

GREECE AS SOUTHEASTERN EUROPE & EAST MED ENERGY GAS HUB

**GREECE'S CONTRIBUTION TO EU ENERGY SECURITY & DIVERSIFICATION
SUPPLY**

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Company profile

- DEPA with its long presence in the Greek market is a competitive and dynamic group of companies in the energy sector.
- Its contribution to the development of the Greek economy and the protection of the environment is substantial.
- DEPA Group is bringing natural gas to more and more regions of the country with the continuous expansions of the natural gas pipelines .
- Having entered into long-term pipeline natural gas and LNG supply contracts, it supports the supply sufficiency and security of the country.
- It develops significant initiatives so that Greece can play an essential role as a hub of natural gas transit to Europe.

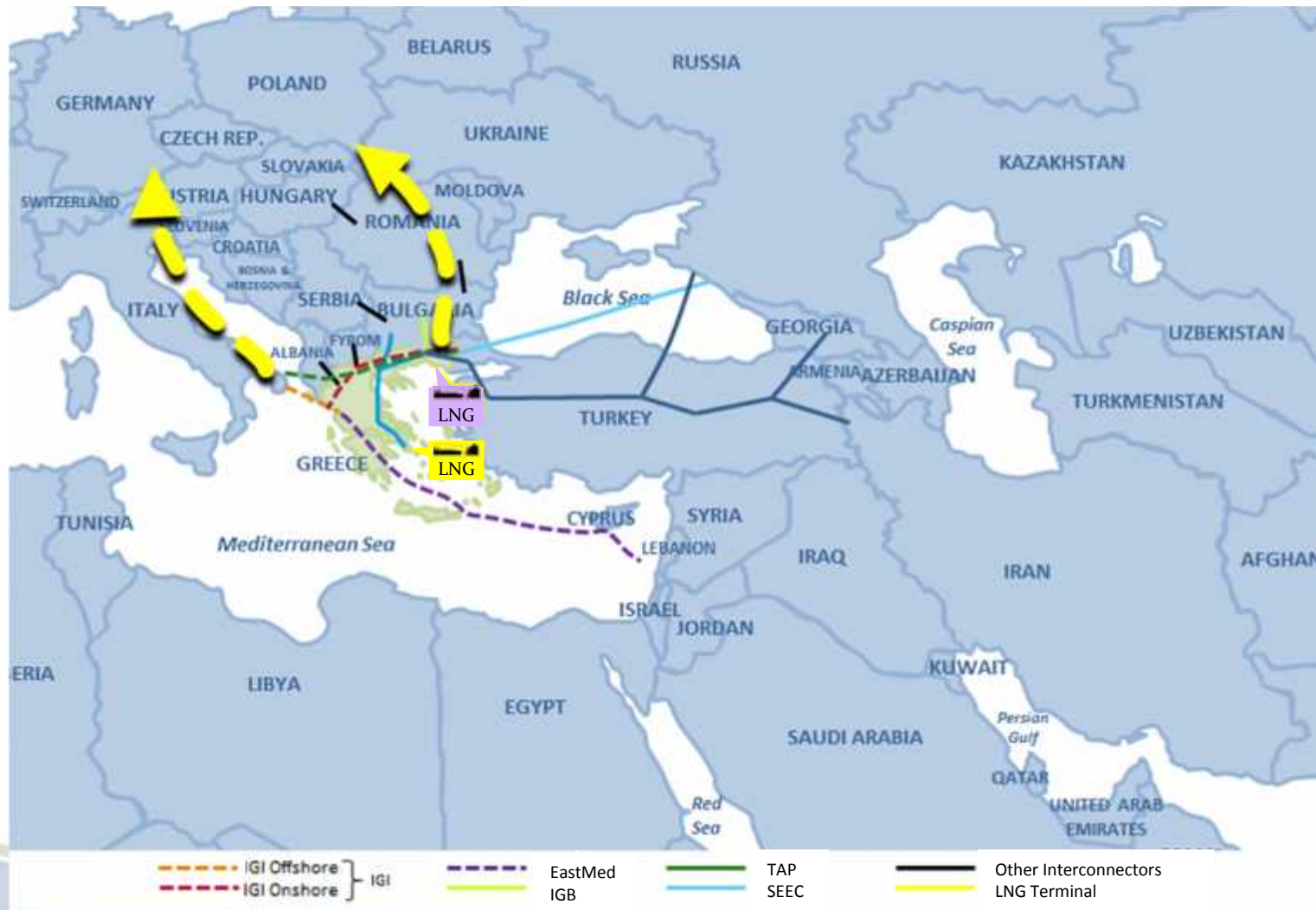


Development of the internal gas market

- The administrative and functional unbundling of DEPA's activities provides preservation of the commercial sector and contracts with international suppliers in DEPA and
- The establishment of a new 100% subsidiary Gas Distribution Company **DEDA** (Rest of Greece) that owns the new gas distribution networks in new urban areas of Lamia, Euboea, Central Greece etc.
