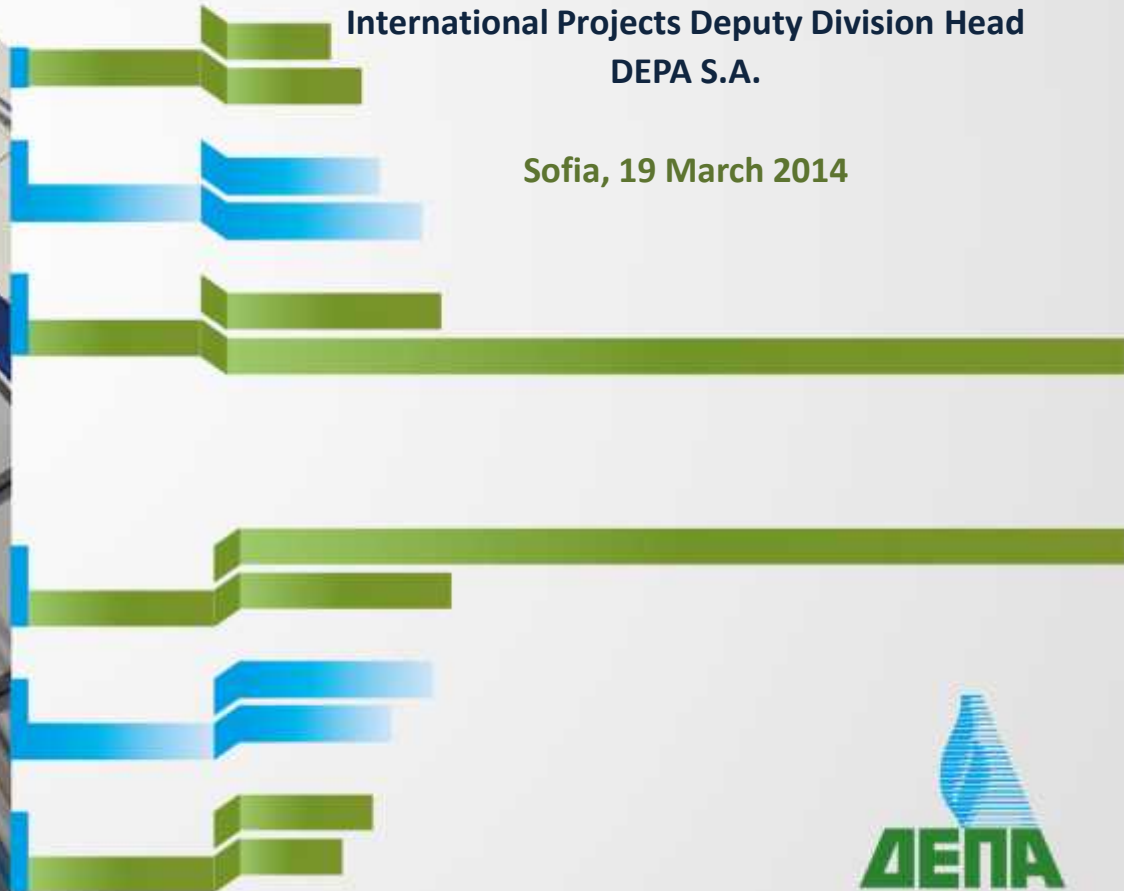


# DEPA's contribution to the development of a competitive gas market in Southeast Europe

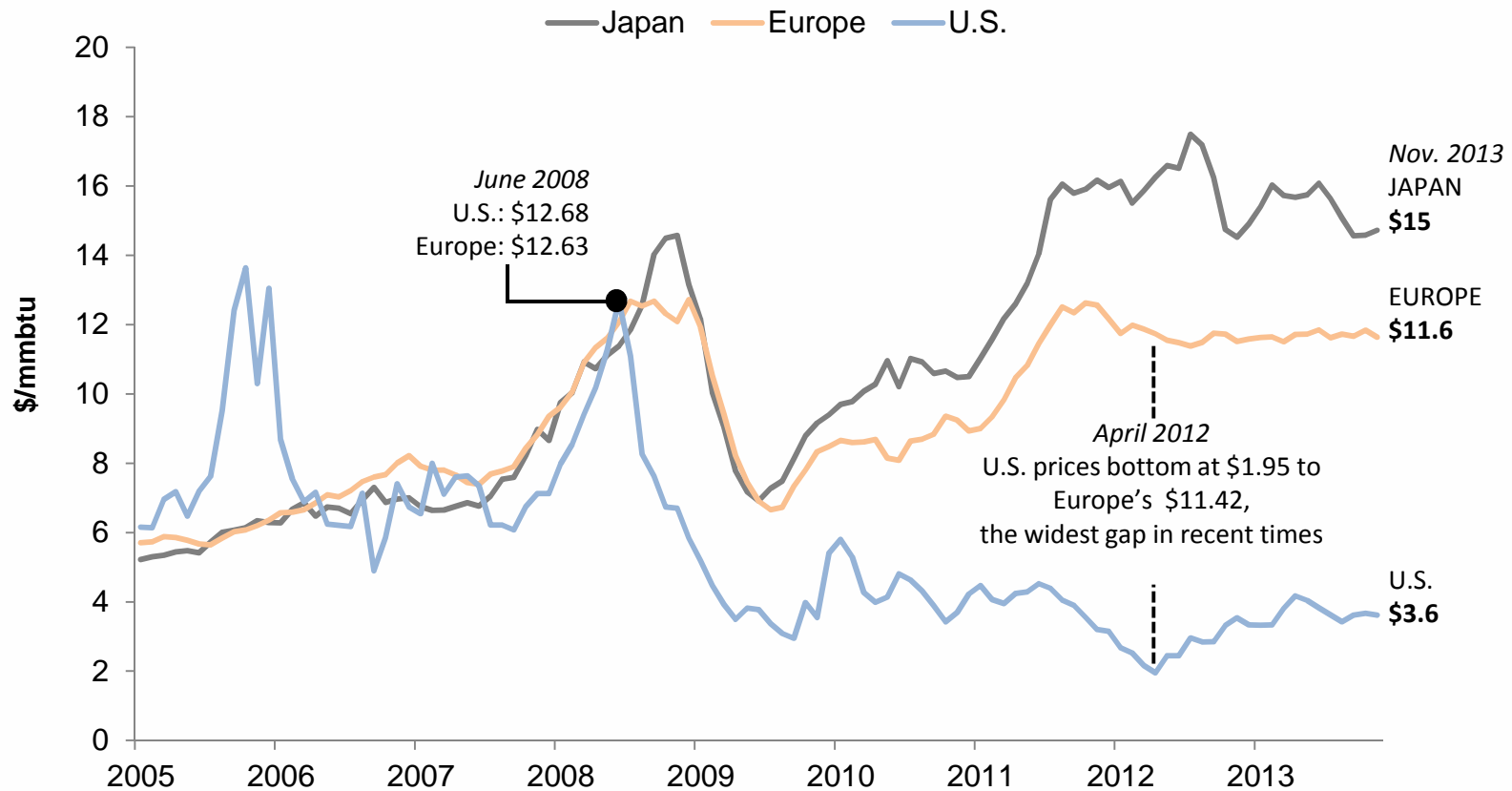
Dimitrios E. Manolis

International Projects Deputy Division Head  
DEPA S.A.

Sofia, 19 March 2014



# Gas prices in EU, USA and Asia



**Natural gas prices,**  
Nominal U.S. dollars, per million BTU  
(Liquified natural gas for Japan, natural gas for Europe and U.S.)

