THE STATUS OF AGRI PROJECT

Presentation for **LNG High-Level Seminar**

24-25 January 2013, Constanta, Romania



The main scope of AGRI

- Southern Gas Corridor, designed as a direct link between Europe and the largest natural gas deposits in the world., plays a central role in achieving the European strategy objectives to ensure competitiveness and security of gas supply.

- **The AGRI Project offers to the countries of the region, the opportunity of a secure supplies and import diversification, to reduce its dependence on individual suppliers, by diversifying both supply sources and delivery channels.**

AGRI ROUTE (I)


RO-HU TARG.MARKET TRANSPORTATION
REGASIFICATION TERMINAL
LIQUEFACTION TERMINAL
AZ-GE TRANSPORTATION
UKRAINE
Kharkiv
SLOVAKIA
Bratislava
MOLDOVA
Chisinau
Donets'k
Volgograd
Atyrau (Atyrau)
HUNGARY
ROMANIA
Rostov
Sea of Azov
CROATIA
Belgrade
Bucharest
BOS. & HER.
SER.& MONT.
Sarajevo
Black Sea
Sofia
BULGARIA
Tbilisi
Skopje
Istanbul
ALB.
Tirana
THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA
Bursa
Ankara
ARMENIA
Yerevan
Baku
GREECE
İzmir
TURKEY
Konya
Adana
Tabriz
Athens
Sicily

AGRI ROUTE (II)

- Pipeline transport through Azerbaijan and Georgia
- Liquefaction process in future LNG terminal in one of Georgia's harbors
- Crossing the Black Sea by tankers



AGRI ROUTE (III)



- **Re-gasification process in future LNG terminal on the Romanian Black Sea Coast.**
- **Pumping the natural gas into Romania's pipeline system for transit and domestic consumption.**
- **Pipeline transport through Hungary either for internal use, or to be transported farther in Europe.**

AGRI Project brings together

- The key role of **Azerbaijan** as a major hydrocarbons producer in the Caspian region;
- **Georgia**'s importance as an energy transit country;
- **Romania**'s potential to ensure a direct access towards Europe, as a bridge over the Black Sea;
- The added value of **Hungary**, for the western dimension development of the project.

Progress Report
- Partners' political support (I)-

- **Memorandum of Understanding** for cooperation in the field of LNG and its transportation, among Azerbaijan, Georgia and Romania, signed on April 13th, 2010, in Bucharest.

- **Protocol regarding the establishment of AGRI project development company** among the Ministry of Economy, Trade and Business Environment of Romania, the Ministry of Industry and Energy of the Republic of Azerbaijan and the Ministry of Energy of Georgia, signed on May 12th, 2010, in Tbilisi.

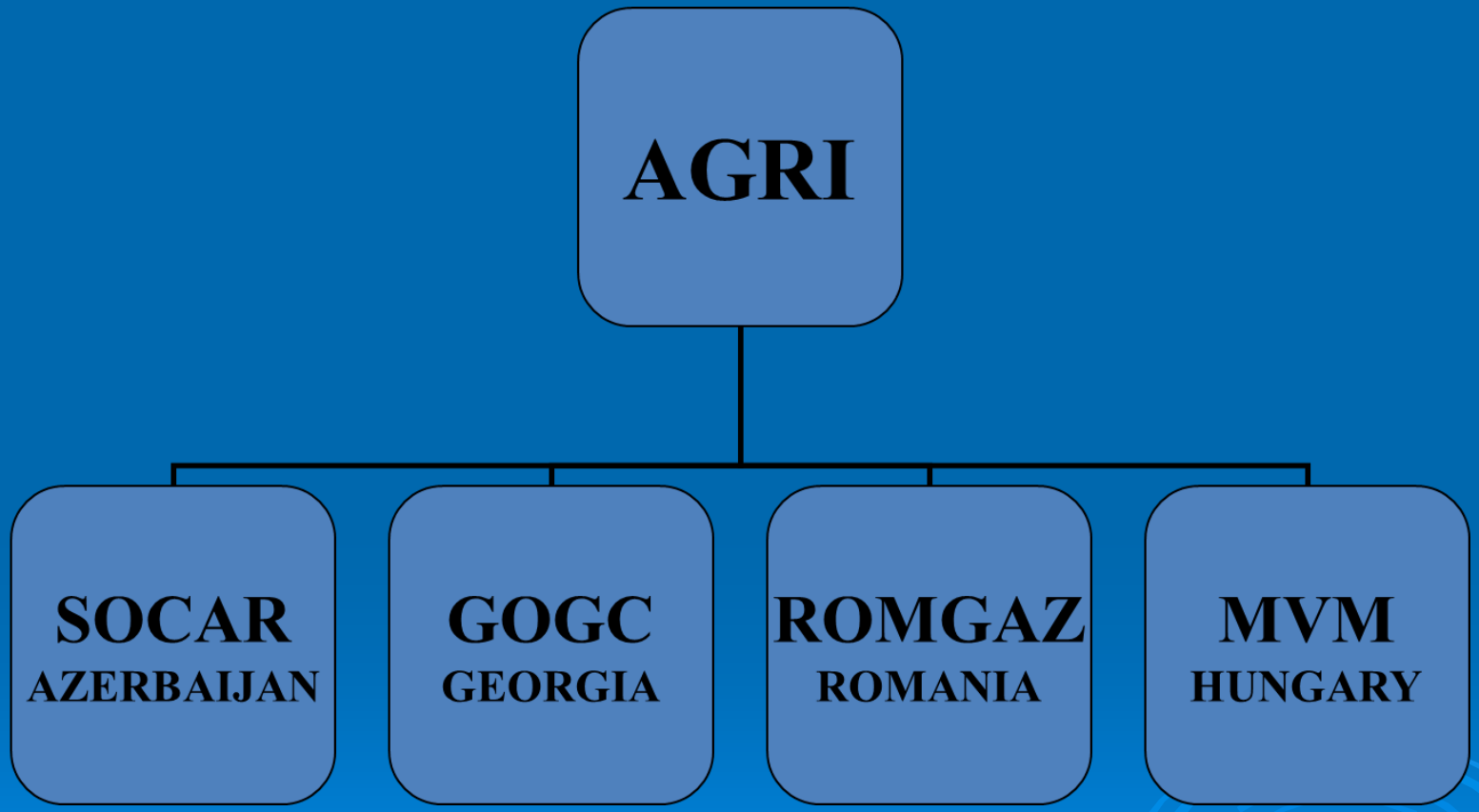
- **Political Declaration** of the Presidents of Azerbaijan, Georgia, Romania and the Prime-minister of Hungary, signed on September 14th, 2010, in Baku.

