

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

Trans Adriatic Pipeline

**Energy Charter Secretariat
Transit and Trade Working Group
10th of September, 2009**

A map of the Southern Gas Corridor region, showing the Mediterranean Sea, the Black Sea, and the Caucasus. A yellow pipeline is depicted running horizontally across the map, connecting the Black Sea region to the Mediterranean coast.

Opening the Southern Gas Corridor

Presentation by Karl Petter Waern, Commercial Director

The Southern Corridor Projects



TAP's Key Features



- Starts in Greece, crosses Albania and the Adriatic Sea and comes ashore in Italy
- Connects to existing national gas networks in Greece and Italy
- Designed to expand from 10 to 20 bcm per year
- Option to develop gas storage facility in Albania

Shortest pipeline link in the Southern Gas Corridor



Supported by Strong Partners



On 13th of February, 2008, StatoilHydro purchased 50% of the shares in TAP AG from EGL

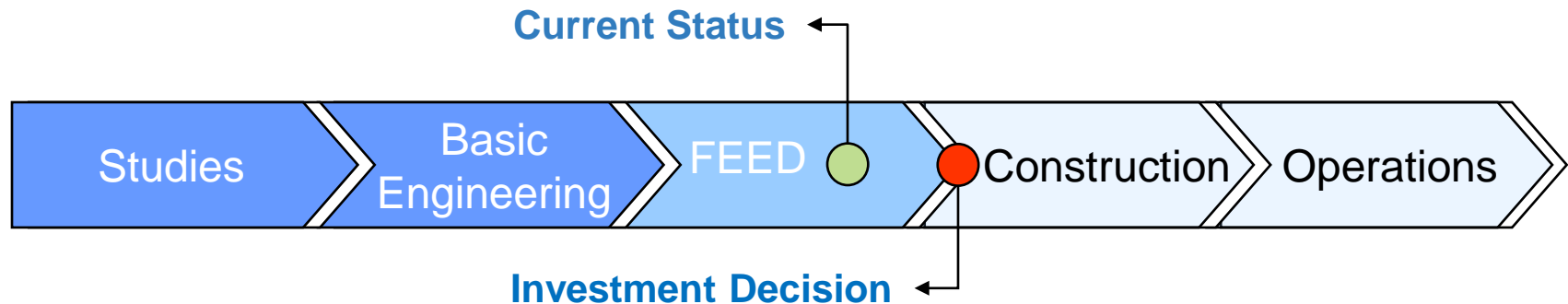
StatoilHydro:

- Partner and commercial operator of the Shah Deniz consortium
- International energy company operating in 40 countries

EGL:

- Secured 5.5bcm per year of long-term gas supply for TAP
- Asset based energy trading company operating in 16 countries
- Operates gas fired power plants in Italy