# SE Europe is a promising market

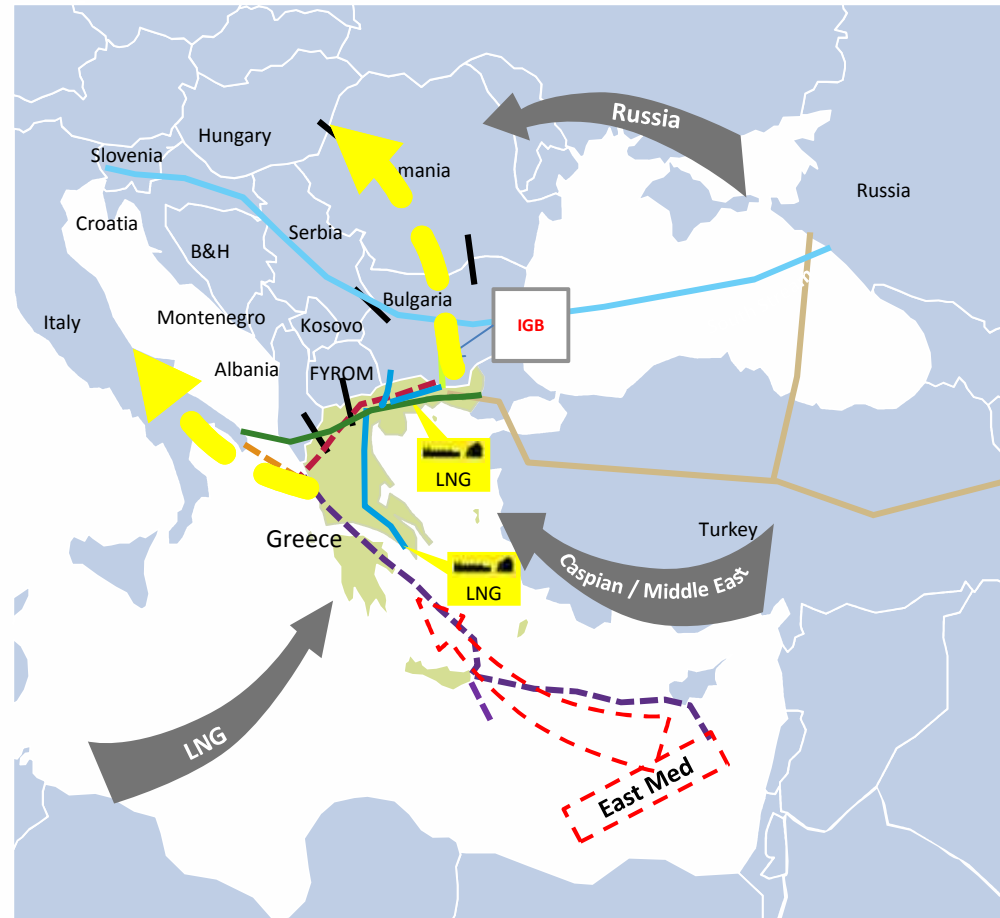
## Greece a gateway to SE Europe

### SEE's market is:

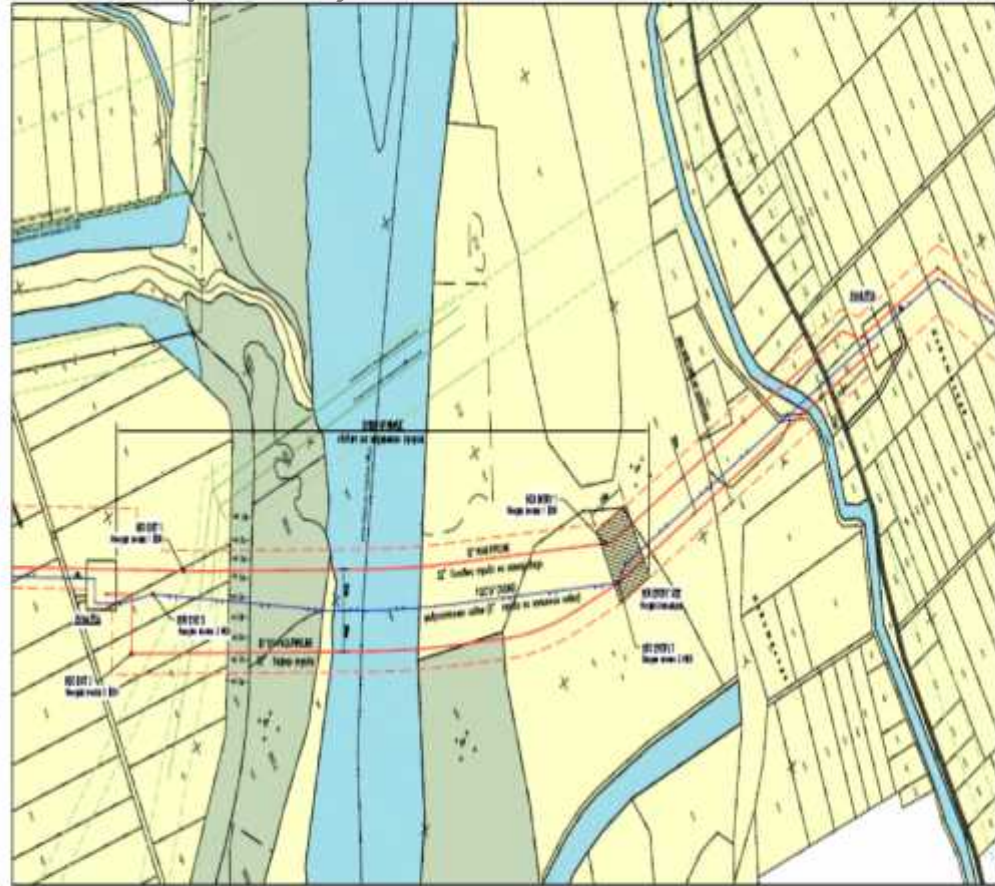
- the closest market to new sources;
- a growing market;
- in urgent need to diversify its supply sources and increase its energy security.

