TRANS ADRIATIC PIPELINE AG

EXPRESSION OF INTEREST NOTICE

In accordance with the "Guidelines for management and allocation of capacity to the Trans Adriatic Pipeline (TAP) Project according to paragraph 6 of article 36 of the Directive 2009/73/EC"

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1 Introduction

Trans Adriatic Pipeline AG (TAP AG) is the exclusive provider of transportation services and marketing rights for transportation services on the Trans Adriatic Pipeline (TAP). TAP AG is presently owned by EGL, E.ON and Statoil.

TAP is a pipeline that will transport gas via Greece and Albania and across the Adriatic Sea to Italy's southern Puglia region which will then allow further transportation to Western Europe. The project is aimed at enhancing security of supply as well as diversification of gas supplies for the European markets. TAP will open a new so-called Southern Gas Corridor to Europe and it will provide a market outlet for natural gas, from non-traditional sources including, but not exclusively from the Shah Deniz gas field (SD). Only non-sanctioned gas is eligible for transportation. [1]

TAP's business model foresees two phases of capacity development. The first phase entails the construction of capacity of up to 10 bcm/y (**Initial Capacity**) to facilitate the transportation of gas produced in the second phase of SD. The technical attributes of the pipeline design during the first phase provide for the possibility of expanding the capacity in the initial design of the pipeline that could allow TAP AG to increase the available capacity by up to further 10 bcm/y (**Expansion Capacity**) in several stages and at any given time, if economically feasible to do so. TAP is aligned to the developments upstream in terms of both volume and time schedule, that is to say the entire capacities will be implemented in phases depending on market demand and available gas in the region. TAP will also accommodate requests for additional Entry and Exit Points along the TAP route, if such requests are technically possible and economically feasible and do not impose additional costs or delays on TAP.

In order to comply with the requirements of the Security of Supply Regulation of 2010[2], TAP will incorporate the minimum technical arrangements that allow the gas flow to be reversed (Reverse Capacity) thus allowing physical transportation of gas from Italy to Albania and Greece.

On 31 August 2011 TAP filed an Application for an exemption under Article 36 of Directive 2009/73/EC and Article 1, paragraph 17, of Italian Law 23 August 2004, No. 239, as subsequently amended, and Italian Ministerial Decree of 11 April 2006 to the Italian Ministry of Economic Development (MSE), and an Application for an exemption under Article 36 of Directive 2009/73/EC of 13 July 2009 repealing the Directive 2003/55/EC and Article 76, paragraph 1 and 2 of the law on operation of Electricity and Natural Gas Energy Markets, Research, Production and Hydrocarbons Transmission Networks and other provisions to the Regulatory Authority for Energy (RAE).

On 1 September 2011 TAP filed an Application for an exemption under Article 22 of Directive 2003/55/EC of 26 June 2003, and Article 40, paragraph 1, of Albanian Law 30 June 2008, No. 9946 to the Albanian Energy Regulatory Authority (ERE).

For the Initial Capacity TAP AG requested an exemption from both TPA and regulated tariffs for a period of 25 years, if and when a decision is made to expand the capacity, then this additional capacity will be offered to all interested parties on a non-discriminatory basis at a cost reflective and non-discriminatory, uniform tariff which will be calculated to meet TAP's targeted revenue. In other words all shippers will be charged the same tariff to allow cost recovery and compensation for pre-investment risk for the whole pipeline.

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[1] As defined in Section 1 of the Guidelines, Annex F.

[2] *Regulation (EU) No 994/2010 of the European Parliament and of the Council of 20 October 2010 concerning measures to safeguard security of gas supply*

Thus for Expansion Capacity, TAP only requested exemption from the relevant provisions of Directive 2009/73/EC as implemented into national law, in order to apply a cost reflective and non-discriminatory and uniform tariff to these products and to meet its targeted revenue, for the same period as requested for Initial Capacity, but no TPA exemption.

Given the features for physical reverse flow and the high load factor on the forward flow, TAP may offer firm reverse capacity products to the market and request an exemption from the relevant provisions of Directive 2009/73 as implemented into national law, in order to apply a cost reflective and non-discriminatory tariff and uniform and to meet its targeted revenue to these products, and for the same period as requested for the Initial Capacity.

The requested exemptions, which are still pending for approval before the Authorities, are a necessary condition for the shareholders to take a final investment decision, in that it would allow TAP AG to enter into long-term transportation contracts for the entirety of the Initial Capacity for a duration and at terms and conditions in line with requirements for bankability of the project.

In accordance with Article 36.6 of the Directive 2009/73/EC, following the Exemption Application submitted by TAP AG for the TAP project, and before deciding upon the exemption requests by TAP AG, the Authorities may decide upon rules and mechanisms for management and allocation of capacity. The rules require a market test to be implemented in order that the Authorities can fully assess and apply the criteria for exemption as laid down in Article 36.1 of the Directive 2009/73/EC.

In accordance with the "Guidelines for management and allocation of capacity to the Trans Adriatic Pipeline (TAP) Project according to paragraph 6 of article 36 of the Directive 2009/73/EC", (the Guidelines), enclosed with this Expression of Interest Notice as Appendix F as jointly approved by the national regulatory authorities of Albania, Greece and Italy (the Authorities), TAP is performing a market test which is open to all interested parties as defined in Article 6.1 of the Guidelines. The market test is structured in two phases:

1. Expression of Interest phase
2. Booking phase

Please note that definitions used in this EOI Notice are defined in the Guidelines (Appendix F)

1.1 Who can participate in the Expression of Interest phase

In accordance with section 2 of the Guidelines, in the *Expression of Interest* phase all potential users including TSOs are invited to:

- express to TAP their interest, in contracting capacity or in connecting to the infrastructure as of paragraph 6.3. and 6.4 of the Guidelines
- submit data and information to the Authorities as of paragraph 6.5 of the Guidelines in order for the Authorities to assess the five criteria set out in Article 36.1 of the Directive

The participation in the Expression of Interest phase is regulated by the procedure laid down in this Expression of Interest Notice.

Shareholders of TAP AG shall participate in the Expression of Interest phase of the market test under the same terms and conditions applicable to other potential network users, as set out in the Expression of Interest Notice.
Other interested parties such as producers and relevant institutions (governments, ministries of EU and non-EU Member States, financial institutions) are invited to submit data and information to the Authorities as provided for by paragraph 6.5 of the Guidelines and in order for the Authorities to assess the five criteria set out in Article 36.1 of the Directive

TAP AG is hereby launching the Expression of Interest phase to be performed according to the following indicative timetable

Table 1: Indicative Timetable

Start of Expression of Interest phase	15 June 2012 09.00 CET
Opening of TAP e-room	Upon confirmed registration in the Expression of Interest
Registration Deadline	10 August 2012 17.00 CET
Expression of Interest Deadline, Deadline for submission of data and information to the Authorities and close of access to TAP e- room	15 August 2012 17.00 CET
Summary of results evaluation by TAP AG to Authorities (In accordance with Article 7 of the Guidelines)	30 August 2012
Opinion by the Authorities	29 September 2012
TAP AG written response to participants	9 October 2012

The Expression of Interest neither binds participants to book the capacity for which they have expressed their interest nor does it bind TAP AG and its shareholders to proceed to a final investment decision (FID) or to offer any capacity or service at any point in time following FID.

Participation in the Expression of Interest phase is a prerequisite to access the subsequent Booking phase, unless a request for derogation is provided to TAP AG and upon subsequent approval by the Authorities. Any derogation from this prerequisite shall be treated as an exception.