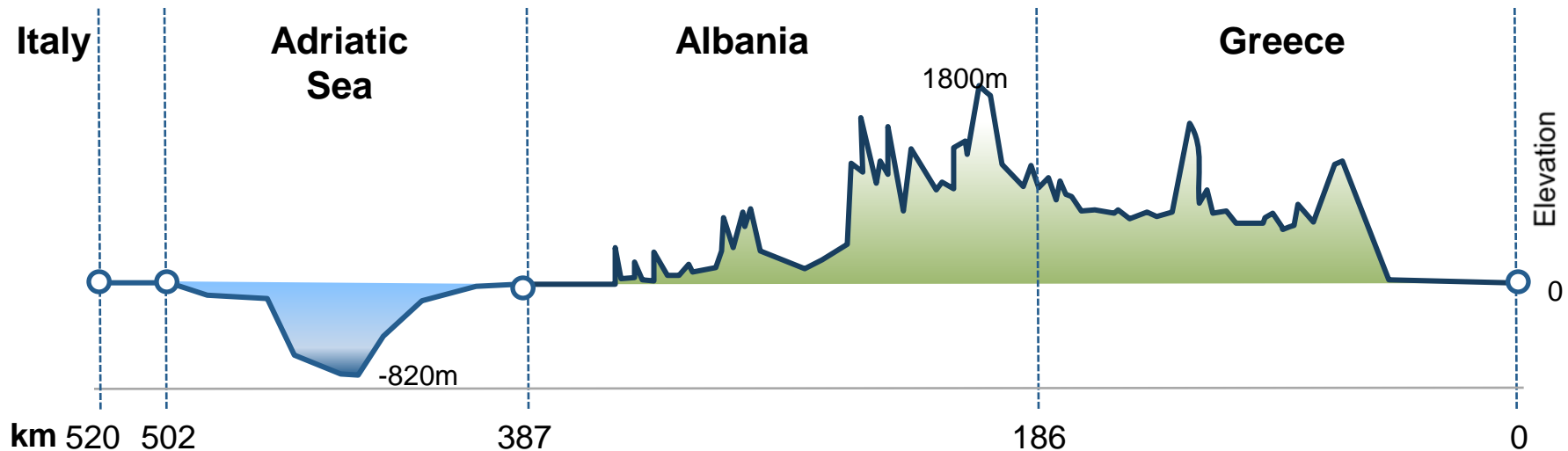
Project Status: Well Underway



- Preliminary feasibility studies concluded in 2004
- Basic engineering concluded in 2007
- Front-end engineering design stage (FEED) running
- Construction schedule will depend on the overall progress in the gas value chain
- The construction of the pipeline will take three years after the investment decision is made

