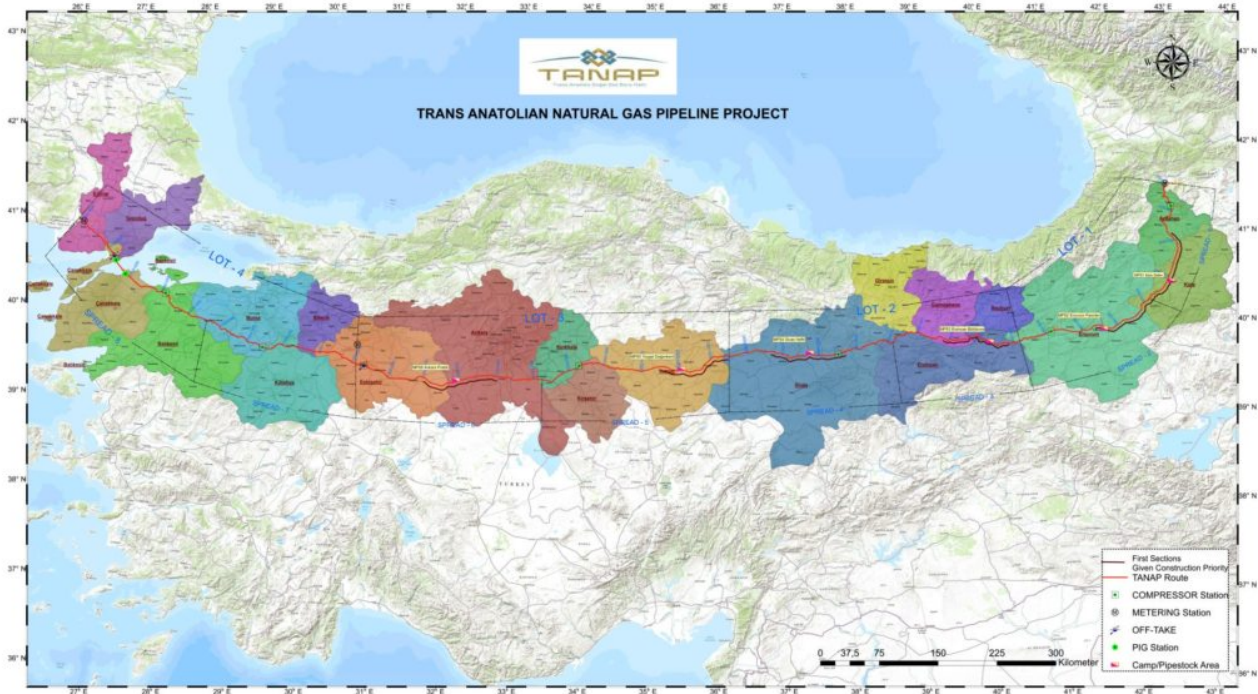


TANAP to deliver first commercial gas on June 30



– The project came in under budget from the original \$11.7 billion down to \$7.99 billion

First commercial gas from the Trans Anatolian Natural Gas Pipeline Project (TANAP) to Turkey will begin transit by June 30, Saltuk Duzyol, TANAP's general manager said on Tuesday.

TANAP, which will carry Azeri gas to Turkey and then onto Europe, is currently 93.5 percent complete, Duzyol confirmed at TANAP's Eskisehir Measurement and Compressor station where Turkey receives Azeri gas.

"Phase 0, which starts from the Turkey-Georgia border and ends in Turkey's Eskisehir province is almost completed," Duzyol said and added that the second part of the project – Phase 1 – starts from Eskisehir and continues to the Ipsala district of Edirne on the Turkey-Greece border, where TANAP will be connected to the Trans Adriatic Pipeline (TAP), the pipeline that will bring Azeri gas to European markets.

“We completed 80.7 percent of Phase 1. When we finish building this phase, we will wait for TAP. The percentage of the total completion of TANAP is currently 93.5 percent,” he said.

Phase 0, which started testing on Jan. 23, is still ongoing but from June 30 commercial gas transfer will start, Duzyol said.

The TANAP project has seen the employment of around 13,000 and currently has around 7,000 employed. The project had 82 million man-hours worked and the equivalent length of 175 million kilometers driven.

The project has also revealed many unexpected surprises during its construction phase, Duzyol said, disclosing that nine species of bugs were discovered along with a new plant species, previously unknown to the scientific community.

“We also discovered 154 archeological sites during the route selection and construction,” he added.

He said the total value of contracts signed for the project to date is \$5 billion.

– Project cost is under budget

Duzyol lauded the project management and the procurement process as a success in bringing the costs of the project under budget.

The estimated investment cost was \$11.7 billion at the start of the project, he explained adding that, and “We have successfully pulled this figure down to \$7.99 billion with the procurement process and project management we have successfully provided. I am proud to say that this is a huge financial success.”

He disclosed that project partners awarded \$3.75 billion in credit from international financial institutions and the European Union provided \$10.2 million in grant aid.

