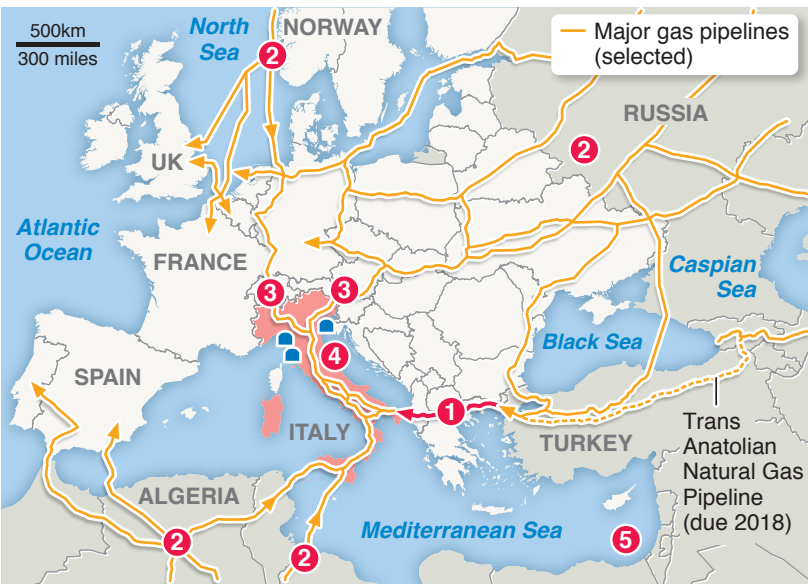


Italy offers natural gas trading potential

Italy could become the crossroads of Europe's natural gas trade with new supplies due from a \$5.6 billion pipeline link to the Caspian Sea



1 Trans-Adriatic Pipeline: Gas from Caspian Sea expected to arrive by 2020, helping to reduce Europe's reliance on Russia

2 Diverse sources of supply
Italy connected to pipelines from Algeria, Libya and Russia, and can also take deliveries from North Sea

3 Reversing gas flows: Work on pipelines with Austria and Switzerland will allow Italy to export gas to wider European grid for first time

4 Depleted gas fields: Could be used for storage during off-peak summer months, giving Italy flexibility about when to buy gas

5 Future sources: Italy close to gas discoveries in Israel and Egypt that could enter European market in coming decades

Liquefied natural gas: Italy has three import terminals and is nearer to LNG suppliers in Middle East than other major links in European network