The Optimal Route

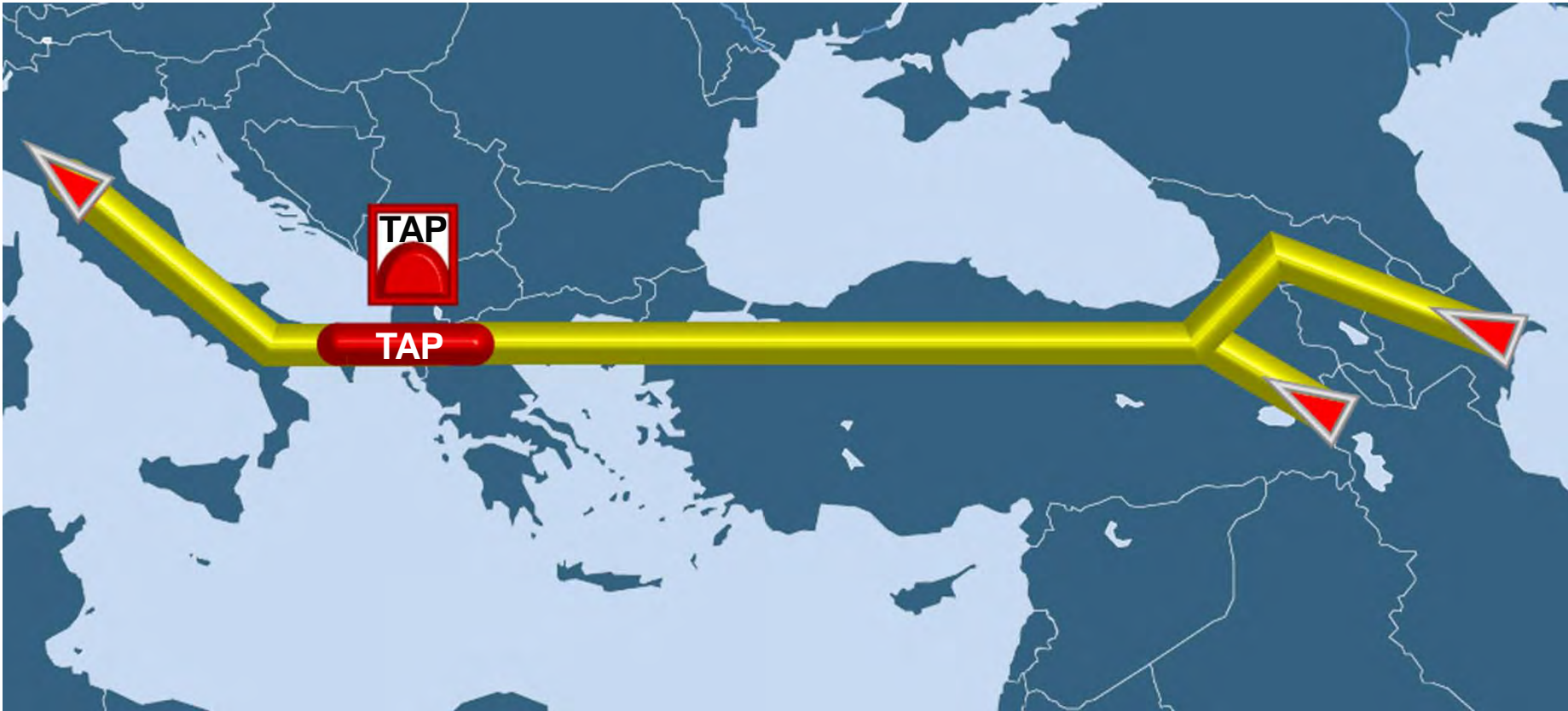
- TAP's offshore section will have a length of 115 km
- Marine survey verified the offshore routing in the Adriatic Sea in January 2009
- Shortest pipeline link in the Southern Gas Corridor
- Option to expand capacity with compressor stations



