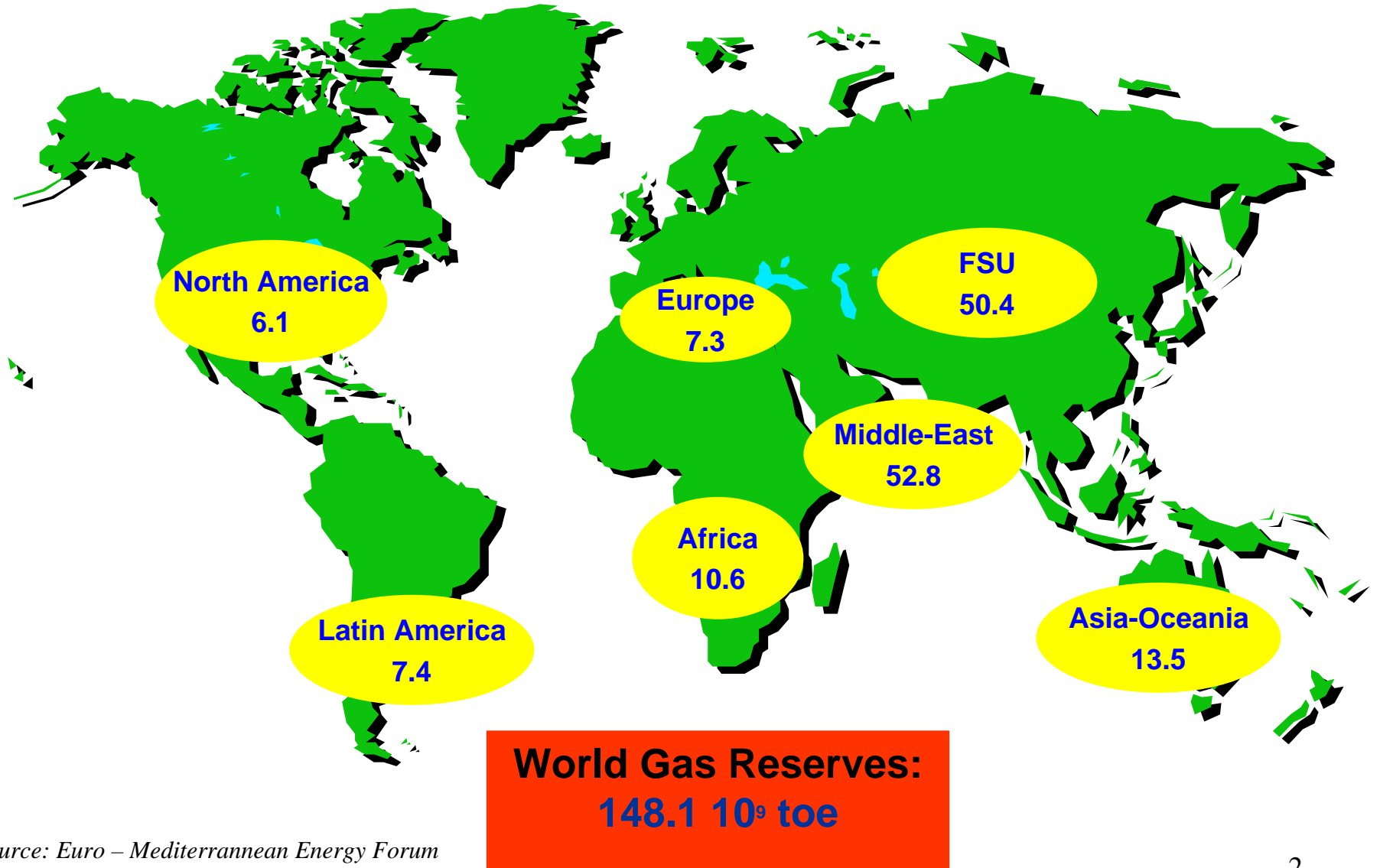


# The Turkey-Greece-Italy Interconnection Project



MINI GAS FORUM  
Vienna, 13 October 2006

# Estimated World Gas Reserves



# ITGI Project: Linking the Caspian Gas Resources to Europe

The **IGI Project** (Interconnection Greece-Italy), being developed by Edison and Depa, is the remaining interconnection required in order to export up to **8 bcma** of Caspian gas resources to Italy, via Turkey and Greece. In fact:

The **SCP, Bluestream and Iranian Pipelines**: connecting Azerbaijan, Russian and Iranian production fields to Turkey are already in operation or in advanced stage of construction.

The **Turkish gas network** capacity currently exceeds domestic requirements and will need limited investments in order to allow for transit of gas volumes destined to Greece and Italy.

The **ITG Project** (Interconnection Turkey Greece), connecting the Turkish and Greek natural gas grids, is currently under construction by Depa and Botas (Turkish Gas State Company) and will be completed within spring 2007.



# ITGI Project: Turkish Gas Network

The Turkish gas network is extended from east (connection with Russia, Azerbaijan and Iran already in place or close to completion ) to west (connection to Greece under construction) and is designed for a total transportation capacity exceeding domestic requirements.

During the life of the IGI Project, when domestic gas requirements will require the all existing capacity, the Turkish system will require upgrades in order to safely transport gas volumes destined to internal market and transits.

This upgrades will sum up to approx. 620 km of loopings (36" and 48") and approx. 320 MW of additional compression stations.





The ITG Project has been designed in order to accommodate (through the installation of some compression stations) also the gas volumes destined to the Italian market via the IGI Project, reaching a **maximum capacity of 11,6 bcm/y**

## Start up Configuration - 3 bcm/y

Turkish section Length:	210 km
Greek section Length:	85 km
Diameter :	36"
Number of CS:	0

## Final Configuration – 11,6 bcm/y

CS Karacabey :	50 MW
CS Intermediate:	40 MW

On July, 3rd 2005, an inaugural ceremony was realized at Kipi / Ipsala for the beginning of construction works, with the presence of the Prime Ministers of Greece and Turkey.

