



News Release

28 September 2012

Italy, Greece, Albania confirm political support for TAP with signing of Memorandum of Understanding

The governments of Italy, Greece and Albania confirmed their political support for the Trans Adriatic Pipeline (TAP) project with the signing of a Memorandum of Understanding (MoU) yesterday evening.

Concluded on the margins of the United Nations General Assembly meeting in New York, and in the presence of representatives from the US government, the MoU provides TAP with the necessary political support to continue its commercial activities in Italy. Next steps will be to complete regulatory approvals.

Kjetil Tungland, TAP's Managing Director, said: "We would like to thank the Italian, Greek and Albanian governments for this very clear demonstration of political support for TAP. This is another great step forward for the project and is testament to TAP's commercial and technical strengths and the significant benefits that it will bring to these countries.

"Today's signing follows a number of major milestones that TAP has achieved this year, including being the first pipeline to be selected by the Shah Deniz Consortium in February, a Cooperation Agreement with the Consortium in June and the Funding Agreement with BP, SOCAR and Total that was signed in August. We are working to further progress the project in the coming months."

TAP will take natural gas from the giant Shah Deniz II development in Azerbaijan, via Greece and Albania, across the Adriatic Sea to southern Italy, allowing further transport into Western Europe. Designed to expand the transportation capacity from 10 to 20 bcm per year, TAP will open up the so-called Southern Gas Corridor, which will enhance Europe's energy security by contributing to the diversification of the region's gas supplies.

About the Trans Adriatic Pipeline (TAP)

The Trans Adriatic Pipeline (TAP) is a natural gas pipeline project that will transport gas from the Caspian region via Greece and Albania and across the Adriatic Sea to Southern Italy and further into 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 establish a new market outlet for natural gas from the Caspian Sea and beyond.

The project is designed to expand transportation capacity from 10 to 20 bcm per year. TAP also envisages physical reverse flow of up to 80 per cent and the option to develop natural gas storage facilities in Albania to further ensure security of supply.

TAP's transportation solution will be approximately 800 kilometres in length (Approx.: Greece 478 km; Albania 204 km; offshore Adriatic Sea 105 km; Italy 5 km). Transport will begin near the Greek-Turkish border (Komotini), cross Albania and the Adriatic Sea, and connect with the Italian natural gas distribution system near San Foca in Italy.

TAP's shareholders are EGL of Switzerland (42.5%), Norway's Statoil (42.5%) and E.ON Ruhrgas of Germany (15%).

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http://twitter.com/tap_pipeline

Media enquiries:

media@tap-ag.com