An interested party is taken to have participated in the Expression of Interest phase also if another applicant has made a valid application, in conformity with the procedures set out below in the Expression of Interest phase for the benefit of that interested party. Such participation remains subject to approval by the Authorities.

Should a Booking phase take place, separate guidelines for the implementation, its detailed design and the available products as well as the amount of capacity available for booking will be issued by the Authorities.

In a Booking phase potential shippers will be requested to apply and subscribe for capacity in TAP in accordance with these separate guidelines. In the event that a Booking phase is deemed necessary, long term capacity will be allocated in accordance with Article 3.4 of the

Guidelines under ship-or-pay contracts, the contracts being subject inter alia to the FID by TAP AG and its shareholders leading to the actual realization of the infrastructure.

The purpose of this Notice is to provide general information on the project and the projected available services to participants at this stage, and sets out the conditions for registration and participation in the Expression of Interest phase. Failure to comply with these conditions will disqualify any participant who submits an expression of interest from participating further in this Expression of Interest phase and the subsequent Booking phase.

TAP AG will respect the confidentiality of any confidential information which may be received from applicants.TAP AG will be entitled, if TAP AG has informed the Authorities and has received no written objection from the Authorities, to disclose the names of all applicants as well as aggregated data received from the applicants. In addition, TAP AG will disclose to the Authorities all information required to be disclosed under the Guidelines and any applicable law or governmental order, decree, regulation or rule.

2 Technical Project Description

Under the current business model, and from a provisional commencement date in Q4 2018 (Commencement Date), TAP will transport natural gas from Greece, via Albania and across the Adriatic Sea, to Italy's southern Puglia region which will then allow further transportation to Western Europe. The total technical capacity of the pipeline could be sized to ship natural gas up to a maximum capacity of 20 bcm per year.

The Entry Point of TAP shall be located near Komotini in Greece, where the gas will arrive through the existing Interconnector Turkey Greece (ITG). TAP AG has submitted a request to Hellenic Gas Transmission System Operator (DESFA) for transportation capacity of 10 bcm per year from the Turkish/Greek border to Komotini. The 36" Turkey-Greece Interconnector (ITG) currently has a capacity of 3 bcm per year, whilst the design capacity can be approximately 11 bcm per year with the addition of new compressor stations. To further increase the available capacity, the capacity upsteam of TAP's Entry Point at Komotini has to be expanded.

For the purpose of transport SD Gas to Italy, the Exit Point of TAP will be located near Melendugno in the province of Lecce in Italy, where the pipeline system will be tied in with the Snam Rete Gas (SRG) network. The delivery pressure to the SRG network in Italy shall be 75 barg. TAP AG signed a contract with SRG on 14 December 2007 for the construction of the SRG tie-in facilities, connecting TAP to the Italian national grid. This will allow TAP's shippers to access the entire Italian national system once capacity contracts have been signed with SRG. The contract with SRG is currently under revision.

For the Initial Capacity, the main components of the TAP transportation system are:

- Two compressor stations: one in Komotini, Greece (CS0) and one at the start of the offshore section close to Fier on the Albanian coast (CS3).
- A metering and pigging station at the border between Greece and Albania on Albanian side.
- A Pipeline Receiving Terminal (PRT): a combined pressure reduction, metering and pigging station, located North of San Foca in Italy.
- Tie-in at the fence of the PRT to the SRG network.
- A 48" onshore pipeline between CS0 and CS3.
- A 36" offshore/onshore pipeline between CS3 and PRT.
- Approx. 24 x 48" block valve stations and 2 x 36" landfall valve stations.

Figure 1: General overview of TAP Pipeline starting in Greece via Albania to Italy

For the purpose of transport of gas to Albania, an Exit Point can be located close to the city of Fier in Albania, where the pipeline system will be tied with an Albanian natural gas transmission or distribution network. The realisation of any further Exit Points does not give rise to any automatic right to reserve capacity in the TAP pipeline.

TAP (48"/36")	From	To	L km	NPS in.	DP barg	MOP barg	Facilities (if required)	Note
Greece	TR/GR Border	Komotini	87	36	80	75	(CS_Kipoi)	Existing, part of ITG. Not included in section length calc's.
	Komotini	Thessaloniki	296	48	95	93	CS0_Komotini	
	Thessaloniki	GR/AL Border	182	48	95	93	(CS1)	**) not needed in Phase 1
Albania	GR/AL Border	CS3	198	48	95	93	CS2 @ KPA_3	**) metering station in Phase 1
	CS3	AL Landfall	6	36	145	143	CS3	
	12 Mile Zone		32	36	145	143		
International Waters			51	36	145	143		
Italy	12 Mile Zone		22	36	145	143		
	IT Landfall	PRT	4	36	145	143	PRT	
	PRT	SRG	0	-	-	-		By SRG
Total Onshore (GR)	Komotini	GR/AL Border	478	48	95			
Total Onshore (AL)	GR/AL Border	AL Landfall	204	48/36	95/145			
Total Offshore	AL Landfall	IT Landfall	105	36	145			
Total Onshore (IT)	IT Landfall	PRT	4	36	145			
Total Length	Komotini	PRT	791					
Total 95 barg (GR/AL)	Komotini	CS3	676	48	95			
Total 145 barg	CS3	PRT	115	36	145			
Total Length	Komotini	SRG	791	-	-			

Figure 2: Technical features of the TAP Pipeline

2.1 Gas specification for natural gas to be transported through TAP

The natural gas delivered at TAP Entry Point shall meet the required specifications for the natural gas to be transported at the required flow rate, without compromising safety and pipeline integrity, and shall meet the specifications to be able to be delivered to Greece, Albania and Italy.

2.2 Project time schedule

Table 4: Project Implementation Time Schedule

3 Services/Products for which participants can express interest

The Expression of Interest for the services/products described in this section neither binds participants to book the capacity for which they have expressed their interest nor does it bind TAP AG and its shareholders to proceed to a final investment decision (FID) or to offer any capacity or service at any point in time following FID.

Potential users including TSOs are asked to express interest in the following services:

3.1 Firm forward long-term transportation of natural gas from the Entry Point in Greece (Komotini)

Participants are invited to specify their future interest in forward long-term transportation of natural gas in the Expression of Interest Form attached as Appendix B to this Notice to

a. TAP Exit Point in Italy,
b. An Exit point in Greece,
c. An Exit point in Albania

Interest in long-term capacity must be expressed as maximum daily capacity in kWh/d, for a duration until 2042 or a standard duration of 5, 10, 15, and 20 years starting from TAP's provisional commencement date or other commencement date.

3.2 Firm and/or commercial virtual long term reverse transportation of natural gas from the Entry Point in Italy (Melendugno)

Participants are invited to specify their future interest in reverse capacity products and services as part of the Expression of Interest Form attached as Appendix B to this Notice to

a. An Exit point in Greece
b. An Exit point in Albania

Interest in long-term capacity must be expressed as maximum daily capacity in kWh/d, for a duration until 2042 or a standard duration of 5, 10, 15, and 20 years starting from TAP's provisional commencement date or other commencement date.

3.3 Tariff principles

TAP AG is currently anticipating that it will finance the project using a combination of equity and project finance debt. The tariff for TAP products and services is to be calculated on the basis that all investment costs are recovered, including rate of return for the equity owners and project financing costs. In respect of the aforementioned the principles for calculating all tariffs will take into account the minimum requirements from financial institutions based on the total capacity that can be contracted under the long-term forward capacity Gas Transportation Agreement (provisional terms and conditions for currently projected transportation services on TAP are specified in Appendix D). Tariffs will be cost reflective and non-discriminatory and uniform for all shippers and will be calculated on the basis of TAP's targeted revenue.