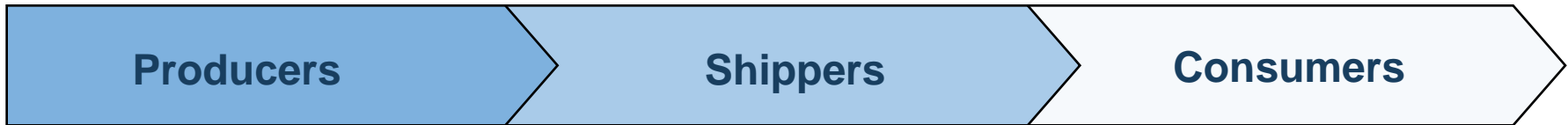
TAP Meets Criteria for Success



- Close to gas supply sources
- Shippers & producers market their own gas
- Enhances energy security for Europe



How TAP meets Criteria for Success



- **Want/need full control over their own gas** ✓

- **Diverse customer mix** ✓

- **Need access to pipelines** ✓

- **Fair & transparent transport regime** ✓

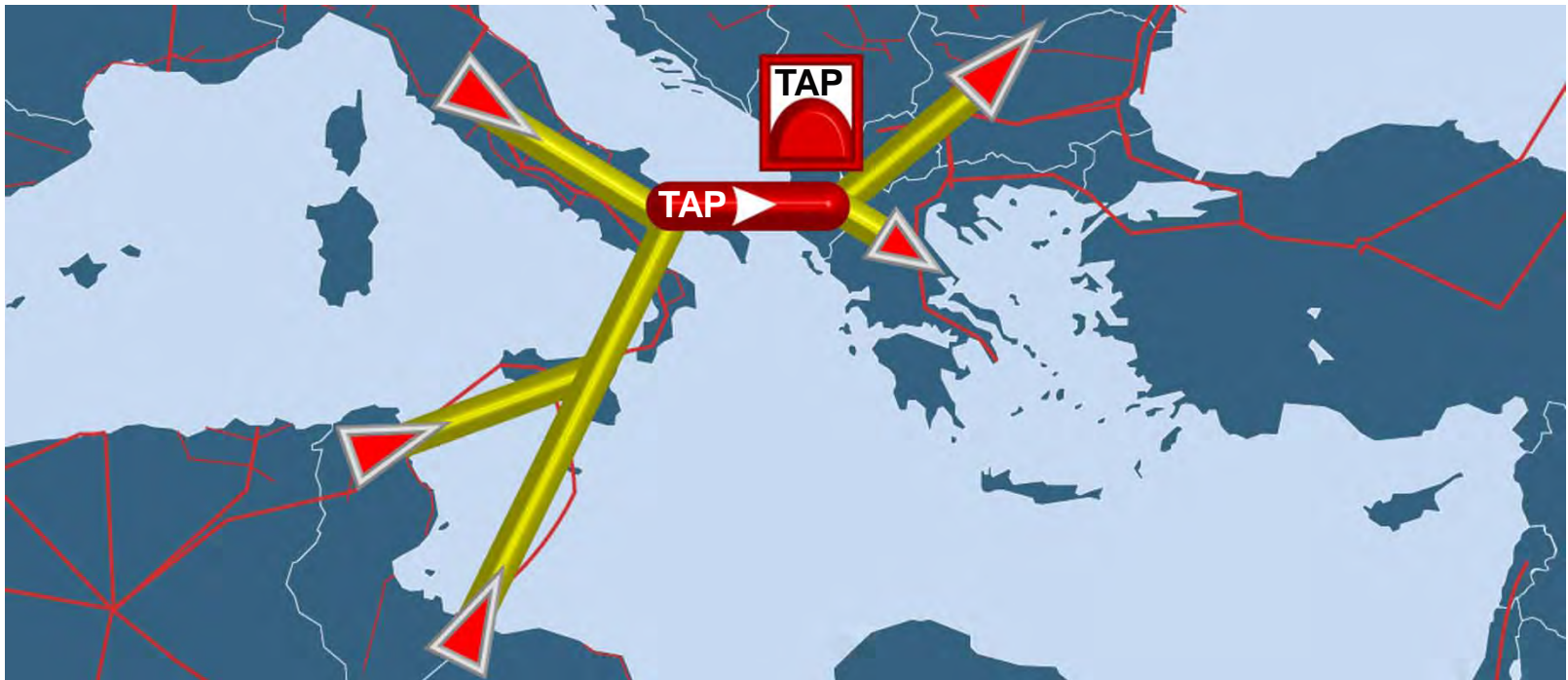
- **Option to choose from multiple supply sources** ✓

- **Option to sell to more than 1 customer** ✓

- **Alternative sources of supply** ✓

Ensures Security of Supply

- TAP may offer option of reverse flow of gas if needed
- Gas storage guarantees availability of gas in an emergency situation



TAP Supports EU Objectives



- Contributes to EU objectives of unbundling
- Provides opportunity for economic growth & stability for a possible EU accession country
- Contributes to diversification of supply sources
- Enhances energy supply & security for Europe
- Supports the EU's role in creating a level playing field for the industry to achieve its objectives



Project Progress in the host countries



- Initial pipeline routing approved by the Albanian government (2007)
- Geographical tie-in point agreed with SNAM Rete Gas in Italy (May 2008)
- Petition on the transit, design, construction and ownership of an independent natural gas system submitted to Greek authorities (June 2008)
- Inter-Governmental Agreement between Italy/Albania signed (March 2009)



Memberships in multilateral organisations



Italy, Greece, Albania:

- Member of World Trade Organization (WTO)
- Contracting Party to the Energy Charter Treaty
- Contracting Party to the Treaty establishing the Energy Community

Italy, Greece:

- Member State of the European Union

Energy Charter principles

Core principles

- non-discrimination as to origin, destination and ownership of energy
- foreign direct investment protection
- dispute settlement - state-to-investor
- rules for pipeline access
- transit/transport tariffication

