

Your Excellencies, Ladies and Gentlemen, Mr Chairman,

The Southern Gas Corridor has been discussed for a long time. In its inception, the gas that will fill the Southern Gas Corridor will come from Azerbaijan and will be provided by the Shah Deniz consortium, operated by BP.

I recall meetings I had in Athens in 2003, during the Greek Presidency of the European Union, where I was presented with a map at the Ministry of Development and Energy which depicted a pipeline connecting Greece to the main European gas market through Italy.

That aspiration – that Greece should play a key role in European energy policy – remains a cornerstone of Greek energy policy.

And today, it is within reach.

A number of projects are today providing options to bring the 10bcm available Caspian gas to Europe:

- Nabucco, a 31bcm project that will pass outside of Greece going up to Baumgarten in Austria;
- The recent South East European Pipeline, proposed by BP, that will pass outside of Greece, and which will roughly follow the Nabucco route;
- ITGI, which pertains to take the gas at the Greek Turkish border, go through Greece and cross the Ionian sea into south Italy,
- And the Trans Adriatic Pipeline, which will take the gas at the Greek-Turkish border, cross Greece, Albania, and the Adriatic Sea, to bring the gas onshore in Southern Italy.

As both TAP and the ITGI project aim to bring gas through Greece, some Greek observers, at the time TAP entered the picture, depicted this as a national race between ITGI and TAP.

It is time to move beyond that view, and take a fresh look at what is at stake and where the world has evolved to.

This is not about ITGI versus TAP. It is about Greece taking its place on the European energy map, and how we can support that objective.

TAP has an excellent working relationship with all the authorities in Greece, and we have a long-standing and constructing dialogue with relevant Ministries.

We have submitted all key applications, and we are fully aligned in that process with Shah Deniz's schedule, and their needs.

The Shah Deniz consortium is about to make a \$22bn investment upstream in Azerbaijan. That investment needs assurance that all the components throughout the value chain to bring Shah Deniz's gas to Europe will deliver: to specification and on time.

Shah Deniz's investment, like all major investments, sits in a complex technical, commercial and economic context.

I will not dwell long onto this. But, we should all remember that business, in particular the oil and gas business, is good at dealing with complexity. But business abhors uncertainty.

A major investment, such as that of Shah Deniz, if forced to rely on partners that are in the midst of take-overs, or are subject to pending sales to buyers yet unknown, would find itself a context of uncertainty.

Where there is a choice – such uncertainty is not the choice.

TAP provides certainty.

Our shareholders, Statoil, EGL and E.ON constitute some of the world's most experienced pipeline and energy companies in the world. I believe that together, we have constructed and operate more onshore as well as offshore pipelines than any other companies in Europe, if not globally.

Our shareholders have made their commitment to Greece very clear from the onset. We will finance the project without relying on public funds. This means that we will bring €1.5bn direct investment into Greece, and create approximately 2000 new job opportunities. Sending a very important signal globally about investor confidence in Greece.

We have confidence in Greece.

The TAP project will take the gas at the Greek Turkish Border, after which we will ship the gas through the whole length of Greece, cross Albania and the Adriatic Sea, and bring the gas onshore in Italy.

The reasons why we have selected this route are twofold.

Firstly, because it is straight. A straight line is the shortest line, and in terms of pipeline construction this means optimal economics.

Secondly, and critically important, because this allows TAP to cross the sea where the water depth is limited to 800 metres.

Water depth determines the diameter a pipeline can use – too deep, and you need to decrease the pipeline's diameter so that it does not collapse under the water pressure. Diameter, and length, in turn, has a major impact on how much gas you can push through the pipeline, at compression rates that make commercial sense.

TAP's offshore pipeline will be 100km at 800 metres. This means that TAP's initial capacity of 10bcm can be doubled to 20bcm at commercial compression cost.

That expandability constitutes one of the eight critical selection criteria that the Shah Deniz consortium has spelled out for their selection.

It also means that Greece will be the front-runner also when additional quantities of gas come online in the future.

Despite this, TAP is the only pipeline connecting Greece to Italy that is capable of doubling its capacity.

I will conclude.

The Southern Gas Corridor is critical to Greece's strategic energy objectives.

This is not about TAP versus ITGI, it is about how we can support Greece to realise those objectives.

In November 2011, TAP stands out as the one Greek option that can provide Shah Deniz full assurance of a set of partners that will deliver what the consortium needs to safeguard its \$22bn dollar investment.

TAP will bring €1.5bn Euro investment into Greece, will create thousands of new job opportunities, and will send an important signal globally about investor confidence in Greece.

I am confident that by continuing our cooperation with the Greek Government – and showing our resolve, to work together to put Greece on the European energy map – we will win this race.

Thank you.