If and when a decision is made to expand the capacity, the uniform tariff will be modified to avoid discrimination between users of old and new capacity so that all users are charged an adjusted uniform tariff, and to allow cost recovery and compensation for pre-investment risk for the whole pipeline. If the total firm capacity equals Initial Capacity plus Expansion Capacity, tariffs will be adjusted accordingly. In relation to any reverse flow shippers, a reimbursement mechanism for the shippers who have signed a long term capacity contract for the Initial Capacity is to be foreseen. Hence reverse flow capacity is also to be subject to a uniform, cost-reflective and non-discriminatory tariff.

As part of the exemption procedures, the Authorities must approve TAP's tariff methodology and confirm that it adheres to principles of cost-reflectiveness, and non discrimination, and ensure that tariffs do not exceed target revenue.

4 Additional Project Information

The following additional project information shall be made available to registered participants in the Expression of Interest phase who have completed and submitted a valid Registration for Expression of Interest Form (Annex A attached) together with the required supporting documentation, meeting the conditions for registration and who have paid the relevant participation fee:

- a non binding estimate of the investment and operating costs, for different possible TAP capacity scenarios that may be built;
- a summary of the situation of authorizations, licences and regulatory approvals and the timetable for ensuing them;
- gas specification for natural gas to be transported through TAP

The above information shall be made available through access to an electronic room (the TAP e-room).

The Authorities will be informed by TAP AG of the list of documents made available to shippers in the e-room.

5 Participation Fee

A non-refundable participation fee of 10,000 EURO (ex VAT) shall be transferred to the following account:

Trans Adriatic Pipeline
Baar
Account nr. 31125-32
IBAN CH52 0483 5003 1125 3200 0
Bank CREDIT SUISSE AG
Clearing number 4835
BIC / SWIFT CRESCHZZ80A

The fee is non refundable, also in the event that further participation in the procedure is denied to a participant due to incompleteness of the Expression of Interest documentation submitted, or non-compliance with the conditions for participation in the Expression of Interest phase, by the participant.

6 Disclaimer

Any costs to the participant incurred in connection with this non-binding Expression of Interest shall be borne by the participant. The publication of this notice or the acceptance of TAP AG of a completed Expression of Interest Form do not constitute an offer by TAP AG to conclude any form of contract or an invitation to conclude any contract. The participant may not rely upon any representation or expectation that TAP AG will enter into any relationship

or transaction unless based upon an agreement in writing signed by the participant and TAP AG.

No rights may be derived from the contents of this publication. TAP AG has taken all reasonable efforts to ensure that the information is correct at the time of publication but TAP AG makes no representation or warranties, express or implied, as to the quality, accuracy and completeness of the information, and TAP AG assumes no liability in contract or in tort or breach of statutory duty or otherwise for or in respect of any indirect, incidental, consequential or exemplary loss or damage howsoever arising in respect of or in connection with the information contained in or from the inaccuracy, incompleteness, or omissions in the contents of this publication.

7 How to participate in the Expression of Interest

All interested parties who are potential users or shippers are requested to complete the attached Registration For Expression of Interest Form (Appendix A) and return it to TAP AG, no later than **10 August 2012** (17.00 CET).

All other parties are invited to express their interest in the exemption process and the evaluation of the project under Article 36.1 of the Directive, and to send relevant data and information directly to the Authorities by the same deadline.

The Registration Form (Appendix A) should be sent to TAP AG together with the following mandatory supporting documentation:

- two signed copies of the Confidentiality Agreement (Appendix C);
- proof of participation fee paid
- two copies of the TAP e-room rules and procedures duly signed by the designated users (Appendix E)

TAP shall confirm the receipt of the Registration of Expression of Interest and supporting documentation within 3 days, and TAP shall, within 5 days of the receipt, in writing, either:

- confirm the completeness of the received documentation and the registration of the participant in the Expression of Interest phase and give the participant a User ID and a Password for access to TAP e-room , or
- if the documentation is incomplete TAP shall inform the applicant that it cannot be registered and it will inform the Authorities accordingly.

An applicant may resubmit any missing or incomplete documentation, at no extra fee, up to the final deadline – 10 August (17.00 CET) - and if it fails to do it will be excluded from any further participation in the Expression of Interest phase.

Registered participants are requested to complete the attached Expression of Interest Form (Appendix B) and return it, no later than **15 August 2012** (17.00 CET) together with the following mandatory supporting documentation including:

- attested affidavit;
- declaration to TAP AG that sanctioned gas[3] will not be introduced into or transported through any part of the TAP project;

[3] As defined in Section 1 of the Guidelines, Annex F

- audited accounts for the three most recent completed financial years (the last financial year ending no more than 12 months prior to the date of submission) of the entity (or the shareholders of that entity in the event that such audited accounts cannot be produced for the last three financial years) as proposed by the party to enter into a GTA with TAP AG together with evidence of any current credit ratings applicable to such entity;
- declaration that no person employed at senior management level in the participant's company or representing that company has been convicted for being a member of a criminal organisation or has been convicted for offences of fraud, corruption or money laundering;
- declaration that the participant has not been declared bankrupt and is not currently subject to any form of insolvency proceeding.

All documents are to be in English and duly signed by an authorized person of the participant.

Proof of power to sign on behalf of the applicant should be included containing a certified copy from the relevant company register (where applicable) and power of attorney signed by legal representative if necessary.

If the documentation is missing or incomplete TAP shall inform the applicant that it has not been admitted as participant to the Expression of Interest phase and access to the TAP e-room is automatically revoked.

A separate copy of the Registration for - and the Expression of Interest Forms as required by Appendix A and B (Authorities' Copy) must also be sent directly to each of the Authorities by 15 August 2012 (17.00 CET):

- AEEG - Autorità per l'energia elettrica e il gas Piazza Cavour 5, 20121 Milano (IT)
- ERE - Albanian Energy Regulator, Rruga "Gjergj Fishta" Nr 10, Tirane (AL)
- RAE - Regulatory Authority for Energy, 132 Pireos str., 11854 Athens (GR)

On the separate Authorities' Copy, applicants shall provide the following information:

- the upstream and downstream transportation systems they will rely upon;
- whether they already have capacity booked on these systems or transportation contracts coherent with the required capacity;
- source and origin of gas; in particular, applicants have to declare if the requested capacity is to transport SD gas; and
- status of the agreements with upstream suppliers (already effective, MOU, other).
- interest in different starting dates for services

TAP AG will evaluate all valid responses to this Expression of Interest received by it and summarize the results of the Expression of Interest phase in a report to the Authorities not later than 30 August 2012.

All participants will be informed in writing of the results of the Expression of Interest phase in due course but no earlier than after the procedures provided for in Article 7 of the Guidelines have been completed.

The Expression of Interest and all matters related to it are governed by Swiss law. The courts of the Canton of Zug shall have exclusive jurisdiction.

Any questions in relation to this document should be addressed to:

Lutz Landwehr
Commercial Director

Trans Adriatic Pipeline AG
Lindenstrasse 2
6340 Baar, Switzerland
Phone: +41 41 747 3400
Fax: +41 41 747 3401
www.trans-adriatic-pipeline.com
eoi@tap-ag.com

8 Exclusion from the procedures

A participant is excluded from registration and/or participation when:

1. Documentation is missing or incomplete, or
2. Mandatory documents have not been received in their proper form by TAP AG or
3. The authorized signatory of the documents
   a) has been convicted for being a member of a criminal organisation or has been convicted for offences of fraud, corruption or money laundering,
   b) or is a natural or legal person who has been declared bankrupt or who is currently subject to any form of insolvency proceeding

8.1 Objection Committee

Participants are allowed to submit a written objection at each stage of the procedure within the time frame as stated above. Objections or relevant documentation should be sent to eoi-objectioncommittee@tap-ag.com.

