

MINISTERIAL DECLARATION

ON THE IONIAN-ADRIATIC GAS PIPELINE PROJECT

the Deputy Minister of Economy, Trade and Energy of the Republic of Albania, Minister of Economy, Labour and Entrepreneurship of the Republic of Croatia and Minister for Economic Development of the Republic of Montenegro support preparation and implementation of the Ionian – Adriatic gas pipeline project;

These together being the Signatories of this document, recording political intent alone confirm:

Whereas the Republic of Albania, the Republic of Croatia and the Republic of Montenegro are the Parties to the Treaty establishing the Energy Community ('The Energy Community') which was signed on October 25, 2005 and entered into force on July 1, 2006;

Whereas the energy demands of the Republic of Croatia, Republic of Montenegro and the Republic of Albania are increasing and their settling is the precondition of the overall development;

Whereas the natural gas has extraordinary energy properties and high ecological acceptability;

Whereas Plinacro Ltd. as the operator of the gas transmission system of the Republic of Croatia and the bearer and the performer of its development shall construct the new gas pipeline from Karlovac to Ploče at the south of Croatia already up to 2011;

Whereas the Swiss Company EGL intends to implement the project of Trans Adriatic Pipeline (TAP) connecting the Greek gas transmission system at SOLUN, by the on-shore gas pipeline via Greece and Albania with Fier at Albania coast which will be the nuclei for the Albanian gas network where is foreseen the construction of the LNG Terminal. Further on the TAP will continue by the Adriatic undersea gas pipeline with BRINDISI and Italian gas pipeline system, thus realizing the preconditions for the supply of significant joint gas volumes from the central-eastern Caspian and Russian sources for the needs of European market;

Whereas the bearer of Trans-Adriatic Pipeline, the Swiss Company EGL gave positive statement on existing spare transmission capacities of 5 bcm/y and unallocated for the regional needs;

In consideration of the above:

The Deputy Minister of Economy, Trade and Energy of the Republic of Albania, Minister of Economy, Labour and Entrepreneurship of the Republic of Croatia and Minister for Economic Development of the Republic of Montenegro and have agreed upon:

1. the possibility of connecting the Croatian gas transmission system at the point PLOČE, via Croatian, Montenegrin, and Albanian Territories with the Trans-Adriatic gas pipeline in Albanian FIER, i.e. to establish the new Ionian- Adriatic supply direction by the construction of Ionian – Adriatic gas pipeline (IAP = Ionian Adriatic Gas Pipeline)
2. the possibility of connecting to the gas transmission system and market of Bosnia and Herzegovina

3. that the project of Ionian–Adriatic gas pipeline is of extraordinary priority because it;

- introduces ecologically acceptable energy source in the region;
- facilitates the gasification of Albania;
- forms the preconditions of the gasification of Montenegro;
- facilitates the gasification of southern Croatia;
- facilitates the gasification of major part of Bosnia and Herzegovina;
- enables the diversification of supply;
- provides the access to Croatian, Albanian and planned Montenegrin storage capacities;
- provides significant transit and income to Albania, Montenegro and Croatia;
- economically activates the region,
- creates the preconditions for closing the Adriatic gas ring and for connection with the Italian gas system, and also with the systems of Slovenia and Hungary.

4. that the project of Ionian–Adriatic gas pipeline will provide the highest possible support in promotion, preparation and implementing the project of Ionian-Adriatic Pipeline, as with its authorized state bodies, so with European institutions alike.

The Minister of Foreign Trade and Economic Relations of Bosnia and Herzegovina is invited to join this Declaration by sending the letter to this end to the respective ministers signatories of this Declaration.

Signed in Zagreb this twenty-fifth day of September 2007 in three originals in English language.

**FOR THE MINISTRY OF ECONOMY, TRADE AND ENERGY
OF THE REPUBLIC OF ALBANIA**



Deputy Minister Mr. Neritan Alibali

**FOR THE MINISTRY OF ECONOMY, LABOUR AND ENTREPRENEURSHIP
OF THE REPUBLIC OF CROATIA**



Minister Mr. Branko Vukelić

**FOR THE MINISTRY FOR ECONOMIC DEVELOPMENT
OF THE REPUBLIC OF MONTENEGRO**



Minister Mr. Branimir Gvozdenović