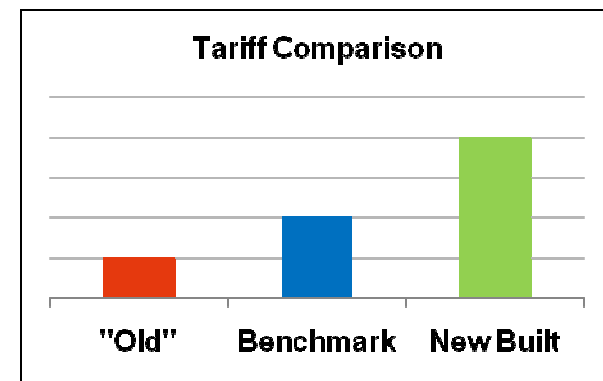
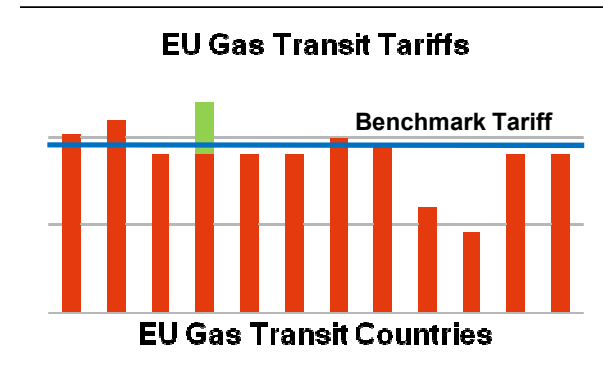
- **Commercial model**

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.