Such objection must be duly reasoned and must be received by TAP AG no later than 3 working days after receipt of notice of exclusion by TAP AG.

TAP AG will appoint a separate Committee (the Objection Committee) to decide on the objections. Any objection and consequent decision will also be notified to the Authorities.

TAP AG staff appointed with the task of evaluating the applications for EOI cannot be appointed to the Objection Committee.

In all cases, the Authorities will verify that any final decision safeguards the principle of non discrimination.

Appendix A TAP AG Market Test Registration for Expression of Interest Form

Send to:

Lutz Landwehr
Commercial Director

Trans Adriatic Pipeline AG
Lindenstrasse 2
6340 Baar, Switzerland
Phone: +41 41 747 3400
Fax: +41 41 747 3401
www.trans-adriatic-pipeline.com
eoi@tap-ag.com

General information

Name of applicant: _____

Registered address: _____
_____

Register number (if applicable):_____

Applicant's name of Contact person: _____

Title: _____

Telephone: _____

Fax: _____

E-mail: _____

Applicant's contact address:
_____
_____

Status of applicant

□ Producer □ Trader □ Local Distribution Company

□ Other, please specify _____

□ An authorized representative has signed the attached Confidentiality Agreement (Appendix C).

□ The participation fee has been paid.

This Registration for Expression of Interest is hereby submitted:

By: _____
Title: _____
Company: _____
Telephone Number: _____

Fax: _____

E-mail: _____

Date: _____

Signature: _____

Please specify the mandatory supporting documentation submitted with the Registration for Expression of Interest Form

Appendix B TAP AG Market Test Expression of Interest Form [non-binding]

In their application for the Expression of Interest, participants have to declare that information provided is true and submit an attested affidavit to this effect.

The TAP project is expected to commence commercial operation in Q4, 2018, at the earliest. As stipulated in Article 2.3 of the Guidelines, however, the results of the Expression of Interest shall not give rise to any obligation whatsoever on the part of TAP AG to proceed to FID .

Interest in long-term forward capacity, subject to ship-or-pay agreements from TAP's commencement date until 2042 with TAP AG

Maximum Daily Transportation Capacity requested at TAP Entry Point (Komotini) and TAP Exit point in Italy (Melendugno)

_____ kWh/day

Would you be interested in firm forward capacity from the TAP Entry Point to the TAP Exit Point with a duration of 5, 10, 15 or 20 years and/or any other commencement date for the physical shipment of natural gas other than from the above indicated commercial operation date of the TAP project? Please specify, for each product that you are interested in. Would you be interested in acquiring any of these products on a secondary market (through sublet and assignment)?

Interest in long-term forward capacity from TAP's commencement date until 2042 with TAP AG from TAP Entry Point (Komotini) to an Exit Point in Albania

Maximum Daily Transportation Capacity requested at TAP Entry Point (Komotini)

_____ kWh/day

Maximum Daily Transportation Capacity requested at an Exit Point in Albania

_____ kWh/day

Would you be interested in firm forward capacity from the TAP Entry Point (Komotini) to an Exit Point in Albania with a duration of 5, 10, 15 or 20 years and/or any other commencement date for the physical shipment of natural gas other than from the above indicated commercial operation date of the TAP project? Please specify, for each product that you are interested in. Would you be interested in acquiring any of these products on a secondary market (through sublet and assignment)?

Interest in long-term forward capacity from TAP's commencement date until 2042 with TAP AG from TAP Entry Point (Komotini) to an Exit Point in Greece

Maximum Daily Transportation Capacity requested at TAP Entry Point (Komotini)

_____ kWh/day

Maximum Daily Transportation Capacity requested at an Exit Point in Greece

_____ kWh/day

Would you be interested in firm forward capacity from the TAP Entry Point (Komotini) to an Exit Point in Greece with a duration of 5, 10, 15 or 20 years and/or any other commencement date for the physical shipment of natural gas other than from the above indicated commercial operation date of the TAP project? Please specify, for each product that you are interested in. Would you be interested in acquiring any of these products on a secondary market (through sublet and assignment)?

Interest in reverse capacity, from TAP's commencement date until 2042 with TAP AG

Interest in long-term reverse capacity to an Exit Point in Albania, with duration of 5, 10, 15, 20 years (please specify)

Maximum Daily Transportation Capacity requested at TAP Entry Point in Italy (Melendugno)

_____ kWh/day

Maximum Daily Transportation Capacity requested at an Exit Point in Albania

_____ kWh/day

Would you be interested in reverse capacity from the TAP Entry Point (Melendugno) to an Exit Point in Albania with any other commencement date other than from the above indicated commercial operation date of the TAP project? Please specify.

Interest in long-term reverse capacity to an Exit Point in Greece, with duration of 5, 10, 15, 20 years (please specify)

Maximum Daily Transportation Capacity requested at TAP Entry Point in Italy (Melendugno)

_____ kWh/day

Maximum Daily Transportation Capacity requested at an Exit Point in Greece

_____ kWh/day

Would you be interested in reverse capacity from the TAP Entry Point (Melendugno) to an Exit Point in Greece with any other commencement date other than from the above indicated commercial operation date of the TAP project? Please specify.

Other services offered at the cost of the interested party

Would you be interested in further Exit Points on the TAP Pipeline?

Please specify location, maximum technical capacity in kWh/d and delivery pressure for each additional Exit Point you are interested in.

Please indicate the commencement date for the availability of each additional Exit Point you are interested in.

Would you be interested in further Entry Points on the TAP Pipeline?

Please specify location, maximum technical capacity in kWh/dh and your delivery pressure for each additional Entry Point you are interested in.

Please indicate the commencement date for the availability of each additional Entry Point you are interested in.

Please indicate how you would meet the costs of such additional points?

Please enter the Credit Rating:

□ Standard & Poor's □ Moody's □ Fitch □ Internationally reputed Bank

If you are not in the position to provide either a minimum rating of BBB- by Standard & Poor´s, or equivalent Moody´s or Fitch or an internationally reputed bank rating, how do you intend to provide additional security and/or credit enhancement (e.g. Parental / State Guarantee, Letter of Credit, other) meeting the minimum stipulated rating requirement for the requested services?

Please indicate in the box below:

TAP AG retains the right to request evidence of the ability of the participant to provide such additional guarantees or to refuse to consider the Expression of Interest.

Please note that this requirement is without prejudice to additional requirements if and when there is a Booking phase.

□An authorized representative has signed the attached Confidentiality Agreement (Appendix C).

□The participation fee has been paid.

This Expression of Interest is hereby submitted:

By: _____
Title: _____
Company: _____
Telephone Number: _____

Fax: _____

Email: _____

Date: _____

Signature: _____

Please specify the mandatory supporting documentation submitted with the Expression of Interest Form

Appendix C Confidentiality Agreement

THIS AGREEMENT is made on the [●] day of [●], 2012 (hereinafter the "**Effective Date**")

by and between

- **Trans Adriatic Pipeline AG**, a company duly organized and existing under the laws of Switzerland ("**TAP AG**"), with an office in Lindenstrasse 2, 6340 Baar, Switzerland, and

- **[●]**, a company duly organized and existing under the laws of [●] with its registered office located at [●] (the "**Interested Party**").