- DEPA is also maintaining the 51% of the Gas Supply and Distribution Companies of Attiki, Thessaloniki and Thessalia.
- 5 bcm, is the expected added consumption for the next 15 years, namely an average consumption of 0,35 bcm/year, followed by a subsequent reduction of 2,8 tons of emitted CO₂.
- The length of the new distribution networks is 1157 km.
- The budget for the construction and operation is 242 million € and the number of new connections is expected to be 85,500.
- More than 107,000 families, approximately 16,000 professionals and 55 industries will use natural gas to meet their needs.
- During the construction and the operation of the networks, more than 1,600 jobs and at least 700 new permanent jobs will be created, respectively.



Greece - The Gateway to Europe



Greece - The Gateway to Europe (2)

Key projects will enhance national and regional energy security and may catalyze a gas trading hub in Greece

Unlike purely geopolitically driven pipeline plans, those proposed here are realistically based on business merit.

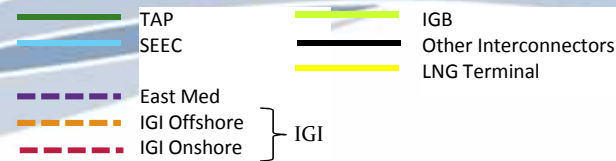
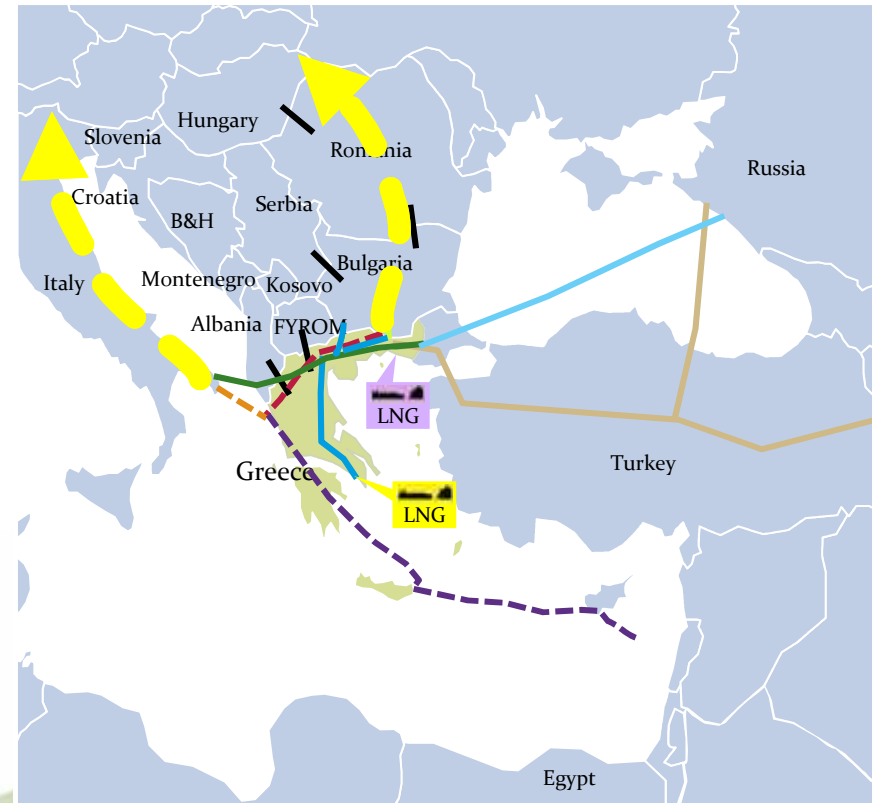
DEPA's contribution:

Southern Gas Corridor / TAP

- SGC underpins regional Market development and integration
- DEPA is a significant stakeholder of the Southern Corridor as a buyer of SD2 gas and as a sponsor of IGB
- The timely realization of TAP will enhance the connection of SEE with mature Central European markets
- Construction started on 17 May 2016
- Today 50% of pipe laid on Greek territory

IGI Poseidon

- A mature project (included in the 2nd PCI list), ready to take FID as soon as gas resources are secured
- May transport natural gas from Russia or alternatively from Iran, East Mediterranean, Middle East and/or Caspian areas (Kurdistan, Iran, Turkmenistan) to Italy and Europe



South East European Corridor: the revival of Turkish/Greek Stream project

- A practical option that may benefit from existing work in the IGI onshore & offshore pipeline projects
- Existing supply contracts into Italy could be easily diverted to SEEC and enhance the project viability
- MoU among Gazprom, Edison and DEPA signed in Rome on 24 February 2016 foresees cooperation in assessing and possibly developing a new supply route for Russian gas to Europe
- Cooperation Agreement signed among parties for coordinating the development and implementation of the TurkStream project and of the Poseidon project from the Turkish/Greek border to Italy.
- The Agreement as well formalizes the arrangements on expanding cooperation in the field of Russian gas deliveries.
- The parties involved are strongly committed to the project
- Joint working groups are making progress on the development and implementation of actions
- The development of this new supply route shall be pursued in full accordance with EU legislation



— IGI Offshore
— IGI Onshore

The East Med Pipeline: Pipeline - a new energy corridor

East Med pipeline to export gas to Southeast Europe markets as early as 2020, opening a new energy corridor

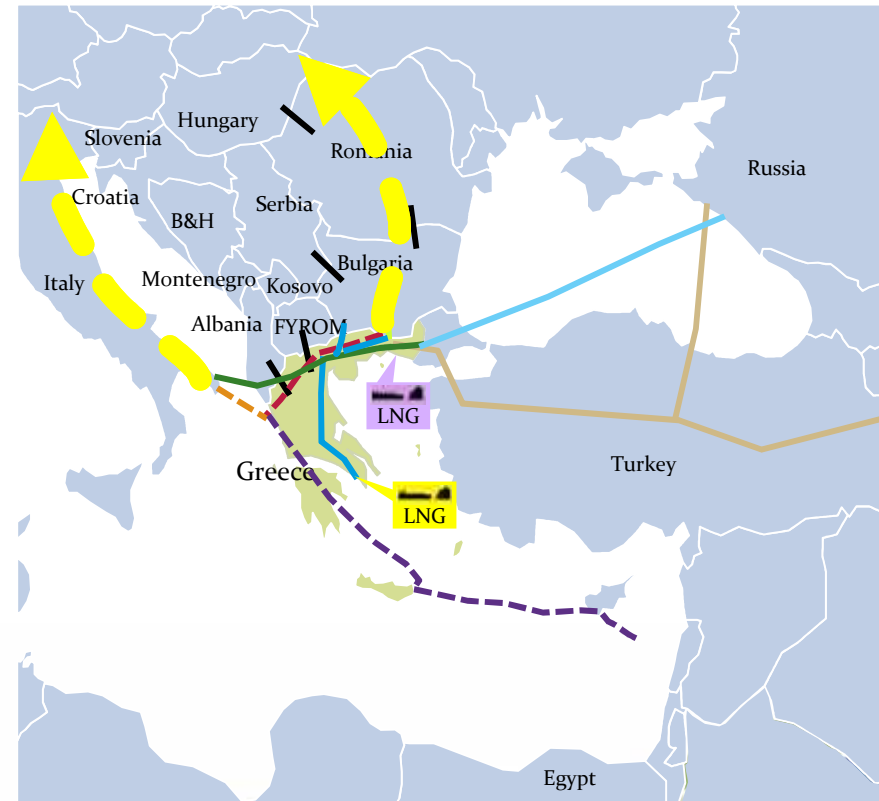
- East Med will create a new supply route from the Levantine basin exclusively to EU countries, initially carrying 10 bcma
- Current Discoveries in Israel and Cyprus are already sufficient to support multiple export options.
- Expected future discoveries will facilitate the implementation of multiple export schemes