Greece can undertake the role of a gateway operating as an aggregator of a multitude of sources and it will:

further enhance the diversification of supply sources into Europe



# The Greece – Bulgaria Interconnector (IGB)



- FEED/Technical Design are in the final stage.
- Linepipe & LLI procurement procedure is in progress.
- FID to be taken in 2014 and construction to start in 2015
- First gas is expected to flow in 2016



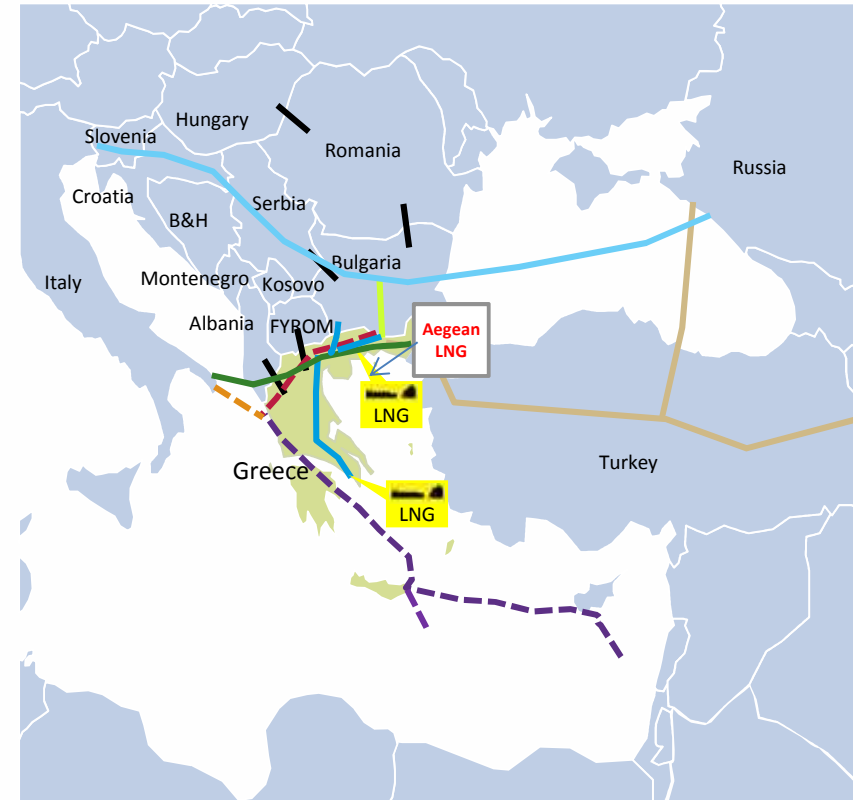
# The Aegean LNG terminal

The planned FSRU in Northern Greece will allow SEE region to have easier access to more LNG capacities (in addition to the LNG terminal in Revythousa).