TAPAG and the Interested Party are hereinafter together referred to as "**Parties**" or individually as a "**Party**".

1. TAPAG is developing the Trans Adriatic Pipeline (TAP) Project which is to set up to plan, develop, construct and own a gas transportation system from Greece through Albania to Italy, and TAPAG is obliged to conduct a market test pursuant to the Guidelines for management and allocation of capacity to the TAP Project according to paragraph 6 of Article 36 of EU Directive 2009/73/EC (the "Guidelines") as jointly approved by the national regulatory authorities of Albania, Greece and Italy ("the Authorities").

2. The Interested Party wishes to participate in a market test to be performed by TAPAG for the purpose of assessing the interest of potential shippers in contracting capacity in the TAP Project (the "**Purpose**"). TAPAG is willing to disclose to the Interested Party information relating to TAPAG's business which is strictly required for the Purpose, said information to include but not be limited to technical, commercial and operating data ("**Confidential Information**"). Such disclosure shall be in accordance with and subject to the terms and conditions of this Agreement.

3. In consideration of the disclosure referred to in item 2 above the Interested Party receiving Confidential Information agrees that the Confidential Information is the property of TAPAG, and, subject to items 4, 5, 6 and 7 below, shall be kept strictly confidential and shall not be sold, traded, published or otherwise disclosed to any third party. The Interested Party further agrees that in the handling and storage of Confidential Information it will employ controls, protection and safeguards at least as stringent as the Interested Party would employ in the handling and storage of its own proprietary data and information.

4. The Interested Party may disclose the Confidential Information without TAPAG's prior written consent to an Affiliated Company provided that the Interested Party guarantees the adherence of such Affiliated Company to the terms of this Agreement. "**Affiliated Company**" shall mean any legal entity which directly or indirectly (through one or more intermediates) controls or is controlled by or is under common control with such entity. For the purpose of this Agreement the term "**control**" is the possession, directly or indirectly, of the power to direct or cause the direction of the management or operating policies of the entity through the exercise of voting rights exceeding 50 % (fifty percent), contract, trust or otherwise or a right to appoint the majority of the directors of the entity.

5. In addition to those persons and companies to whom Confidential Information is allowed to be disclosed according to paragraphs 4, 6 and 7, the Interested Party may disclose the

Confidential Information without TAPAG's prior written consent only to the extent such information:

a) was at the time of entering into this agreement lawfully in the possession of the Interested Party under no obligation of confidentiality; or
b) is already in possession of the public or becomes available to the public other than through the act or omission of the Interested Party in breach of this Agreement; or
c) is lawfully acquired independently under no obligation of confidentiality from a third party that has the right to disclose such information at the time it is acquired by the Interested Party, or
d) is required to be disclosed under applicable law or by governmental order, decree, regulation or rule (provided that the Interested Party shall give prompt written notice to TAPAG prior to such disclosure so that TAPAG may seek to obtain an appropriate protective order and the Interested Party shall cooperate to obtain such appropriate protective order) or in connection with required reports to governmental agencies or stock exchanges.

6. The Interested Party shall be entitled to disclose the Confidential Information without TAPAG's prior written consent to such employees, officers and directors of the Interested Party or it's Affiliated Companies who have a clear need to know strictly for the Purpose.

7. The Interested Party shall also be entitled to disclose Confidential Information to its consultants and outside advisors who need to have access to the same strictly for the Purpose, provided that a written undertaking to keep such information strictly confidential in substantially the same form as this Agreement is obtained from such person.

8. The Interested Party shall not use or permit the use of the Confidential Information except to the extent strictly necessary for the Purpose. The Interested Party shall be responsible for ensuring that all persons to whom the Confidential Information is disclosed under this Agreement shall keep such information confidential and shall not disclose or divulge the same to any unauthorised person, and the Interested Party agrees that it is responsible for any breach of any of the terms and conditions set out in this Agreement by its advisers and the employees, officers and directors of it and its Affiliated Companies.

9. The Interested Party agrees that monetary damages are an insufficient remedy for any actual or anticipatory breach of this Agreement, and that injunctive relief is an appropriate remedy to prevent the unwarranted disclosure of any Confidential Information. Such remedy shall not be deemed the exclusive remedy for any breach of this Agreement but shall be in addition to all other rights and remedies legally available to the Party claiming injunctive relief including the right for TAPAG to claim from the Interested Party a penalty of one million Euros.

10. The Confidential Information shall remain the property of TAPAG, and unless this Agreement terminates pursuant to paragraph 13 below, TAPAG may demand the return of original documents containing Confidential Information as well as the deletion of copies thereof upon giving written notice to the Interested Party. Upon receipt of such notice, the Interested Party shall promptly return to TAPAG all original Confidential Information and shall ensure that all copies and reproductions thereof (including without limitation information stored in an electronic format) in its possession are destroyed. Notwithstanding the previous two sentences, the Parties acknowledge and agree that:

a) the Interested Party has no obligation to destroy any decision-making documents submitted to its management that incidentally reflect or refer to Confidential Information,

b) the computer systems of the Interested Party may automatically back-up Confidential Information disclosed under this Agreement, and
c) to the extent the computer back-up procedures of the Interested Party creates copies of the Confidential Information, the Interested Party may retain those copies for the period it normally archives backed-up computer records, which copies are subject to the confidentiality obligations of this Agreement until they are destroyed.

11. The disclosure of Confidential Information pursuant to this Agreement, and any prior or future discussions or other communications between the Parties shall not confer any right nor impose or create any legally binding obligations on the Parties other than those agreed herein or as otherwise expressly agreed subsequently to the date hereof in writing. Neither Party shall rely upon any representation nor expectation that the other Party will enter into any relationship or transaction unless based upon another agreement in writing signed by the Parties. Nothing contained in this Agreement is intended to imply or create an exclusive relationship between the Parties, or to prevent either Party from having discussion with third parties. Nothing in this Agreement implies any partnership or joint venture between the Parties or is to be construed as making one party the agent or fiduciary of the other with respect to the Purpose.

12. Whilst TAPAG discloses the Confidential Information in good faith it makes no representation or warranties, express or implied, as to the quality, accuracy and completeness of the Confidential Information disclosed hereunder. Any use or reliance upon the Confidential Information shall be at the sole risk of the Interested Party.

13. The confidentiality obligations set forth in this Agreement shall take effect on the Effective Date and shall remain in force until five (5) years from the Effective Date, unless otherwise set forth.

14. This Agreement shall be governed by and interpreted in accordance with the laws of Switzerland.

15. Subject to paragraph 10 above, any controversy or dispute that may arise in connection with or as a result of this Agreement and that cannot be resolved by mutual agreement by the Parties shall be exclusively and finally settled by arbitration in Vienna in accordance under the Rules of Arbitration of the International Chamber of Commerce in effect at the time of submitting the request The language of arbitration shall be English.

16. No amendments, changes or modifications to this Agreement shall be valid unless the same are in writing and signed by a duly authorised representative of each of the Parties hereto.

17. The Parties acknowledge and agree that, without prejudice to the provisions of paragraph 5(a) above, any Confidential Information received prior to the Effective Date of this Agreement shall be treated as Confidential Information in accordance with the terms of this Agreement.

IN WITNESS WHEREOF, the duly authorised representatives of the Parties have caused this Agreement to be executed on the date first written above.

