

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

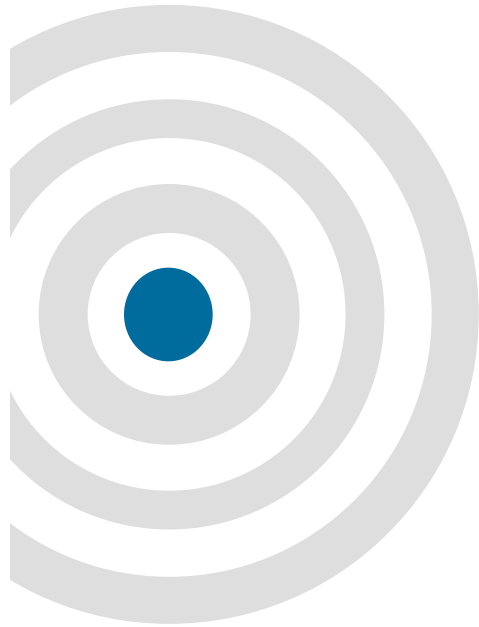
Caspian Oil & Gas 2010
Baku, 2nd June, 2010

Kjetil Tunglund, Managing Director, TAP



Opening the Southern Gas Corridor

Presentation Outline



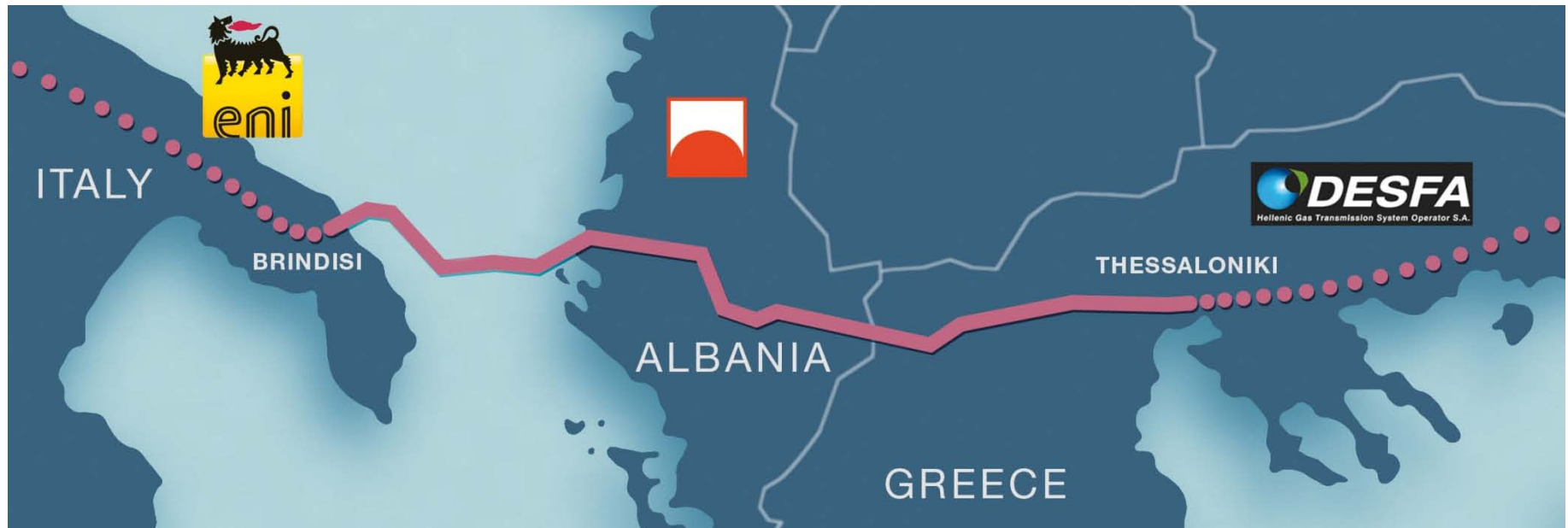
1. Key features
2. Strong partners
3. Project progress
4. TAP's business case
5. Conclusions

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
- Gas storage option in Albania - supports European energy security
- Shallowest offshore section (820 m) compared to other pipelines



Supported by Strong Partners



TAP is a European project



E.ON Ruhrgas joined TAP on the 20th of May, 2010

EGL (42.5 %):

- European energy trading company with own assets in 16 countries
- Operates gas fired plants in Italy

Statoil (42.5%):

- Second largest gas supplier to Europe
- The world's largest deepwater operator (8,000 km of subsea pipelines)

E.ON Ruhrgas (15%):

- Europe's largest private utility supplying 53 billion m³ of gas per year
- Own supply system comprises 11,600 km of gas pipelines