The Aegean LNG will be able to send out 5 bcma into Greece and from there, in conjunction with IGB and ITG, to SEE and Turkey

The Aegean LNG:

- Comprises the floating facility
- It is located at Kavala where DEPA possesses property rights
- Will have a storage capacity of 150,000m<sup>3</sup>





## Aegean LNG–Technical Feasibility Established

Technical Feasibility established:

- Technical development progressing beyond completed feasibility.
- EIA study awarded in September 2013.
- Natural gas may flow from the Aegean LNG terminal as soon as late 2016.





# Aegean LNG / IGB Summary Characteristics

	CAPEX	Capacity	Completion	Shareholders
<b>Aegean LNG</b>	<b>270 m€</b> Potential for EU Funding	<b>5 bcma</b>	<b>2016</b>	<div style="border: 1px solid black; background-color: #4F81BD; color: white; padding: 2px; display: inline-block;">DEPA</div> Other possible investors
<b>IGB</b>	<b>220 m€</b> Granted EU Funding: <b>45 m€</b>	<b>5 bcma</b>	<b>2016</b>	<pre> graph LR     ICGB[ICGB A.D.] -- 50% --&gt; BEH[BEH A.D.]     ICGB -- 50% --&gt; IGI[IGI Poseidon S.A.]     BEH -- 50% --&gt; EDISON[EDISON]     IGI -- 50% --&gt; EDISON     IGI -- 50% --&gt; DEPA[DEPA]           </pre>



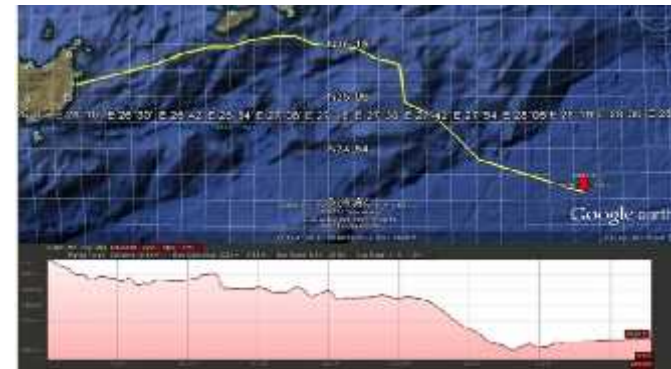
## Why the Aegean LNG / IGB System

- South East Europe **needs long-term supply** and is a stable growing market.
- The Aegean LNG is the **closest and least expensive route** to the Greek, SEE and Turkish markets.
- Aegean LNG can be the first regasification terminal to **target the broader SE European market** through IGB, **and Turkey** through the already operating ITG.
- **Multiple countries can be served through one EU entry point.**
- Aegean LNG is **at the crossroads of several key infrastructure projects**, including cross-border pipelines and gas storage.



# THE EASTMED PIPELINE IS TECHNICALLY FEASIBLE

## Onshore Pipeline onwards to IGI



The challenging approach to Crete (with water depths down to 2900m) has been looked into in more detail in a way that will minimize the technical challenges. A marine survey scope has been defined.



An assessment of potential landfalls and sites for onshore installations has been completed and coordinated with the offshore survey.



## FASTEST PATH TO MARKET

### Next steps - Pipeline project

**Carrying out a full Feasibility Study**, including further assessment of the merits and manageable risks identified in the prefeasibility process.

**Establishment of a joint working group** (DEPA plus entities involved in gas exploration in Levantine basin) **to develop the Eastern Mediterranean Pipeline** and optimize the delivery of the regions gas to European markets.

**Exploit the permitting, regulatory and financing advantages of the pipelines' PCI status (Project of Common Interest ) of EU**, as provided by Regulation 347/2013.

**Conduct specific market research for the sale of East Mediterranean gas** in Italy and South East Europe.



# Impact of these projects to SEE

## Development of Interconnecting Infrastructure in SEE

- The aforementioned projects will play a significant role and will have a great impact in the region since they will address the region's needs for Security of supply and promote gas to gas competition.
- DEPA is endeavoring to secure additional gas quantities for the Greek market at competitive prices adequately reflecting actual market developments.
- Following the selection of TAP, DEPA is committed to ensure that countries which comprised Nabucco's route benefit from the Southern Corridor's opening. Therefore, synergies between TAP, the Aegean LNG, the IGB and the interconnectors between Bulgaria-Romania and onwards to Hungary could significantly contribute to this objective.