Trans Adriatic Pipeline AG

By: _____ and by _____

[name of Interested Party]

By: _____ and by _____

Appendix D Provisional Terms and Conditions for Currently Projected Transportation Services on TAP

The terms and conditions for Transportation Services for the TAP project including the tariff methodology are not yet final. Accordingly, certain issues remain open for discussion with relevant stakeholders and confirmation by the Authorities, and may therefore be subject to change. Additional obligations on shippers may also arise due to regulatory requirements imposed by host country authorities and/or national regulators. Finally the requirements for the project financing of the TAP Project may also result in changes to the provisional terms and conditions set out below,. TAP's Gas Transportation Agreement (GTA) referred to below is therefore only a draft at this stage.

Transmission Service Conditions

The commercial product of TAP AG relevant for this market test is transportation capacity in TAP (daily capacity expressed in kWh/d)

The Gas Transportation Agreements (GTAs) that are intended to underpin TAP will be long-term, ship-or-pay agreements to be entered into between TAP AG and the shippers from the projected commencement date (Q4 2018) until 2042. This means that a shipper who has signed a GTA will pay a uniform tariff for booked transportation capacity irrespective of whether the shipper is able to use that capacity.

Shippers will have the right to offer unused capacity to the market, either by subletting unused capacity to a third party ("**Sublessee**") or by an assignment of all or a part of their rights and obligations under the GTA to a third party ("**Assignee**").

In the case of an assignment, the shipper will no longer be liable to TAP AG for the part of the capacity that has been assigned, and the Assignee will assume a direct relationship with TAP AG under the assigned GTA. In the case of a sublet of capacity, the shipper will remain directly and fully liable to TAP AG under the GTA for the sublet capacity. An assignment or sub-lease will require TAP AG's approval, to allow TAP AG to verify the creditworthiness of the Assignee, and that compliance with the terms of the granted TPA exemption is ensured. Rules for sublease and assignment will remain subject to regulatory approval and hence they will avoid hoarding of capacity and discrimination towards third parties.

Other commercial principles of the (draft) Gas Transportation Agreement

- The GTA will be conditional on the confirmation by the Transporter (i.e. TAP AG) that FID has taken place (Condition Precedent).
- Subject to satisfaction of the Condition Precedent, the GTA shall enter into force and become effective as from its signature by the parties and shall remain in force from the actual date when the TAP pipeline system is fully operational and able to commence the transportation of natural gas after a successful technical completion test until the expiry of the term of the GTA (Termination Date), subject to the provisions in the GTA.
- The reserved capacity shall be the maximum daily capacity (expressed in kWh per Gas Day) in TAP that TAP AG shall reserve, make available and provide to the shipper.
- Fuel Gas shall be provided "in kind" by each shipper pro rata to the quantities transported for the shipper in the respective period.
- TAP AG will procure line-fill gas.

- All shippers contracting transportation in TAP will be treated in a non-discriminatory manner.
- Transportation capacity unused by the shipper may be offered by the shipper to the market.
- Rules for capacity management will be applied also according to general principles, including Congestion Management Procedures, Use-It-Or-Lose-It arrangements, secondary capacity trading arrangements, balancing regimes, capacity overruns, nomination and renomination rules, compliant with relevant EU provisions as they will be established, amended or integrated by comitology according to the procedure established in articles 6, 7, 23 of Regulation 715/2009 of the Parliament and the Council;
- TAP AG will define an operations code compliant with the rules mentioned above, subject to the Authorities' approval. The network code will provide for a harmonized regime for capacity allocation for the entire route of the TAP project.

Appendix E TAP e-Room Rules and Procedures for Access

TAP E-ROOM USERS ACCEPT THE TAP E-ROOM RULES BELOW AS SET OUT BELOW AT ALL TIMES.

1 Use of the TAP e-room

These rules (the Rules) govern the use of the TAP e-room provided to the Interested Party as defined in the Confidentiality Agreement and who has completed a valid Registration For Expression of Interest Form - Appendix A.

Trans Adriatic Pipeline AG, CH-6340 Baar (TAP), and/or any of its advisors may amend these Rules at any time by notice.

To be able to register users and grant access to the TAP e-room, the user's family name, first name and email address are required.

TAP reserves the right, in their absolute discretion, to refuse, deny, or remove, access to the TAP e-room to any user. In particular TAP reserves the right to exclude access to any person who has been convicted for being a member of a criminal organisation or has been convicted for offences of fraud, corruption or money laundering, as well as any natural or legal person who has been declared bankrupt or who currently subject to any form of insolvency proceeding

2 Compliance

All users of the TAP e-room shall comply with all applicable laws and regulations in accessing the TAP e-room and in further using or accessing the Confidential Information as defined in the Confidentiality Agreement. No user of the TAP e-room shall introduce any computer virus, Trojan horse, worm or other destructive code to the TAP e-room or the systems on which the TAP e-room is held.

3 Liability

TAP AG does not warrant that the TAP e-room will be free of computer viruses and other destructive code. TAP AG accepts no liability for any damage caused by any destructive code transmitted through the access to the TAP e-room by the user. TAP e-room users acknowledge that it is their responsibility to implement sufficient procedures and virus checks to satisfy their particular requirements.

4 Security Precautions

4.1 The TAP e-room may not be accessed from any non-secure address such as an internet café or other place where the public has access.

4.2 When a computer being used to access the TAP e-room is left (even for a short time), that computer should be locked using a password which is known or accessible only to the TAP e-room user and the relevant internal IT support department.

4.3 At the end of each session accessing the TAP e-room, the browser window must be closed down.

4.4 TAP e-room users may only use the User ID and Password which has been allocated to them individually. Such User ID or Password may not be disclosed to others and no TAP e-room user may permit others to use User ID and Password assigned to them individually.

5 Security Requirements

5.1 TAP e-room users will not attempt to download, scan, copy, print or otherwise capture any of the Information. TAP e-room users will not attempt to circumvent any of the security features of the site, and will not enable or allow others to access the site using their authorization to the site.

5.2 When a document in the TAP e-room has been reviewed, any copies must be destroyed. TAP e-room users will also take all steps reasonably specified by TAP to erase any copies of TAP e-room information which may have been made on IT systems used by TAP e-room users. At the request of TAP, TAP e-room users shall provide signed written confirmation that they and their organizations have complied with the requirements of this paragraph.

5.3 Failure to comply with paragraphs 5.1 and 5.2 will be taken to be a breach of the Confidentiality Agreement, and access to the TAP e-room may be immediately revoked.

6 Provision and Update of the TAP e-room

The TAP e-room is intended to be available 24 hours a day, 7 days a week up to 15 August 2012. It is not envisaged that the TAP e-room will require any downtime, although this cannot be guaranteed.

TAP, may, for technical reasons, withdraw the TAP e-room at any time without notice to interested parties. No assurance is given that the TAP e-room will be available at any particular time or that any information can be accessed in any format, at any download rate or at all. TAP may in their discretion provide alternative means for accessing the TAP e-room information.

Further documents may be added to the TAP e-room and existing documents on the TAP e-room may be updated at any time. It is the responsibility of each user to check the TAP e-room for updates. New documents will be tagged.

The Authorities will be kept informed of the list of available documents in the e-room.

7. General Disclaimer

TAP AG has taken all reasonable efforts to ensure that the information available in TAP e-room is correct at the time of publication but TAP AG makes no representation or warranties, express or implied, as to the quality, accuracy and completeness of the information in TAP e-room, and TAP AG assumes no liability in contract or in tort or breach of statutory duty or otherwise for or in respect of any indirect, incidental, consequential or exemplary loss or damage howsoever arising in respect of or in connection with the information contained in or from the inaccuracy, incompleteness, or omissions in the contents of TAP e-room.

