



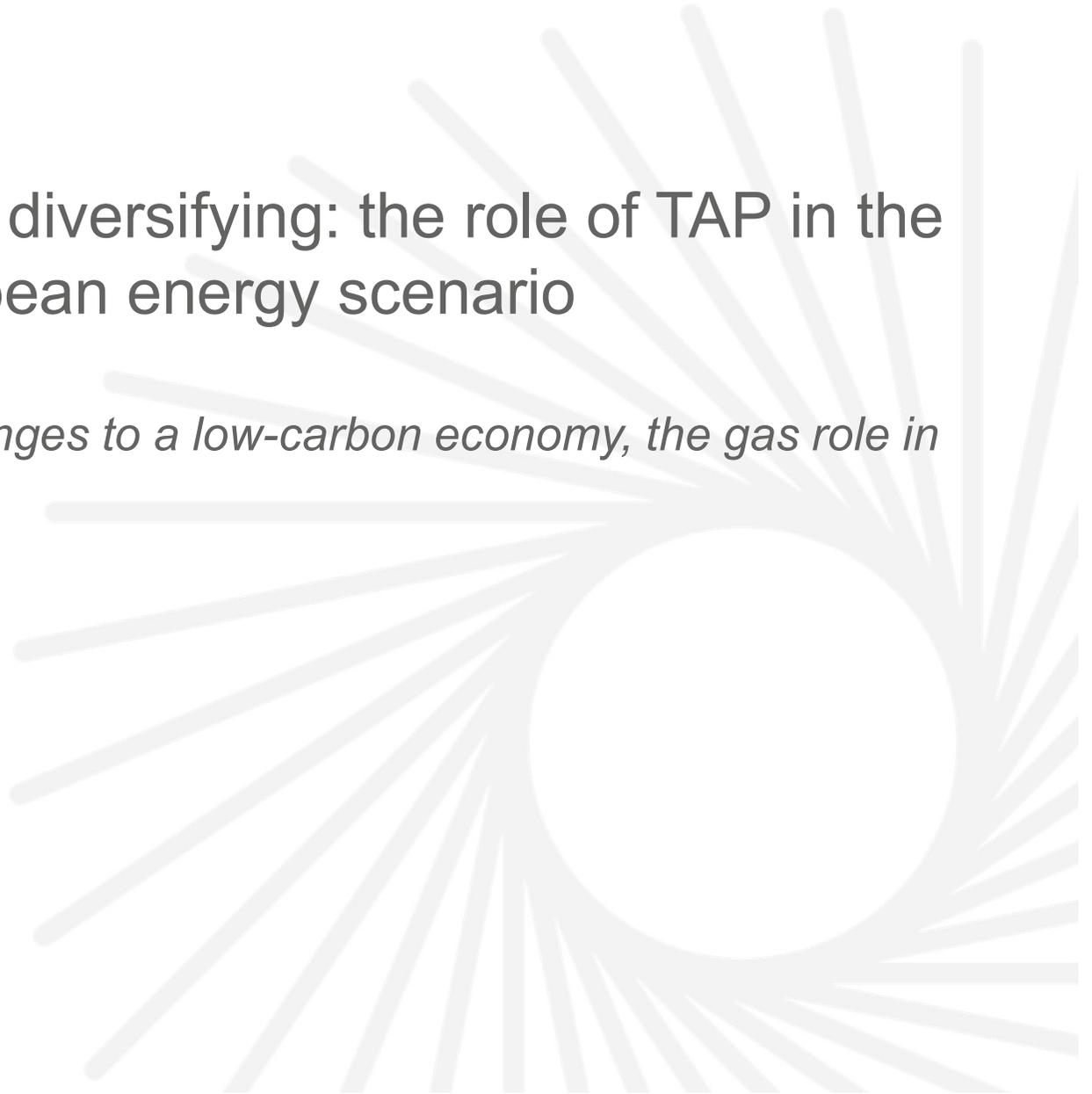
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Decarbonising & diversifying: the role of TAP in the Italian and European energy scenario

Energy industry challenges to a low-carbon economy, the gas role in the transition

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TAP & the Southern Gas Corridor