The stakeholder numbers for the project have also increased from three to four.

“The Southern Gas Corridor Company (SGC) had previously a 58 percent share but transferred a 7 percent stake to SOCAR Turkey. Currently, the SGC holds 51 percent, Turkey’s BOTAS 30 percent, BP 12 percent and SOCAR Turkey 7 percent,” he explained.

Duzyol also stressed that the TANAP pipeline could also be used to transfer gas from the Eastern Mediterranean or Iraq, conditional on sufficient demand and agreements.

TANAP’s initial capacity per year will be 16 billion cubic meters from which Turkey will withdraw 6 billion cubic meters while the remaining 10 billion cubic meters will be delivered to Europe.

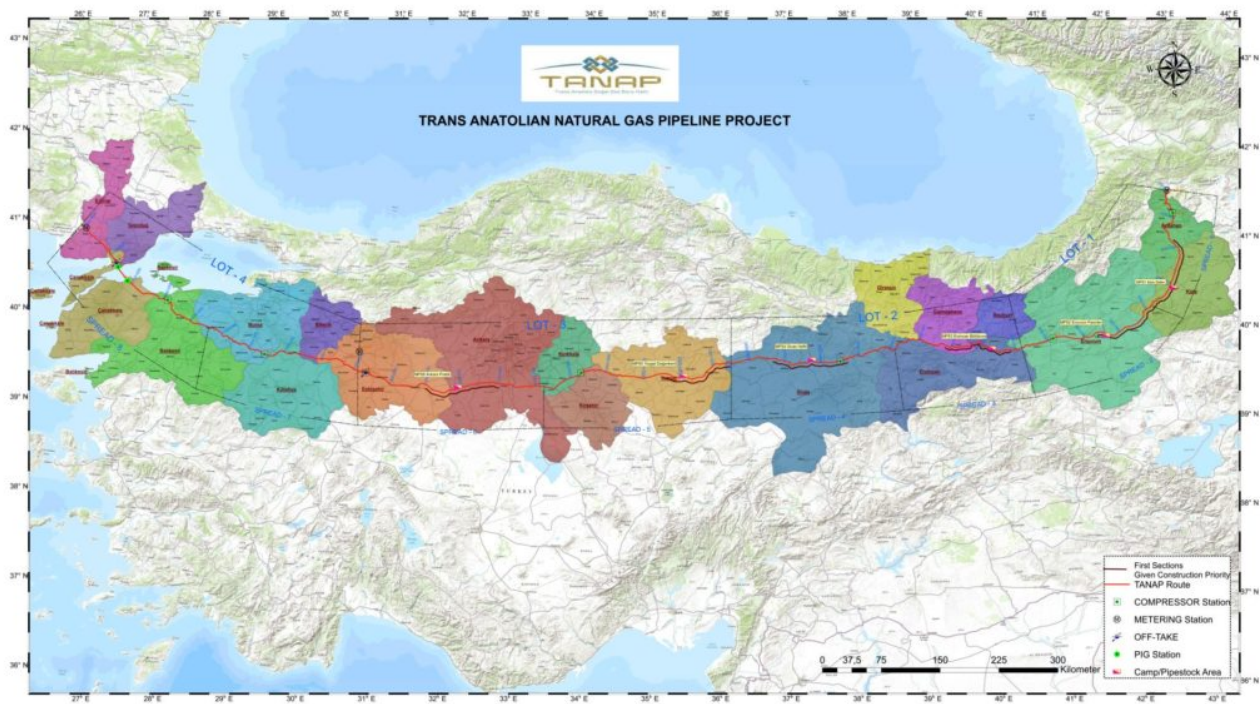
TANAP project to enter into service in June: Turkish minister



The Trans-Anatolian Natural Gas Pipeline (TANAP) project will enter into service as of June 12, Energy and Natural Resources Minister Berat Albayrak said on May 11.

“The opening ceremony will be held with the attendance of Turkish President Recep Tayyip Erdoğan and Azerbaijan President Ilham Aliyev on June 12,” Albayrak said during his speech at a sector meeting in the northwestern province of Bursa.

Project officials announced in April that the first gas would be pumped on June 30.



TANAP, running from the eastern province of Ardahan on the border with Georgia towards borders with Greece and Bulgaria, is the central and longest section of the Southern Gas Corridor (SGC). The main aim of the SGC is to connect the giant Shah Deniz gas field in Azerbaijan to Europe through the South Caucasus Pipeline (SCP), TANAP, and the Trans Adriatic Pipeline (TAP). The SCP runs from Azerbaijan to Turkey through Georgia and the TAP starts in Greece and runs to Italy through Albania and the Adriatic Sea.

The initial capacity of TANAP is expected to be 16 billion cubic meters (bcm) of gas per year, gradually increasing to 31 bcm. Around 6 bcm of gas will be delivered to Turkey and the remaining volume will be supplied to Europe.

Albayrak also said Turkey would start its first solo oil and gas deep-sea drilling in the Mediterranean before the end of this summer.