8 Helpdesk

Support is available 24 hours a day, 7 days a week via onlineservices@allenovery.com.

By signing below, TAP e-room users acknowledge that they have read, understand, and agree to the above conditions.

User Family Name: _____
User First Name: _____
Company: _____

E-mail: _____

Date: _____

Signature: _____

Appendix F GUIDELINES FOR MANAGEMENT AND ALLOCATION OF CAPACITY TO THE TRANS ADRIATIC PIPELINE (TAP) PROJECT ACCORDING TO PARAGRAPH 6 O FARTICLE 36 OF THE DIRECTIVE 2009/73/EC

PHASE I: INVITATION OF INTERESTED PARTIES TO EXPRESS THEIR INTEREST IN RESERVING CAPACITY

Considering that:

- TAP AG company has submitted to the National Authorities of Albania (hereafter: ERE) and Greece (hereafter: RAE) and to the Italian Ministry (Ministro dello Sviluppo Economico) its application for TPA exemption for the project Trans Adriatic Pipeline that lays across the three countries and qualifies as an interconnector;
- The Italian Ministry has invited the Italian National Authority (hereafter: AEEG) to define jointly with RAE and ERE market test procedures for TAP pipeline;
- Directive 2009/73/EC is relevant for Italy and Greece as Member States of the European Union and it has been transposed into the relevant national legislation of each country;
- Directive 2003/55/EC is relevant for Albania as a Contracting Party of the Energy Community and it has been transposed into the national legislation;
- Article 22 of the Directive 2003/55/EC, Article 36 of the Directive 2009/73/EC and national legislation require that, in the case where the infrastructure in question is located in the territory of more than one country, any decision on the TPA exemption should be taken in co-operation between the National Authorities of the countries concerned.
- The Council of Ministers of the Energy Community has decided on October 6, 2011 that Directive 2009/73/EC and Regulation 715/2009 will have to be implemented by all Contracting Parties by the year 2015.

The National Regulatory Authorities of Albania, Greece and Italy have jointly developed these guidelines for the management and allocation of capacity to the TAP project, according to paragraph 6 of Article 36 of the Directive 2009/73/EC, the first phase of which refers to the invitation of interested parties to express their interest in reserving capacity in the above mentioned project.

The National Regulatory Authorities of Albania, Greece and Italy have jointly decided as follows:

Article 1
Definitions

1.1 The following definitions apply:

a) **Authorities**: The National Regulatory Authorities (NRAs) of Albania (Enti Rregullator I Energjise - ERE), Greece (Regulatory Authority for Energy -RAE), and Italy (Autorità per l'energia elettrica e il gas - AEEG);

b) **Day(s)**: calendar day(s);

c) **Directive**: The Directive 2009/73/EC;

d) **Exemption Application**: the exemption application sent by TAP AG company to Authorities (ref. Autorità per l'energia elettrica e il gas 29/08/2011 22591, Enti Rregullator i Energjise (ERE) Prot nr. 478 dt 29/08/2011, RAE Ref. I-143197/31.08.2011);

e) **Expansion capacity**: expansion of the 10 billion cubic meters/years initial capacity

f) **Host Countries:** Albania, Greece and Italy;

g) **Market test**: the process defined in paragraph 6 of the article 36 of the Directive in order to assess the interest of all potential users in contracting capacity before capacity allocation in the new infrastructure takes place;

h) **Sanctioned Gas**: natural gas which:

(a) has been extracted from petroleum deposits in a Sanctioned Jurisdiction (Restricted Gas); or

(b) will have been made available to the shipper of that gas as a direct or indirect result or consequence of any contractual or other arrangement to which the shipper, or any of its affiliates or related persons (the Offtaker), is a party whereby the Offtaker purchases Restricted Gas; or will have been made available to the shipper as a direct or indirect result or consequence of any other arrangement having a similar economic or practical effect.

For these purposes, Sanctioned Jurisdiction means any jurisdiction in respect of which any commercial, import or export activities with that jurisdiction or persons resident in that jurisdiction and subject to sanctions imposed by any of the EU, the UN or the USA, in each case in relation to terrorist activities or sponsorships, or the acquisition or possession of WMD.

i) **TAP AG**: the company Trans Adriatic Pipeline AG., with registered office in Baar, Switzerland, Lindenstrasse 2;

j) **TAP project**: the Tran Adriatic Pipeline project.

Article 2

Subject matter and scope

2.1 As of Article 36.6 of the Directive, following the "Exemption Application" submitted by TAP AG for the Trans Adriatic Pipeline project, before deciding upon the exemption from Third Party Access, Authorities decide upon rules and mechanisms for management and allocation of capacity. The rules require a *market test* to be implemented.

2.2 For the above mentioned TAP project, the *market test* is structured in two phases:

1. *Expression of interest* phase;
2. *Booking* phase.

2.3 In the *Expression of interest* phase all potential users, institutions and TSOs are invited to express their interest, according to the present guidelines, in contracting capacity or in connecting to the infrastructure and are asked to submit data and information in order for the Authorities to assess the criteria set in Article 36.1 of the Directive. The *Expression of interest* phase neither binds participants to book the capacity for which they have expressed their interest nor does it bind TAP AG to offer it. However, participation to the *Expression of interest* phase is a prerequisite to access the *Booking* phase.

2.4 In the *Booking* phase potential users are requested to bid and subscribe for capacity in the Trans Adriatic Pipeline. As a result of the *Booking* phase, long term capacity is allocated under ship-or-pay contracts, subject to the final investment decision by TAP AG

and its shareholders leading to the actual realization of the infrastructure.

2.5 The present document provides the general framework for capacity allocation and management procedures and defines, in particular, how to perform the *Expression of interest* phase.

Article 3

Framework rules and mechanisms for capacity allocation and management

3.1 Procedures for performing the *Expression of interest* phase of the *market test*, including the expression of interest notice are proposed by TAP AG within 20 (twenty) Days following the issuing of these guidelines and approved by the Authorities within 15 (fifteen) Days after receiving the proposal. Authorities will verify, in particular, that procedures are open, non-discriminatory, transparent and in accordance with EU and national legislation in the Host Countries.

3.2 The *Expression of interest* phase of the *market test* is conducted by TAP AG who is responsible for the proper conduct of the proceedings as a result of the approval of the Authorities.

3.3 Shareholders of TAP AG will participate in the *Expression of interest* phase of the *market test*, and in the subsequent *Booking* phase, under the same terms and conditions applicable to other interested parties, as set out in the *expression of interest notice.*

3.4 Following the conclusion of the *Expression of interest* phase, Authorities, taking into consideration also the report and opinion referred to in Article 7 below, shall assess if criteria set by Article 36.1 of the Directive are fulfilled and, if so, they express a positive opinion upon granting the exemption. In expressing the positive opinion, consideration will be given by Authorities to the need to impose conditions, according to Article 36.6 of the Directive, regarding among others the duration of the exemption and non-discriminatory access to the infrastructure, taking into account specific national circumstances in the three Host Countries and the technical and economic aspects of the TAP project. The positive opinion may also be conditional on the obligation on TAP AG to offer Expansion capacity in the *Booking* phase and to build it if allocated, in so far as it is technically and economically feasible to do.

3.5 If after the *Expression of interest* phase Authorities don't have enough elements to assess if criteria set by Article 36.1 of the Directive are fulfilled and, therefore, they cannot formulate an opinion upon granting the exemption, they may request TAP AG to either provide more information or to implement the *Booking* phase on the capacity requested in the *Expression of interest* phase.