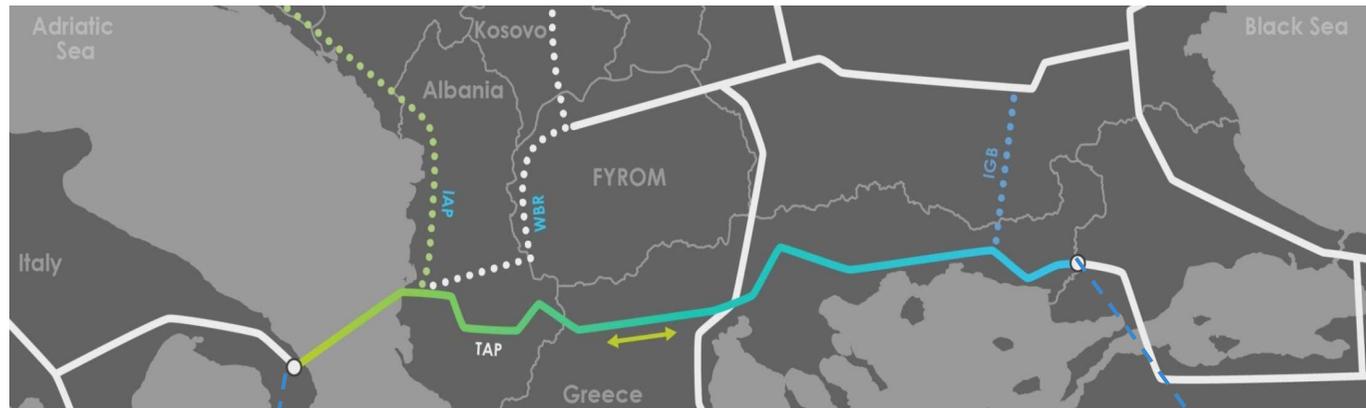
- Southern Gas Corridor: 3,500 km long value chain, approx. USD 40 bln invested
- Facilitating Connections in South East Europe and beyond
- Strengthening security and diversification of supplies to Italy and Europe



Overall Progress

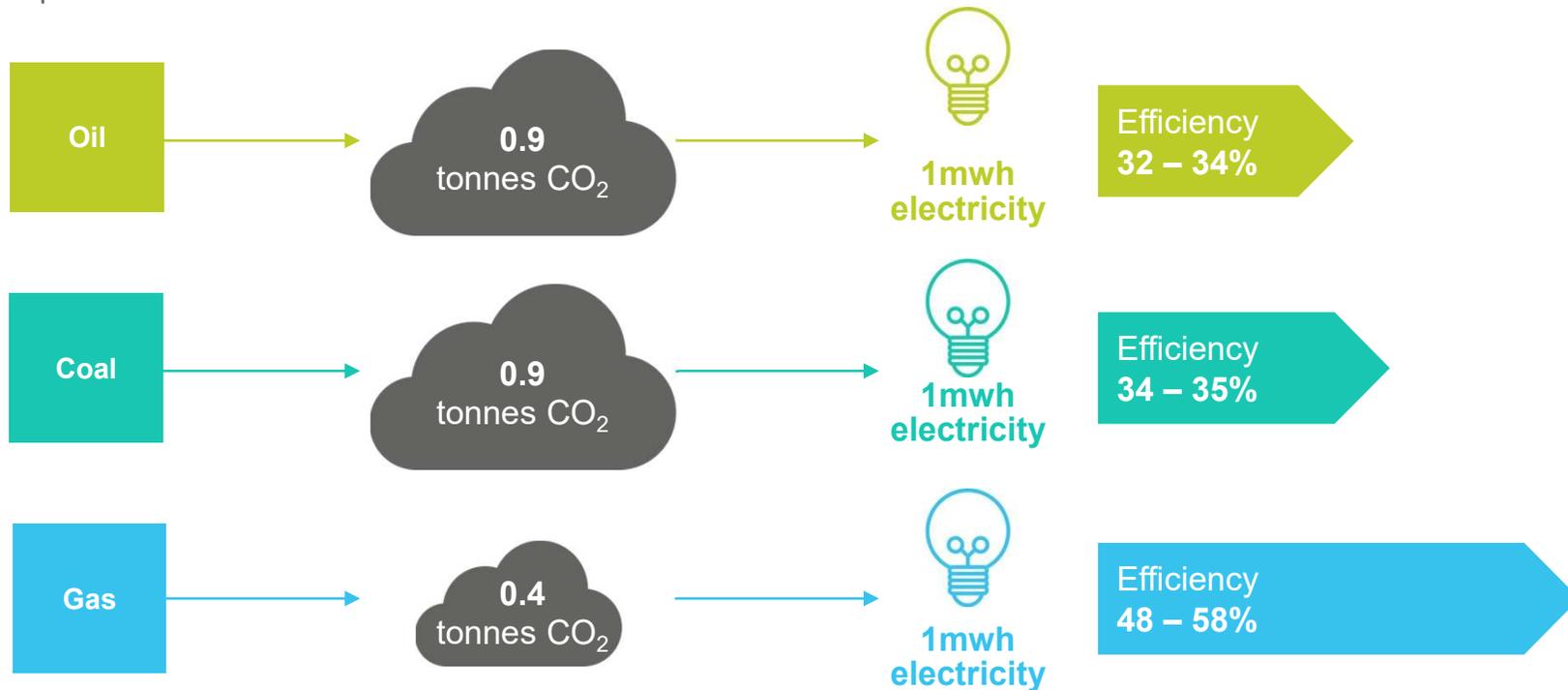
TAP is more than **81% complete**, including all engineering, procurement and construction activities:

- 100% Right of Way (RoW) cleared/graded in Greece and Albania;
- 97% pipes in the ground (backfilled);
- 85% RoW reinstated in Greece and Albania.
- Driven over 100mln kms and worked more than 35mln manhours without any major safety incident.



Why natural gas?

- Natural gas is the cleanest fossil fuel
- Gas-fired power plants (especially combined-cycle power plants) have the highest efficiency in electricity production

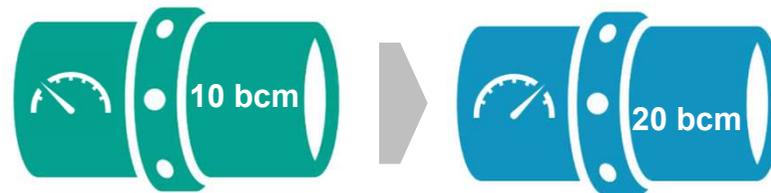


- Natural gas will continue to play an important role in the future global energy-mix
- The electricity sector demand for gas is expected to rise from 130 billion cm in 2017 to over 160 billion cm in 2040
- More imports will therefore be needed, including those from the South, through Italy by infrastructures like TAP

Why TAP?

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- TAP's initial capacity of 10 billion cubic metres (bcm) of gas per year is equivalent to **the energy consumption of approximately 7 million households**. The capacity could be doubled without building further pipelines. TAP's initial capacity has already been booked for the following 25 years.



- Gas is the ideal source to replace coal in Italy and **support intermittent renewables**. TAP will help **cut CO2 emissions by 28million tons per year***.
- We have calculated that **an area of 100,000 hectares** (accounting for 1/3 of the entire province of Lecce) **would be needed for a windfarm** to achieve the same reduction.

Gas imports in Italy will rise over the next decades, following the fall of domestic production.

The renegotiation of expiring import contracts can generate uncertainty, if not **even higher prices**.

TAP will add more competition on the Italian gas market, with lower gas prices which will help Italy to **reduce its high cost of electricity**, one of the highest in Europe.

*Source: Nomisma Energia on Enel, EPH, A2A and Terna figures

Engaging local communities and debunking fake news

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- **Reinforcement of existing relationships with key local stakeholders** and communities and enlargement of the perimeter of involved parties (new PAPs, mayors, citizens, media etc.)
- **Hundreds people and citizens met through the travelling infopoint** (a TAP branded bus, traveling around the main towns of Salento, during the same period of the re-start of construction activities , to spread positive information on the project)
- **About 350 meetings with local and regional stakeholders** (community included), during the last 6 months
- **More than 50 meetings with key media** at regional and national level
- **Active participation to more than 20 events** in 1 year (regional and national)
- **Ongoing and transparent engagement on TAP Italia facebook page** (30k followers, +10k in 1 year).
- New **Instagram account**, to target a younger audience and convey positive messages on the project.
- **Social & Environmental projects for local communities** . For the first time beneficiaries of SEI projects felt free to publicly express their satisfaction. Beneficiaries are increasing in number and getting more vocal on press and social media,
- **Third-party analysis on TAP**, to stress on the strategic role of the project and present the benefits for Italy.
- Updates on **data&figures on TAP website** to easily display project progress and debunk fake news.