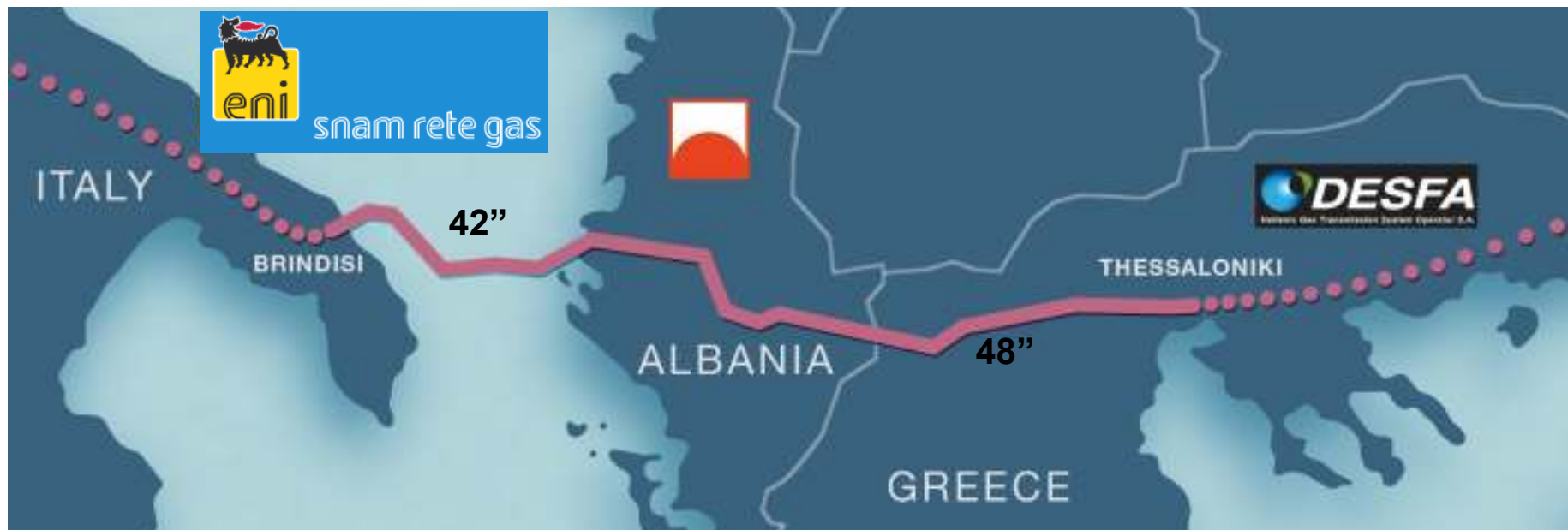


# TAP's Key Features



## *Shortest 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 – including in Greece

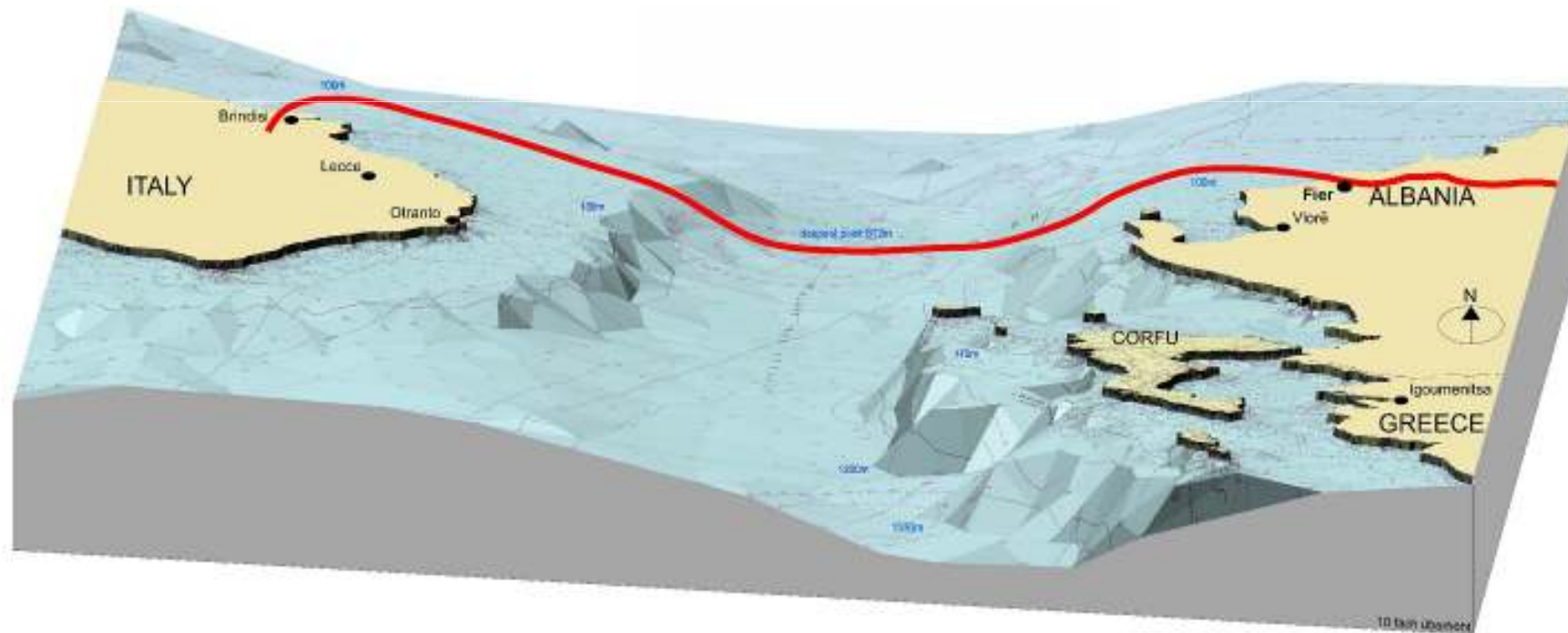




# Optimum Offshore Route



- TAP's offshore section will have a length of 115 km
- Marine survey verified the offshore routing across the Adriatic sea in January 2009:
  - Shallowest water depth (820m) compared to other routes
  - Favorable seabed slopes and geotechnical conditions





# TAP is a European Project



*E.ON Ruhrgas  
joined joint venture on the 20<sup>th</sup> of May, 2010*

## EGL:

- Asset based energy trading company
- Presence in the key European markets through its subsidiaries



## Statoil:

- Partner and commercial operator of the Shah Deniz consortium
- The world's largest deepwater operator and the world's third largest supplier
- The second largest supplier of gas to Europe



## E.ON Ruhrgas:

- A leading European gas company operating worldwide
- In 2009, supplied a total of nearly 53 billion m<sup>3</sup> of gas to its customers
- Its supply system comprises gas pipelines with an overall length of 11,600 km and underground storage facilities in Germany and Austria.



# 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

# General TAP Project Progress



- ***E.ON Ruhrgas*** becomes shareholder of TAP (20 May 2010)
- ***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](http://www.trans-adriatic-pipeline.com)**