3.6 The exemption decision may also include an obligation of TAP AG to run further market tests in subsequent years, with the view to investigate the willingness of potential users to contract additional capacity.

3.7 Only in case of need to perform the *Booking* phase the guidelines for the implementation, its detailed design and the amount of capacity available for booking will be issued by the Authorities in line with the principles of the present guidelines.

3.8 As a general principle:

a) in the *Booking* phase capacity is allocated through auctions;

b) tariffs applied to users are cost reflective and non discriminatory.

3.9 Detailed rules, products, tariffs and duration of contracts for capacity allocation, as well as mechanisms to deal with cost-overruns and penalties applied to TAP AG if capacity is not

delivered on time will be decided by the Authorities before the *Booking phase*, taking into account the criteria referred in Article 36.1 of the Directive, and the results of the *Expression of Interest* phase.

3.10 Rules for capacity management will be applied also according to the following general principles:

a) they will include Congestion Management Procedures, Use-It-Or-Lose-It arrangements, secondary capacity trading arrangements, balancing regimes, capacity overruns, nomination and renomination rules compliant with relevant EU provisions as they will be established, amended or integrated by comitolgy according to the procedure established in articles 6, 7, 23 of Regulation 715/2009 of the Parliament and the Council;

b) TAP AG will define a network code compliant with the rules mentioned above, subject to Authorities' approval. The network code will provide for a harmonized regime for capacity allocation for the entire route of the TAP project.

Article 4

Expression of interest notice

4.1 The *Expression of interest* phase begins with an *expression of interest notice* for capacity allocation to be published by TAP the day after the official approval notice of the procedures foreseen in art. 3.1. The *expression of interest notice* should be sufficiently publicized to attract interest from third parties and allow for their meaningful participation.

4.2 Avenues used to publicise the notice should include appropriate national and international media and the TAP AG's website. The notice should be available in English.

4.3 The notice should provide general information on the project and therefore the service(s) participants are being proposed. Participants should at least be informed about:

a) the proposed project's intake and offtake points and route and any alternative designs if applicable;

b) the proposed project's technical specifications, such as operating pressure and gas quality constraints, if any, at each intake and offtake point, and for each design under consideration;

c) the estimated in-service date (i.e. when the infrastructure is expected to become operational);

d) a detailed description of the proposed project's connections to other networks in all three countries, as well as information on the way that TAP AG will pursue with the corresponding expansion of capacity in those other networks for the accommodation of the capacity required for TAP;

e) the transportation services proposed in the Exemption Application, identified with the contractual intake and offtake points, specifying for each service starting date and duration.

f) additional transportation services including at least the following:

- firm forward transportation of natural gas from the intake point in Greece (Komotini) to any point in Greece, Albania and Italy, including the offtake point in Italy (San Foca, near Lecce);
- firm and/or interruptible reverse transportation of natural gas from the intake point in Italy to any point in Italy, Albania and Greece, up to the offtake point in Greece;

g) a non binding estimate of the investment and operating costs, for different possible capacities to be built;

h) a summary of the situation of authorizations, licences and regulatory approvals and the timetable for ensuing them*;*

i) details on how to obtain information on the requirements to be satisfied for admittance by TAP AG to the due diligence procedures and data room, and in particular standard contractual terms in relation to paragraph 5.1 below.

4.4 The notice should also at least include the following general information:

a) arrangements in place to ensure the confidentiality of information received from the *Expression of interest* phase participants;

b) a declaration that participation in the expression of interest phase is a prerequisite for participation at the *Booking* phase that might follow;

c) the start and end dates of the expression of interest phase: the end date must be set at least 2 (two) months after the publication of the *expression of interest notice*;

d) details on how to make the *expression of interest,* and, in particular, a standard form of the *expression of interest*.

Article 5

Expression of interest

5.1 TAP AG may provide for an appropriate due-diligence to disclose to all participants, under a confidentiality agreement, more specific information about the project.

5.2 The terms and conditions for access to the data room will be further specified by TAP AG.

5.3 In their application for the *Expression of interest* phase, participants have to declare that information provided is true (attested affidavit).

5.4 A participation fee may be requested by TAP AG with the sole purpose of covering the administrative costs of the *Expression of interest* phase. Adequacy of the fee is part of Authorities' evaluation as of §3.1.

5.5 Information is to be provided in the TAP AG data room about products offered on natural gas systems in the Host Countries. As far as Italy is concerned connection with TSO (Snam Rete Gas) is done according to deliberation Autorità per l'energia elettrica e il gas ARG/gas 2/2010. As far as Greece is concerned, connection with the National Gas Transmission System, owned and operated by DESFA SA, is done according to the provisions of the Law 4001/2011 (ΦΕΚ 179, 22.08.2011) and of the Network Code (RAE Decision No 1096/2011, ΦΕΚ Β' 2227, 04.1.2011 amending Ministerial Decision Δ1/Α/5346/22.03.2010, ΦΕΚ Β' 379/01.04.2010). As far as Albania is concerned according to the provisions of the Albanian Natural Gas Law No. 9946_dt._30/06/2008.

Article 6

Participation in the Expression of interest phase

6.1. All interested parties including TSOs and relevant institutions (governments, ministries of EU Member and non-Member States, financial institutions), as well as market operators, may participate in the *Expression of interest* phase

6.2 Market operators' admittance to the *Expression of Interest* phase can be made conditional on reasonable creditworthiness requirements.

6.3 When expressing their interest, participants should indicate, at least:

a) the transportation services they are interested in;

b) the type (firm/interruptible), start date, duration and the amount of capacity for each service.

Participants to the *Expression of Interest* phase should be allowed to request differentiated starting dates and duration of the services they require, within the general frame of the corresponding dates proposed by TAP AG.

6.4 Participants should not consider to be confined to the proposed route and therefore in case they are interested in services other than the ones specified in the Expression of interest notice, they can indicate appropriate modifications to TAP AG's proposal that would better accommodate their needs, such as:

a) additional intake and offtake points to be built along the entire pipeline's proposed route or located elsewhere from the original project;

b) different starting and ending date of the transportation services or duration;

c) interruptible services.

Participants should also indicate the scope of the requested modifications, such as to serve countries in the vicinity of the proposed project route, from other intake and offtake points.

6.5 Market operators must submit their application to TAP AG with a copy to the Authorities, including a declaration to TAP AG that sanctioned gas will not be introduced into or transported through any part of the TAP project. Only on Authorities' copy, applicants should add the following information:

a) the upstream and downstream transportation systems they will rely upon;

b) whether they already have capacity booked on these systems or transportation contracts coherent with the required capacity;

c) source and origin of gas; in particular, applicants have to declare if the requested capacity is to transport gas from Shah Deniz phase II;

d) status of the agreements with upstream suppliers (already effective, MOU, other).

6.6 TSOs and institutions participating in the Expression of Interest phase should express their interest to the Authorities and to TAP AG.

6.7 For avoidance of any doubt, any further obligations other than those stated in this regulation can't be imposed on participants and on TAP AG in the *Expression of interest* phase.

Article 7

Reporting of TAP AG on the results of the Expression of Interest phase

7.1. Within 15 (fifteen) Days after the completion of the Expression of Interest phase, TAP AG will deliver to the Authorities a report summarising the results of the Expression of Interest phase, including its evaluation on Expression of interest phase results, with specific reference to the implications on the project. TAP AG assessment is not binding for the opinion to be given by Authorities as of art. 7.2.

7.2. The Three Authorities will give their opinion on Expression of interest phase results within 30 (thirty) days after receiving the summarising report mentioned in art. 7.1.