The East Med Pipeline is a PCI project co-funded by the Connecting Europe Facility program

- The final results of the Pre-FEED studies, definitely confirmed that the EastMed Pipeline Project is:
 - technically feasible, well within the available technology state of art;
 - economically viable and commercially competitive compared to the other export options

Studies on East Med

- Reconnaissance Marine Survey to be conducted in Q2 2017 for optimizing route/landfalls etc.
- East Med may carry gas to Europe as early as 2024



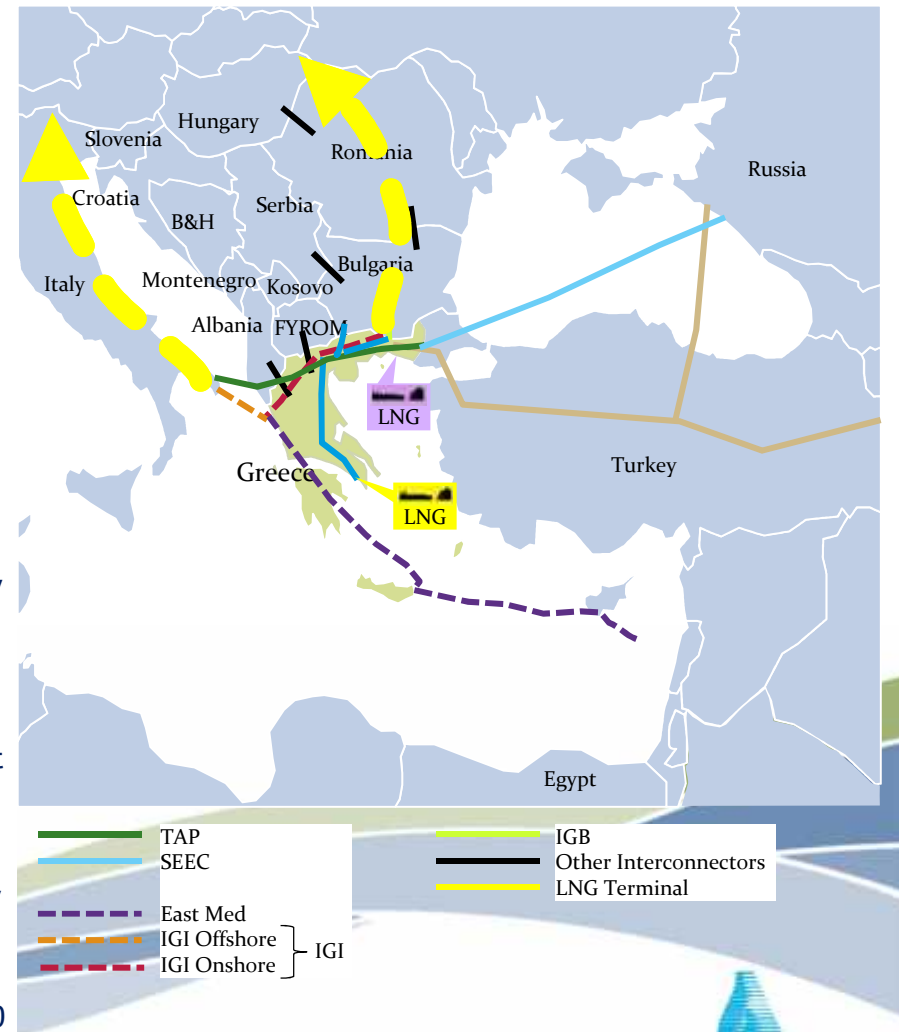
Dynamics of a second LNG imports facility in Alexandroupolis and the Progress report on IGB

