

EAPC

Eilat Ashkelon Pipeline Co. Ltd.

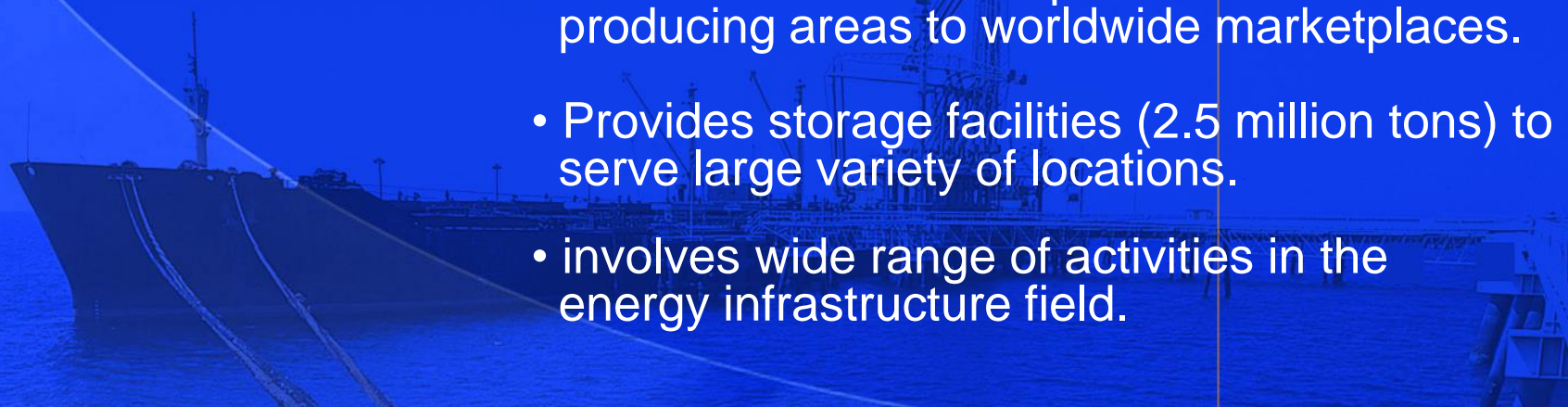
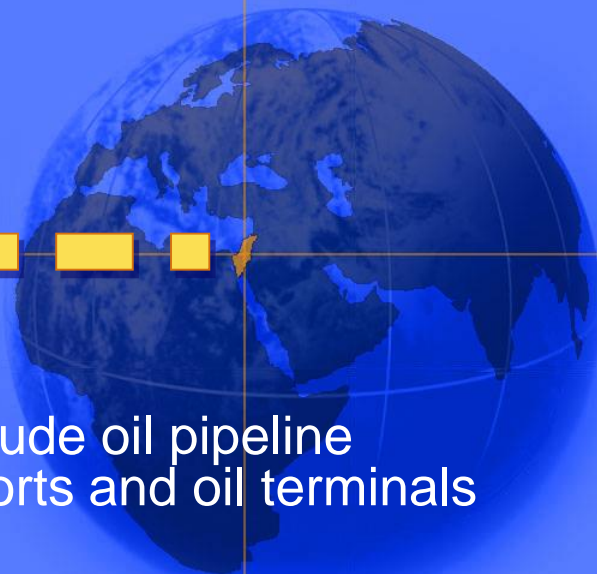
Transportation of Crude Oil:

Caspian Sea/Black Sea – Israel – East Asia



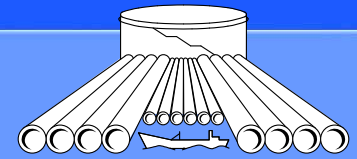
EAPC

- Operates Israel's crude oil pipeline system and its oil ports and oil terminals (Eilat & Ashkelon).
- A unique strategic location as a land bridge between the Red Sea and the Mediterranean (42" pipeline, 254 Km.).
- Serves as a fast, efficient and economic route of crude oil transportation from producing areas to worldwide marketplaces.
- Provides storage facilities (2.5 million tons) to serve large variety of locations.
- involves wide range of activities in the energy infrastructure field.



“Reverse Flow” Project

Expansion of the business

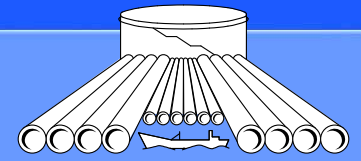


strategy

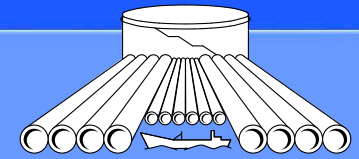
EAPC participate in a multinational business venture with the purpose of transporting crude oil from Caspian Sea/Black Sea origins with the use of EAPC's infrastructure to East Asia.

- The BTC from Baku (Azerbaijan) to Ceyhan (Turkey) currently transports 30 million tons of Azeri Light Crude Oil annually. It is projected that this pipeline will reach eventually the capacity of 50 million tons per annum.
- A new pipeline is planned from Samsun (Black Sea) to Ceyhan with an annual capacity of 50-75 million tons (Urals and CPC Blend).
- EAPC examines feasibility of building crude oil storage facility in south Turkey with the purpose of transporting same crude to EAPC's storage in Ashkelon and hence via the 42" pipeline to Eilat terminal. Thereafter via VLCCs to East Asia.

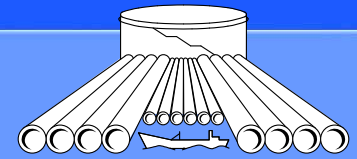
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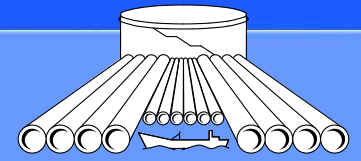
Route of Crude Oil to East Asia (pipelines and tankers' shuttle)



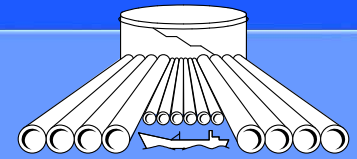
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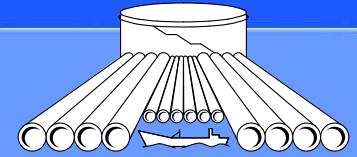
EAPC's System



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Summary



Due to the drastic demand for crude oil and increasing of prices, the suggested venture planned by EAPC in cooperation with multinational business interests will create a breakthrough in oil movements to East Asia:

- Diversification of sources to the awaken markets for high quality grades from FSU states.
- Establishing reliable and economic route for oil transportation together with the construction of VLCCs shipment's system and logistic storage to the new sources and the potential consumers.
- Israel will serve as a bridge between Euro-Asia (FSU states) and East Asia, thereby reducing consumers' dependence on Persian Gulf Sources.