**The project is expected to be in operational mode in March 2007**

# ITGI Project: Interconnection Greece Italy

On 31 July 2002, DEPA and EDISON, signed an M.O.U. to assess the feasibility of the IGI Project. On 4 October 2002, BOTAS joined the above M.O.U.

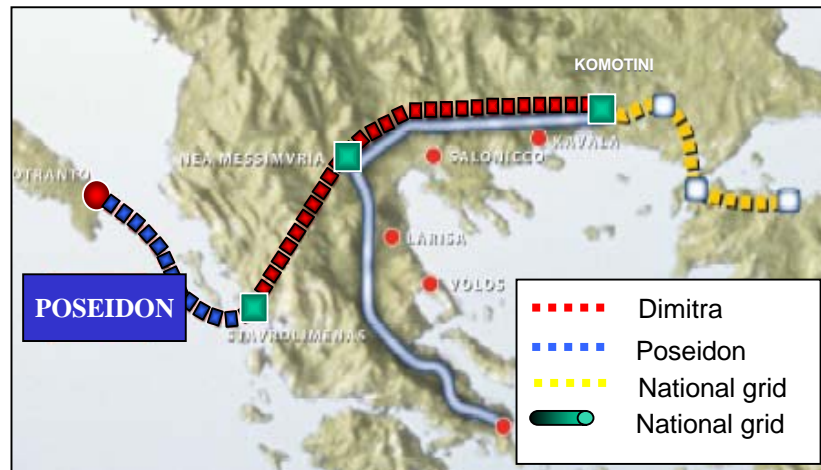
In 2004 - 2005, a technical, economical and financial feasibility study was performed in order to finalize preferred routing and commercial/financial structures.

The IGI Project links Komotini (end point of the ITG Project) to Otranto (Italy) and is designed to have an initial capacity of 8 bcm/y. The Project will be divided into two section:

- ❑ **Zeus pipeline:** Greek onshore section: to be fully developed by Depa.
- ❑ **Poseidon Pipeline:** Offshore section: to be developed by Edison and Depa.

## IGI offshore

Length: 212 Km  
Diameter: 32"  
Depth: 1450 m  
CS Stavr.: 75 MW  
**Capex: ca. 350 M\$**



## IGI onshore:

Length : 592 Km  
Diameter: 36"  
CS Komotini: 25 MW  
CS Nea Mess.: 40 MW  
**Capex: ca. 600 M\$**

**In November 2005**, the Italian Minister of Economic Development and the Greek Minister of Development, transformed the “Protocol of “Intent” which was signed in June 2005 into a full Intergovernmental Agreement.

**The Intergovernmental Agreement**, ratifies Italian and Greek support for the realization of the IGI Project, including the support to the TPA Exemption request to be filed by Edison and Depa, according to Article 22 of Directive 2003/55/EC.

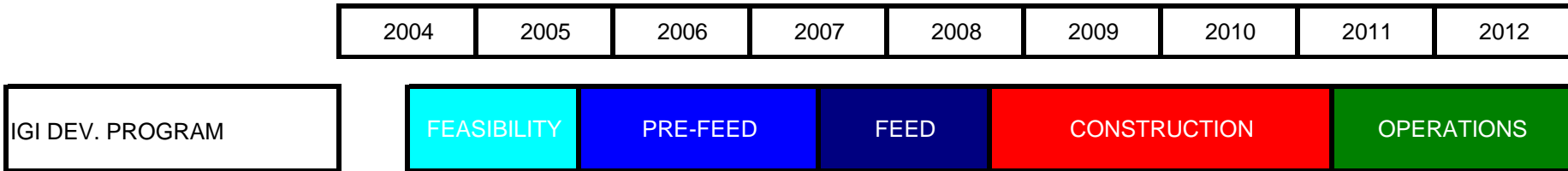
**In February 2006**, the Italian and Greek governments supported Edison and Depa request for funds under the TEN-E program for completion of FEED activities of the Poseidon Pipeline

**In 2004**, The Greek Government had already supported Depa request for contribution to TEN program for the execution of FEED of the Zeus pipeline.

**In March 2006**, after consultation with Energy Regulator, the Italian Government issued a specific Decree, to include the Italian Section of the IGI Project within the national grid plan under the label of Interconnector

**In September 2006**, The European Union, with a joint decision of the Parliament and the Council, has labeled the IGI Project as of European Priority Interest.

# ITGI Project: Activities Underway and Time Schedule of IGI Project



**Final Investment Decision: 2007**

**Project expected Start up Date: 2011**

- ✓ **Supply Contract:** Started discussions with relevant producers to secure gas supply accordingly to IGI Project time schedule and configuration.
- ✓ **Transportation Contract:** Negotiation ongoing for the definition of the gas Transportation Contracts through the ITGI system.
- ✓ **Authorisation Procedures:** to be launched in Italy and Greece within October 2006
- ✓ **TPA Exemption Procedures:** for Poseidon will be filed by Edison and Depa to the Italian Government accordingly to Directive 55/03 and applicable Italian Law (239/04 and relevant Ministerial Decree); For Zeus pipeline request will be filed by Depa accordingly to EU Directives and relevant Greek legislation.
- ✓ **Technical Activities:** Engineering activities including Reconnaissance Surveys are underway in order to initiate Poseidon FEED within mid 2007; ITT for Zeus FEED have been prepared and the tender will be launched within the next months.