

## **MEMORANDUM**

### **ON COOPERATION WHILE IMPLEMENTING THE BURGAS – ALEXANDROUPOLIS OIL PIPELINE PROJECT BETWEEN THE GOVERNMENT OF THE RUSSIAN FEDERATION, THE GOVERNMENT OF THE REPUBLIC OF BULGARIA AND THE GOVERNMENT OF THE HELLENIC REPUBLIC**

The Government of the Russian Federation, the Government of the Republic of Bulgaria and the Government of the Hellenic Republic, hereinafter referred to as the Parties,

striving to develop traditional friendly relations and desiring to broaden and strengthen mutually beneficial economic cooperation between their states under the conditions of continuously deepening integration processes in Europe,

proceeding from the principles of world market economy and realizing the importance of reliable oil supply for stable economic development,

desirous to use the favorable geographic situation of their states, the available resources and technological infrastructure for the development of long-term mutually beneficial economic cooperation,

striving to establish a new transportation route from the Black Sea and Caspian Sea region to the world markets, which would meet the criteria applied to environment safety, reliability and economic benefit,

declare the following:

1. The Parties note a mutual interest in the implementation of the Burgas-Alexandroupolis Oil Pipeline Project, hereinafter referred to as the Project, being a significant element of the oil transportation system in the Black Sea and Mediterranean Sea regions, and confirm their readiness to promote all-round its implementations.
2. The Parties will spare no effort required at the stage of the Feasibility Study of the Project to enhance its economic attractiveness and competitiveness as compared with alternative oil transportation routes in that region.

3. For the implementation of the Project the Parties intend to support the establishment of an international Project Company.
4. The Parties proceed from the assumption that the basic principles of the Project implementation as well as principal rights and obligations of the participants will be included in an appropriate Intergovernmental Agreement. Other specific agreements will govern oil transit through the territories of the Republic of Bulgaria and the Hellenic Republic, sea transportation costs and other issues within the framework of the Project.
5. The Parties, taking into account the requirements of the legislation of their states, will seek to ensure stable and most favorable conditions for the implementation of the Project in the interest of its participants and for the purpose of attracting investments from the international financial institutions.
6. The Parties will welcome a desire of third states to join this Memorandum and will cooperate with the aim of attracting international oil companies, producing oil in the Caspian Sea basin and in Central Asia, to the implementation of the Project.

The Memorandum will enter into force on the date of its signature.

Done 12<sup>th</sup> April 2005 in Sofia in four original copies, each in the Russian, Greek, Bulgarian and English languages, all the texts being equally authentic. In case of any discrepancies in their interpretation, the English text shall be authoritative.

**For the Government of the Russian Federation    For the Government of the Republic of Bulgaria    For the Government of the Hellenic Republic**

