

BY EMAIL
2nd July 2003

I am pleased to invite you to a workshop and discussion on one of the most significant contemporary energy and engineering projects – the Baku-Tbilisi-Ceyhan Pipeline Project. The workshop will be held at Chatham House on Friday 18th July at 9.30-12.30 a.m. (registration will begin at 9.00 with coffee available).

Four speakers from the BTC Pipeline Company will each provide 10-15 minute presentations on key themes and aspects of this major project. One and a half hours will then be assigned to questions and general discussion. A buffet lunch will be provided at 12.30 p.m.

The BTC pipeline will export crude oil from Azerbaijani fields under the Caspian Sea, through Georgia to a new export terminal at Ceyhan on the Turkish Mediterranean coast, from where tankers will carry the oil to international markets bypassing the congested Bosphorus seaway. BTC is designed to carry one million barrels per day and will be completed in time to export the first oil from the next phase of development of the giant Azeri-Chirag-Gunashli oil field by spring 2005. The BTC project is being managed by BP on behalf of an international group of investors who formed the Baku-Tbilisi-Ceyhan Pipeline Company in August 2002. The pipeline will cost under three billion dollars to build, with two thirds of the investment being raised by loans from international lending institutions. Construction of the pipeline began in spring 2003 and it is being coordinated with another project - the South Caucasus Gas Pipeline - which follows the same route through Azerbaijan and Georgia and will export gas from the giant Shah Deniz gas field offshore Azerbaijan to Turkey. The routing of the BTC pipeline has required Environmental and Social Impact Assessments, which have been the subject of extensive consultations. The objective in the region is to provide opportunities for local people at the same time as generating substantial wealth for the nations through whose territory the pipeline passes.

This project has wide significance. It has become a foreign policy priority for Azerbaijan, Georgia and Turkey and it has been part of the broader international debate about the development of the Caspian and South Caucasus region. Recently, additional attention has focused on the prospects of Caspian energy as concerns have mounted over the extent of Western dependence on oil production from the Persian Gulf.

The agenda for the morning, including the speakers and the topics they will address, is as follows:

9:00 - registration and coffee

9:30 - presentations (see below)

Mike Townshend - CEO, Baku-Tbilisi-Ceyhan Pipeline Co.

Introduction to the BTC project, setting it in the context of overall Caspian hydrocarbon development. Its scale and scope, the engineering and safety challenge and the benefits expected.

Tom Dimitroff - Manager, Legal Affairs, BTC

The legal framework for the project. The history and purpose of the Inter-Government Agreement and Host Government Agreements and their subsequent underpinning documents. The policy of transparency.

Sarah Milne - Business Development Manager, BTC

How the project is being financed. The role of the IFIs, raising project standards in country. The current disclosure period.

Gill Cousins - Environmental and Social Manager, BTC

Major environmental and social issues raised by the project and how they are being addressed. The Environmental and Social Impact Assessments, Resettlement Action Plan, Public Consultation and Disclosure Plan and the Regional Review, which covers macro issues.

10:30 - coffee break

10:45 - Discussion

12:30 - Buffet Lunch

Should you wish to attend this half-day conference, please reply to this email or call on 020 7957 5716 (or fax on 020 7957 5710)

I would also be grateful if you could indicate whether or not you wish to attend the lunch.

Many thanks

James Nixey

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