



Trans Adriatic Pipeline



MEDIA RELEASE

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## **TAP and BH-Gas sign MOUC in support of security of supply in the South Eastern European region**

**Baar, Switzerland. The Trans Adriatic Pipeline AG and the Bosnian system operator BH-Gas have signed a Memorandum of Understanding and Cooperation (MOUC) to explore opportunities for developing natural gas markets and enhancing supply diversity in South East Europe (SEE).**

Security of supply and diversification of gas sources, in particular in the SEE region, are important European objectives. This is the second initiative that TAP has undertaken during the last months to make a positive contribution to these objectives; in February 2011 TAP and Croatian system operator Plinacro Ltd entered into an MOUC aimed at establishing cooperation in a number of areas in order to ensure the coordinated development of their respective natural gas pipeline projects.

The TAP consortium, comprised of European energy leaders Statoil, E.ON Ruhrgas and EGL, is aimed at constructing a natural gas pipeline via Greece, Albania and Italy to bring Caspian gas to Europe. The pipeline will be a key component in opening the European Union-designated Southern Gas Corridor. TAP is envisaged with reverse-flow capabilities that will also facilitate reliability in the event of regional energy supply disruptions. Plinacro, together with BH-Gas, are promoting the Ionian Adriatic Pipeline (IAP), which intends to deliver gas to Croatia, Bosnia and Herzegovina, Montenegro and Albania. The IAP will bring major energy security and economic benefits to the region.

Kjetil Tunland, Managing Director of the Trans Adriatic Pipeline project, said: "With this signature, TAP has taken yet another step to respond to the strategic challenges of energy supply for Europe. While being a purely private sector project, not relying upon public finance, we still aim to contribute to meeting key national, regional and European energy policy objectives. We are delighted to have signed this agreement with this key additional partner and look forward to making real progress. We will now continue our work relentlessly to pave the way for gas supplies to the entire South Eastern European region."

Almir Becarevic, President of the Board of BH-Gas said: "We see the signing of today's MOUC with TAP as a real milestone that will increase the reliability and diversification of gas supplies to South East Europe. BH-Gas is fully focused on development projects, including regional initiatives such as TAP, which is clearly seen as a step forward concerning increase of security of supply in the SEE region. After the signing of the Ministerial Declaration on the Ionian-Adriatic Pipeline by the Council of Ministers, our MOUC with TAP, is the next logical step in realizing the infrastructure that will diversify gas supplies in the region. Our final goal is to ensure both implementation of development projects and also bringing additional natural gas resources through participation in these projects."

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## About Trans Adriatic Pipeline (TAP)

The 520km long pipeline will transport gas via Greece and Albania and across the Adriatic Sea to southern Italy and further 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 market outlet for natural gas from the Caspian Sea. TAP's shareholders are Swiss EGL (42.5%), Norwegian Statoil (42.5%) and German E.ON Ruhrgas (15%).

The project is designed to expand transportation capacity from 10 to 20 bcm per year depending on throughput. The TAP project also envisages physical reverse flow of up to 8 bcm and the development of natural gas storage facilities in Albania to further ensure security of supply during operational interruptions of gas deliveries.

The Trans Adriatic Pipeline is supported by the EU as a TEN-E project (Trans European Networks – Energy), in conformance with its energy policy and has been categorized by the EU Commission as an EU Interconnector. Furthermore, the project enjoys political support and is named as part of the Italy-Albania IGA (intergovernmental agreement).

TAP has its headquarters in Baar, Switzerland and branch offices in Athens, Rome, Tirana. TAP is currently in front-end engineering and its schedule is fully aligned with developments upstream.

More about TAP: [www.trans-adriatic-pipeline.com](http://www.trans-adriatic-pipeline.com)  
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## About BH-Gas

BH-Gas was established in 1997 by the Federal Government with responsibility for import, transmission and natural gas wholesale activities in Bosnia and Herzegovina. The company currently employs 37 persons and operates more than 70% of the transmission system in Bosnia and Herzegovina. The management and development of the system is one of the core activities of the company as defined by the Federal Government and ongoing and planned development projects include the implementation of approx. 350 km which would increase total consumption to over 1 billion m<sup>3</sup> of natural gas. BH-Gas places emphasis on relevant regional and international projects as confirmed by signing of this MOU, and especially on those by which Bosnia and Herzegovina would be provided with a new transportation route, with possibility of diversification of gas resources.

More about BH-Gas: [www.bh-gas.ba](http://www.bh-gas.ba)

## About Ionian Adriatic Pipeline (IAP)

The IAP project intends to connect the existing and the planned gas transmission system of the Republic of Croatia, via Montenegro, and Albania with the TAP system (Trans Adriatic Pipeline). The total gas pipeline length from Split (Croatia) to Fier (Albania) is 516 km. Its 5 bcm/y capacity will provide the natural gas supply for Albania, Montenegro, Bosnia and Herzegovina and Croatia. The implementation of the entire Ionian-Adriatic Pipeline project supports opening of the new energy corridor for the SEE region within the fourth EU transmission corridor, and in order to establish a new natural gas supply direction from the Middle East and the Caspian region. The Ionian-Adriatic Pipeline will be bi-directional, i.e. it will provide SEE region with natural gas also from other sources such as the future LNG Terminal on the island of Krk.