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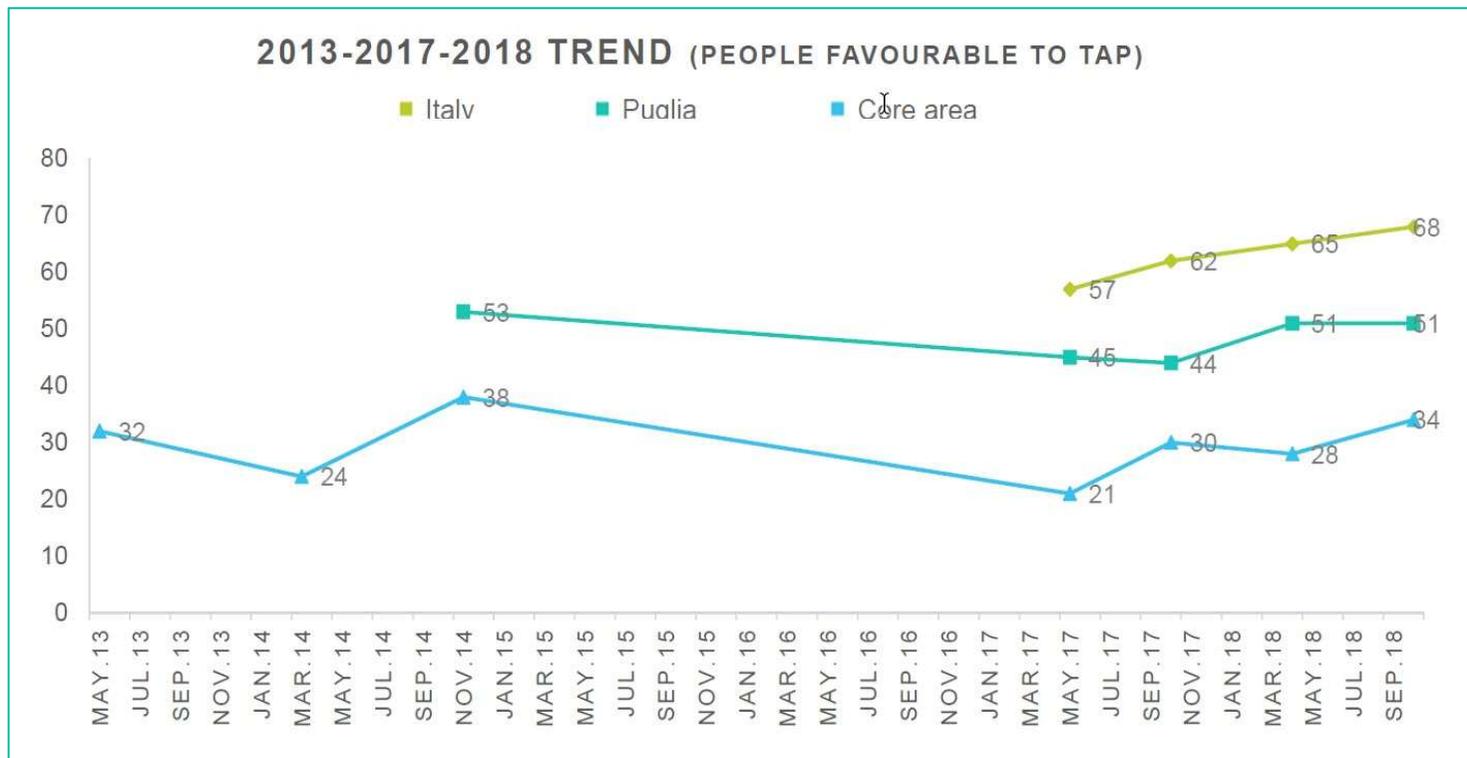


A wider acceptance of the Project

In mid October 2018 TAP launched a poll on a **national, regional and local scale**. The outcomes of the poll confirm the positive trend recorded in April 2018.

At national level, the support to the project continues to increase, reaching 68%, meaning that far more than **2 Italians out of 3 are in favour of TAP**. In the **Province of Lecce and in Puglia Region a positive trend was consolidated**, with a more open attitude towards the benefits the project can bring along. **The majority of Apulian citizens confirms to be in favour of the project, 51%**. The number of people who claim to be «completely in favour of the project» increased (+4%).

A positive trend was registered even **in the core area** (8 municipalities close to the landfall), where, **despite a prevailing negative sentiment towards the project, the percentage of people who claim to be in favour to the pipeline is increased of 6 points with respect to April, reaching 34%**.





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Thank you

