

**The Baku-Tbilisi-Ceyhan Pipeline Company**



6<sup>th</sup> of August 2008

**From:** David A. Rix  
Finance Manager

**To:** Societe Generale – OPER/DEFI/ATM/PAS  
Tour Societe Generale  
17 Cours Valmy  
92972 Paris  
La Defense Cedex  
France  
Attention:  
Agency and Transactions Management Department  
Segolene Guerault

**Re: Force Majeure Event on BTC Pipeline – 6<sup>th</sup> of August 2008**

This notice is being provided to you pursuant to Clause 20.5(a)(iv) of the Common Terms Agreement dated the 3<sup>rd</sup> of February 2004 among the Baku-Tbilisi-Ceyhan Pipeline Company, Baku-Tbilisi-Ceyhan Pipeline Finance B.V., Citicorp Trustee Company Limited (as Security Trustee), Societe Generale (as Intercreditor Agent) and the other parties thereto (the "Common Terms Agreement").

Around 2am, Baku time, this morning the BTC control system detected an anomaly at Block Valve (BV) 30 in Turkey and the pipeline was shutdown. BV30 is located close to PT3 in Erzincan province in Eastern Turkey. Shortly afterwards eyewitnesses alerted local authorities of a fire at that location.

The Block Valve is unmanned and no injuries have been reported. The fire is being contained by fire fighters. Police and emergency response personnel are at the site. BIL, the Operator of the Turkish segment of the pipeline is leading the response. There is some speculation in the media as to the cause of the incident. We have no verified information on this.

BIL has issued BTC Co with a Force Majeure notice and BTC Co has just issued similar notices to its shippers.

Planning work has started on remediation options however at this time we have no estimate on the timing of the return of the pipeline to service.

Please advise if you have any questions.

  
**David A. Rix**  
Finance Manager  
The Baku-Tbilisi-Ceyhan Pipeline Company

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Hyatt Tower 3  
2<sup>nd</sup> Floor  
1033 Izmir Street  
Baku 370065

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