FSRU Alexandroupolis (LNG Terminal in Northern Greece)

- Will ease global LNG supplies into the SEE region through its proximity to the IGB
- It is included in the 2nd PCI list and developed together with international partners/investors
- Gaslog has taken a 20% stake in Gastrade (December 2016)
- DEPA is assessing its participation
- FID to be taken in Q1 2018

IGB

- Will connect Bulgaria with LNG and gas from the Caspian and the Middle East through existing and new pipelines (i.e. TAP) and the Greek existing (Revythousa) and planned LNG terminals
- Is included in the 2nd PCI list and CESEC list and it is an integral part of the Vertical Corridor contributing to the security of supply of regions of poor diversification
- FID taken on 10 December 2015
- 5 bidding offers were received on a long term basis for the successfully ended on 30th Nov. 2016 bidding phase of the market test.
- TPA exemption application under assessment by NRAs
- A new allocation procedure is assessed for the remaining capacity not allocated during the bidding phase of the market test, based on requests by participants
- Start of construction scheduled by mid 2018, first gas by mid 2020



IGB: Key Project Achievements (1)

1 EEPR & Structural Funds

- Obtained up to 45 m€ grant under the EEPR (European Energy Program for Recovery) sponsored by the EU. The EEPR contributes to reducing the Capex impact on the tariff.
- ICGB is seeking Structural Funds from Greece and Bulgaria, to enhance the bankability of the project. CBA analysis produced a funding gap of approx. 51 M €, due to partial response of the market in the performed Market Test.

2 PCI and CESEC Enlisting

- IGB is a PCI (Project of Common Interest) and a priority project in the CESEC initiative (Central and South- Eastern European Gas Connectivity).
- IGB is included in the Greek and Bulgarian Ten Years Network Development Plan.
- MoU among all operators from Vertical corridor signed on 19 July 2017.

3 Permits

- Environmental Impact Assessment completed in both countries.
- Technical Development Activities (FEED, Routing and Technical Design) completed in both countries.
- Rights of Way in Bulgaria finalized for approx. 4000 plots.
- Land acquisition, including expropriation procedure in Bulgaria finalized – for all affected plots and owners.
- Construction Permit – for BG territory obtained in September 2017; for Greek territory – Q1 2018.



Co-financed by the European Union
European Energy Programme for Recovery



IGB: Key Project Achievements (2)

4 Market Test

- The Binding Phase of the Market Test successfully ended on 30th November 2016.
- Advanced Reservation Capacity Agreement executed by the Shippers who booked capacity on February 2017.
- The ARCAs signature allows the refinement of the exemption application in accordance to the outcomes of the market test.
- GTAs to be signed following TPA Exemption

5 FID

- In December 2015, the Shareholders took the Final Investment Decision, allowing the project to enter into the final development and start of construction phase (with actual capitalization of the company for construction CAPEX expenditures).
- The economic, commercial and financial structure has been approved by the Shareholders.

6 EPC and line pipe supply

- Ongoing development of Procurement Package for EPC and line pipe supply under Bulgarian PPA.
- Package for the tenders to be finished in Q3 of 2017.
- Launching of tenders planned in Q4 of 2017.



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Thank you for your attention!