TAP Project Progress



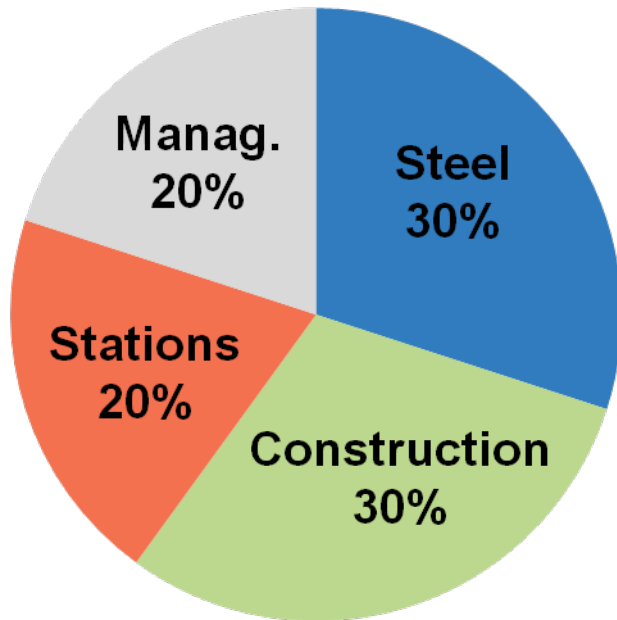
- ***E.ON Ruhrgas*** becomes shareholder of TAP (20 May 2010)
- ***Memorandum of Understanding and Cooperation*** signed with Albania (18 May 2010)
- Energy-related ***Inter-Governmental Agreement*** between Italy & Albania signed (March 2009)
- ***Extensive routing & ESIA studies*** and stakeholder consultations (2009-10)
- Various ***applications filed in Greece and Italy*** since 2008
- ***Basic engineering*** concluded in 2007 - Front-end engineering design stage (FEED) running
- Recognised by ***EU as Project of common interest*** (2003)



What Builds a Pipeline?

TAP is cost effective : “straight line economics works”

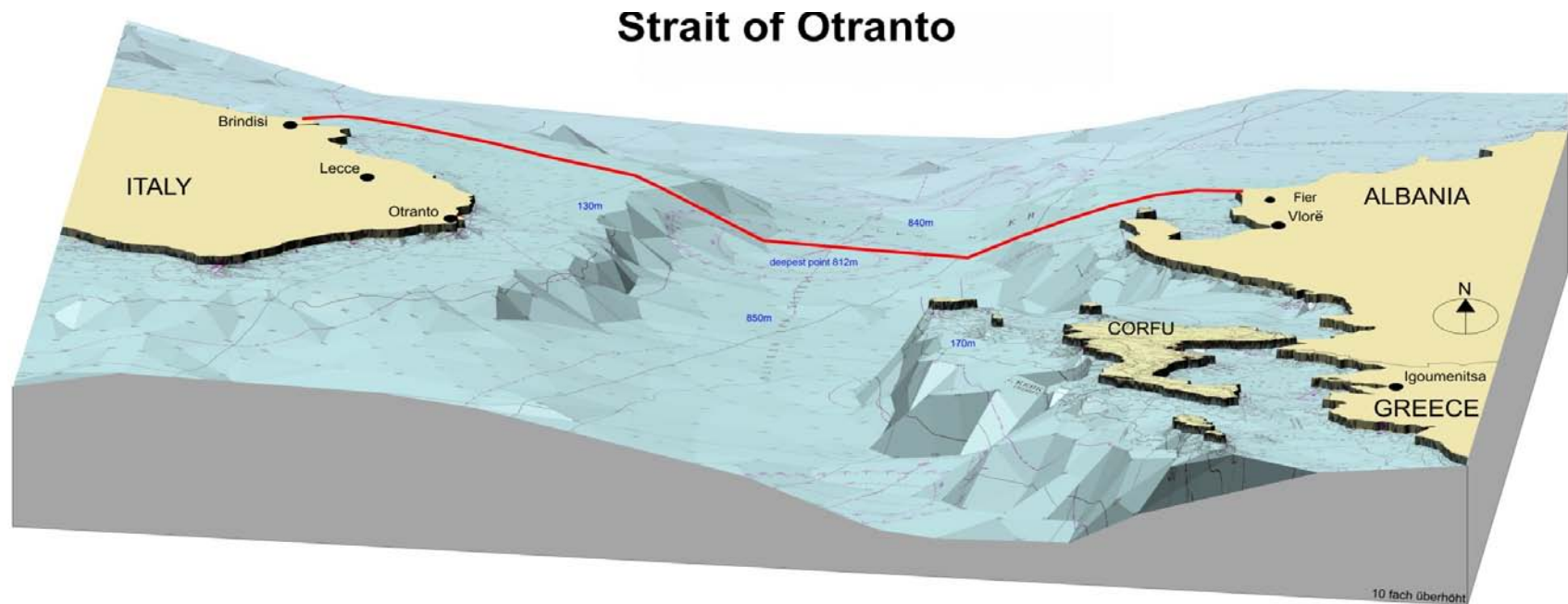
Typical Capex distribution
for gas pipeline projects



- ***TAP has easy access to steel***
Shareholders have framework agreements with steel suppliers in place
- ***TAP does not require pre-investments for steel*** before Final Investment Decision (FID)
- TAP has access to world renowned pipeline onshore and offshore ***technology & experience***

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
 - Favourable seabed slopes and geotechnical conditions



Commitment to Highest Standards

- TAP strives to go ***beyond the requirements of commercial banks***, host countries and NGOs
- TAP adheres to the European Bank of Reconstruction and Development (***EBRD***) ***performance requirements***
- Our goal is to avoid negative impacts, enhance positive effects and ***contribute to sustainable development***



Why TAP is the Solution?



The missing link in the Southern Gas Corridor

- **TAP** is the ***shortest and least expensive*** route to European markets
- **TAP** is a ***commercially & technically viable*** gas pipeline project
- **TAP** is ***privately owned***: doesn't rely on EU grant funding to succeed
- **TAP** contributes to increased ***security of supply*** in Europe
- **TAP** ***reinforces Azerbaijan's options*** of exporting gas to Europe
- **TAP** meets the needs of ***producers, shippers and buyers***



Thank you!

Find out more about TAP at:

www.trans-adriatic-pipeline.com