

PRESS RELEASE

MERO ČR works to expand the capacity of the Transalpine Pipeline (TAL) – the European crude oil pipeline system. Vendors of technology and special components have already been selected.

- **MERO ČR continues to execute the TAL-PLUS project which envisages an increase in the capacity of TAL to make the Czech Republic completely independent from Russian crude oil from 2025 onwards as a result.**
- **With the extended capacity of TAL, the Czech Republic will get an additional 4 million tonnes of oil per year, fully replacing Russian oil from the Druzhba pipeline.**
- **As part of the TAL-PLUS project, vendors have been selected to supply the technology and the components that will be used to upgrade the pipeline.**
- **The operation presents a major step forward that will bring TAL to its highest-ever capacity.**

Kralupy nad Vltavou, 25 October 2023 – MERO ČR continues to work on the TAL-PLUS project, which will ensure the Czech Republic's independence from Russian crude oil as early as 2025. This is one of the most significant updates in the recent history of the Czech energy industry. The project envisages increasing the capacity of the Transalpine Pipeline (TAL) – the European crude oil pipeline system; as a result, the Czech Republic will receive an additional 4 million tonnes of oil per annum.

The project has now succeeded in completing a tender for vendors and signing contract agreements for the supplies of the most important technological components essential for the Transalpine Pipeline to undergo a major upgrade and achieve the highest transport capacity in its history. To achieve the increase in capacity, MERO ČR cooperates directly with the TAL Consortium.

“Work is in full swing within the TAL-PLUS project; we are steadily meeting the schedule and the Czech Republic will indeed be independent from Russian crude oil from 2025. We have now successfully tendered and signed contract agreements with suppliers of critical technologies and components that will be employed to increase the TAL’s capacity. They involve pumps that are among the most advanced units of their kind on the market. The pumps will have to transport oil from Trieste in Italy to Germany, across the Alps, and their performance is comparable to that of electric locomotives.

Vendors to supply flow meters, frequency converters and safety relief valves – technologies that are critical to ensuring reliable pipeline operation – have been appointed as well. The first installations and treatment made directly within the pipeline are scheduled for July next year.

We also work on drafting and designing complete pipeline modifications and construction activities. This includes, for example, the construction of concrete foundations, roofing and wiring. The Central Oil Tank Farm in Nelahozeves will have to undergo technological upgrades as well,” **said Jaroslav Pantůček, Chairman of the Board of MERO ČR, a.s.**

“The TAL Group is aware of the strategic importance of the TAL-PLUS project for the security of the energetic supply of Czech Republic and is therefore strongly committed to its on time realization within the end of 2024. We’ve successfully completed the selection of the contractors, assuring the timely supply of the materials necessary for the project implementation.



The expansion of the pipeline capacity is carried out with the utmost attention to safety and to the operational efficiency”, explained Alessio Lilli, TAL General Manager.

The TAL-PLUS project will ensure the increased capacity of TAL. This way the Czech Republic will receive an additional 4 million tonnes of oil per year from the port of Trieste, Italy, i.e. via the western route using TAL and the IKL pipeline. This will fully replace supplies of crude oil from Russia, which now flows to the Czech Republic via the Druzhba pipeline.

The technological upgrades will take place in **four European countries** – Italy, Austria, Germany and the Czech Republic. Installing new pumps and motors as well as modifying the control system **will begin in July 2024 and run until December 2024**. After that, the pipeline will reach its maximum performance and capacity, which will allow it to replace the transport capacity of the Druzhba pipeline.

In addition to upgrading TAL, changes will also be required at the entry and exit of the IKL pipeline. The **Central Oil Tank Farm in Nelahozeves will transform as well**; the site’s infrastructure needs to be prepared for more massive flows of new batches of crude oil and the procedures for mixing and moving it to the refineries need to be modified.

MERO ČR managed to reach an agreement on the intensification of TAL after a year of extensive negotiations. The document was signed in May this year upon the consent of all TAL shareholders. **The upgrade will make the pipeline one of the most efficient systems of this type in Europe.**

The TAL-PLUS project aims to increase the supply of crude oil from TAL to the Czech Republic by 4 million tonnes per year from 2025 onwards. This will give the country independence from Russian oil. The project cost is estimated at CZK 1.3 to 1.6 billion and will be funded by MERO ČR.

TAL

The Transalpine Pipeline (TAL) is managed by TAL Group (TAL Consortium). In addition to MERO, TAL shareholders include OMV, Shell, Rosneft, ENI, C-BLUE BV (Gunvor), ExxonMobil, Phillips 66/Jet Tankstellen and Total.

TAL: Figures and Data

- The pipeline has been in operation since 1967 (construction work began in 1961).
- Since then, 1.6 billion tonnes of oil have been transported across the Alps.
- In 2022, TAL transported 37.1 million tonnes of crude oil brought to the port of Trieste by 402 ships.
- TAL covers approximately 50% of the Czech Republic’s oil supply needs. (In 2022, approximately 51% of the oil consumed in the Czech Republic flowed through the TAL/IKL pipeline; the remaining 49% was supplied by the Druzhba pipeline. Total annual oil consumption in the Czech Republic is about 8 million tonnes.)
- Since 2012, MERO ČR has been the owner of 5% of shares in the TAL Consortium.

MERO ČR, a.s. (International Oil Pipelines), the owner and operator of the Czech part of the Druzhba pipeline and the IKL pipeline, is the sole transporter of crude oil to the Czech Republic and the most important company providing strategic oil reserves. Both pipelines enter the Nelahozeves Central Oil Tank Facility, where the company has built a total of 17 oil tanks with a total storage capacity of 1,675,000 m³. MERO ČR, a.s. The company also owns a subsidiary in Vohburg a.d. Donau, Bavaria, from where the German section of the IKL pipeline and the local oil tank facility with a capacity of 200,000 m³ are managed. Since December 2012, MERO ČR, a.s. has been an owner of a 5% stake in the companies that own and operate the TAL pipeline.

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