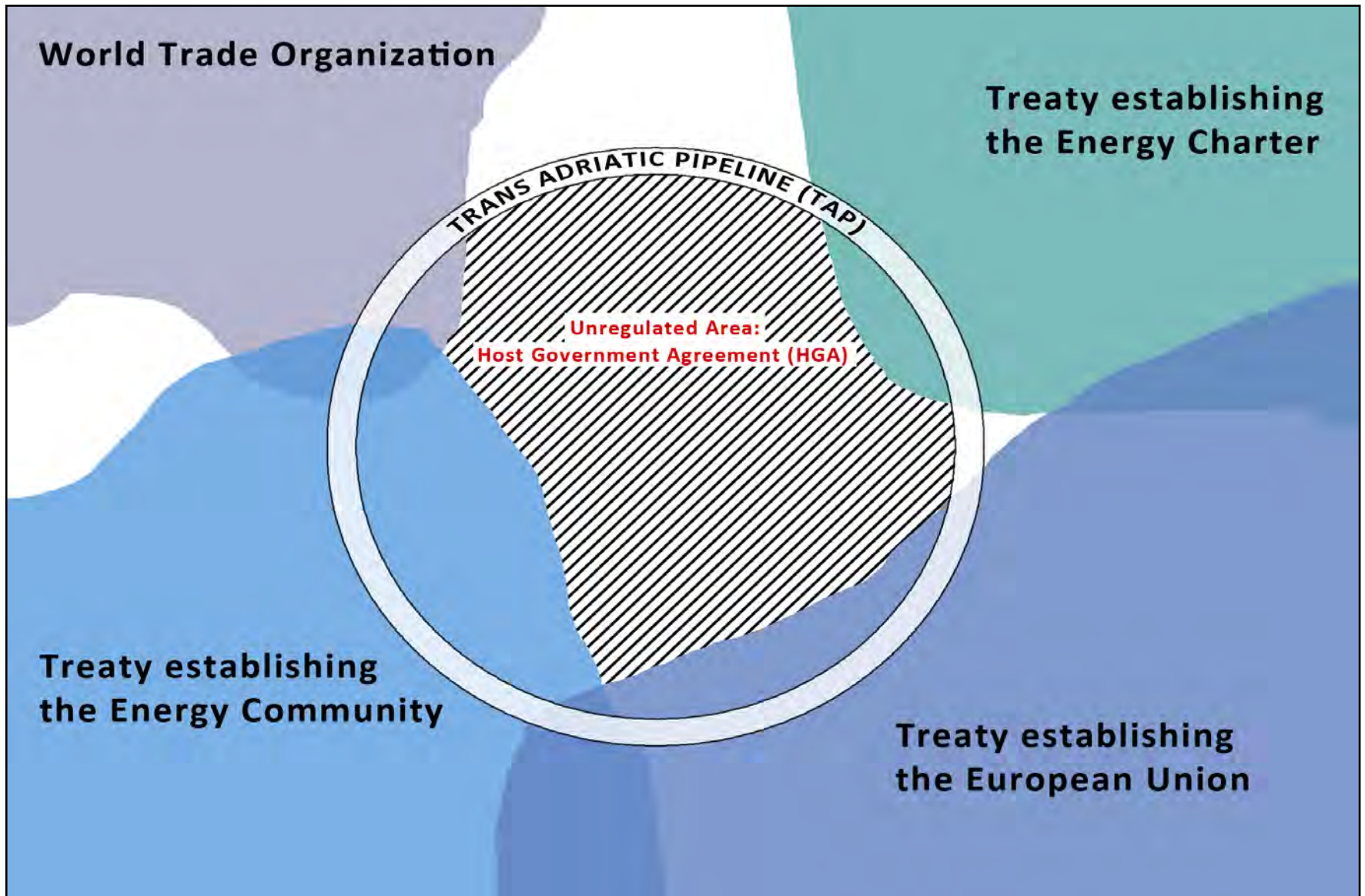
Model transit agreements

- Intergovernmental agreement
- Host government agreement

Others

- standards (accounting, technical, health, safety and social)
- taxation issues

TAP's legal environment



Thank you!

Find out more about TAP at:

www.trans-adriatic-pipeline.com