Progress Report
- Partners' political support (II)-

- **Articles of Association of AGRI LNG Company,** between companies ROMGAZ, Georgian Oil and Gas Corporation (GOGC) and State Oil Company of Azerbaijan Republic (SOCAR), signed in Baku, September, 2010
- **Memorandum of Understanding** between companies ROMGAZ, Georgian Oil and Gas Corporation (GOGC) and State Oil Company of Azerbaijan Republic (SOCAR), Baku, signed in Baku, September, 2010

The project was well received at EU and US level, and in the same time several countries and companies expressed their interest for this initiative.

Progress Report
- Project Partners -



Progress Report
- AGRI LNG PROJECT COMPANY -

- The Project Company was registered at the end of January, 2011;
- The headquarters is in Bucharest and the company operates under the Romanian legislation.

Progress Report
- International Tender-

- On December, 2011, the shareholders of SC AGRI LNG PROJECT COMPANY SRL ("AGRI") published the Request for Proposals related to the achievement of a feasibility study, the scope of which is to assess the technical, financial and economical viability of the energy cooperation project named Azerbaijan - Georgia - Romania - Hungary Interconnector.
- Based on these documents it was organized the tender for the selection of the consultant who will elaborate the feasibility study of the project.

Progress Report
- Submitted Offers -

- KEMA (Nederland) BV;
- SOFREGAZ (France) + ILF (Germany) as subcontractor;
- FICHTNER (Germany);
- PENSPEN Ltd (U.K.);
- GL NOBLE DENTON (Germany) +Energy Contract Company Ltd (EEC) (U.K.)
- SIEMENS (Germany);
- RAMBOLL OIL&GAS (Denmark);
- TECHNIP (Italy) + Poten&Partners (U.K.) + TRACTEBEL (Belgium)
- SAIPEM (Italy);
- KPMG (Romania);
- GAS NATURAL FENOSA (Spain) ;
- DELOITTE (France) + SNC LAVALIN (Romania).

Progress Report
- The selected Consultant -

- Further to the analysis and evaluation of the offers submitted by the tenderers, **PENSPEN Ltd – U.K**. have been designated as the Selected Tenderer.

- The signing date of the contract with AGRI Company, 28 June, 2012.

Progress Report
- The Feasibility Study (I) -

- Gas Market analysis considering:
  - Principal target market – Romania and Hungary
  - Secondary target market – Bulgaria, Serbia, Croatia, Slovakia, Moldova and Ukraine.

- Gas Supply analysis considering Azerbaijan and other Caspian countries;

Progress Report
- The Feasibility Study (II) -

- Development of conceptual engineering for pipelines and LNG terminals for an annual capacity of 2bcm, 5bcm, 8bcm or the resulted market capacity;
- LNG Terminals site selection;
- Economic and financial analysis;
- Risk Assessment;

Progress Report
- The Feasibility Study (III) -

- **The current status of the Study:**
  - All six intermediary reports completed;
  - AGRI's comments on four reports;
  - The AGRI's comments on last report: end of January;
  - Incorporation of the comments in final report;
  - Issuing final report – February;

Progress Report
- Project Development -

- **Establishment of AGRI company** (*under the Romanian Law, having the headquarters in Bucharest*) – COMPLETED
- **Conducting the feasibility study-** ONGOING
- **Investment decision – February 2013;**
- **FEED study**
- **Construction phase**

Thank you for your attention