

TAP Project Chosen as Alternative to Russian Gas Imports

By The Moscow Times

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The group developing Azerbaijan's vast gas reserves has chosen the Trans-Adriatic Pipeline (TAP) via Greece to link to Europe — part of a European Union push for alternatives to Russian gas imports, officials said Wednesday.

The TAP project defeated the Nabucco West consortium, which had backed a route to Austria. First envisioned more than a decade ago, it is expected to be launched in 2019.

The leading company in Nabucco West, Austria's OMV, said it had been told that higher gas prices in Greece and Italy had tipped the decision in favor of TAP.

"The Nabucco project is over for us," OMV Chief Executive Gerhard Roiss told a news conference after the company announced that it had not been selected, putting to rest the suggestion that Nabucco could also be built eventually once more Caspian Sea gas becomes available.

The company said the Nabucco partners would evaluate over the next weeks whether to build a pipeline for OMV's own gas from the Black Sea, potentially its biggest gas find ever.

TAP is fronted by Norway's Statoil, Swiss company AXPO and E.ON Ruhrgas of Germany.

It declined to comment ahead of an official announcement expected on Friday, but sources from companies and governments involved said TAP had been chosen.

The TAP pipeline will collect Azeri gas in Turkey and carry it across Greece and Albania before reaching southern Italy.

Nabucco West backed a route from Turkey north to Austria via Bulgaria, Romania and Hungary.

BP, Statoil and state energy company SOCAR are leading development of Azerbaijan's vast Shah Deniz II gas field in the Caspian Sea, one of the world's largest.

SOCAR emerged last week as sole bidder for Greece's gas network, a fact which analysts said helped TAP's position.

The pipeline is expected to pump 6 billion cubic meters (bcm) of gas per year to consumers in energy-hungry Turkey and 10 bcm per year to Europe.

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