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***"Meeting the Gas Supply and Market
Integration Challenges
in SE Europe"***

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Presentation content

- **The European gas industry at crossroads**
- **The necessity for gas supply sources and routes diversification**
- **The key role of Greece and DEPA in the development of the Southern Corridor**
- **Towards the establishment of a new gas entrance and a regional hub in the Balkans**
- **Conclusions**

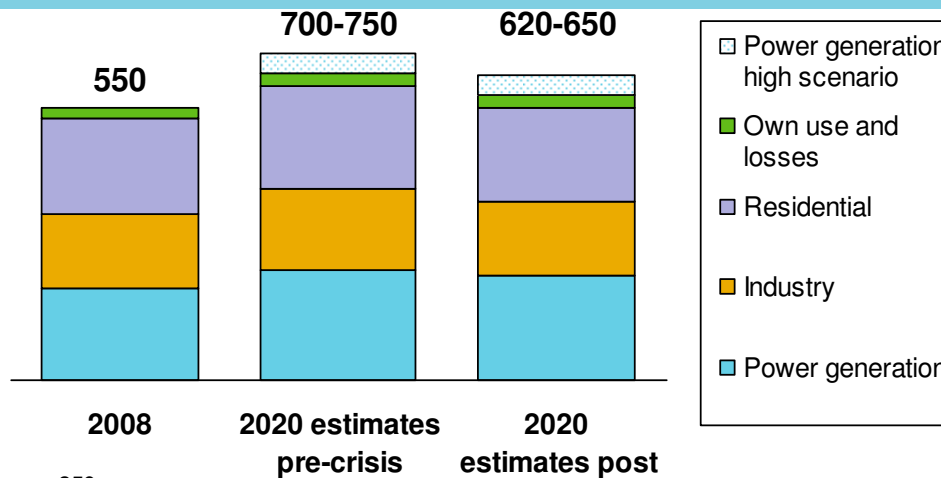
Current Challenges for the European Gas Industry

The European gas Industry is at crossroads faced with a number of challenges across the value chain mainly connected to:

- Strong gas demand for power generation
- Security of supply
- Critical infrastructure investments
- Market liberalization/integration
- Climate change and energy sustainability

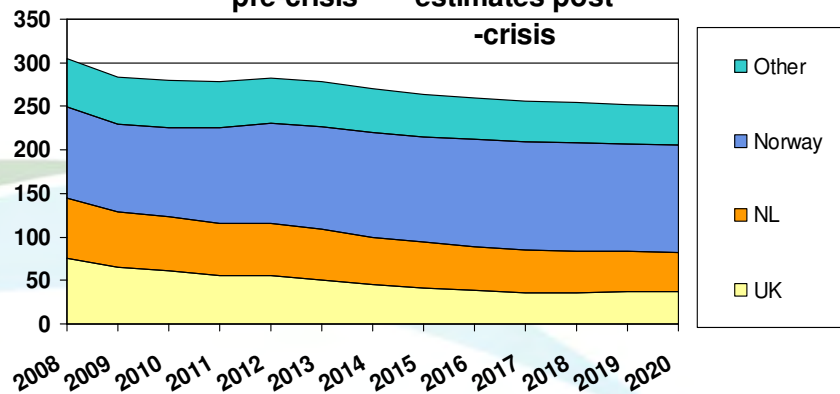
European gas market scenarios

Gas demand (bcm)



Economic crisis has reduced expectation for EU gas demand growth.

Gas production



EU domestic gas production will diminish of minimum 50 bcm/y by 2020

EU needs to secure additional gas imports to mainly balance decreasing of gas production and expecting gas demand growth

* Europe includes EU27 + Norway, Switzerland, Balkans and Turkey

Sources: IEA World Energy Outlook; BP Statistical Review, HIS/CERA

Europe's gas supply challenges

- Under any market scenario, Europe should secure additional quantities of gas in the years to come
- In order to make these quantities of gas available and decrease its dependence on Russian gas, Europe should promote/support the implementation of alternative gas infrastructure (both upstream and midstream)
- This reality led to the idea of establishing a new transport corridor for gas supplies from the Caspian and the Middle East to Europe, the so-called Southern Corridor

Europe's gas supply challenges



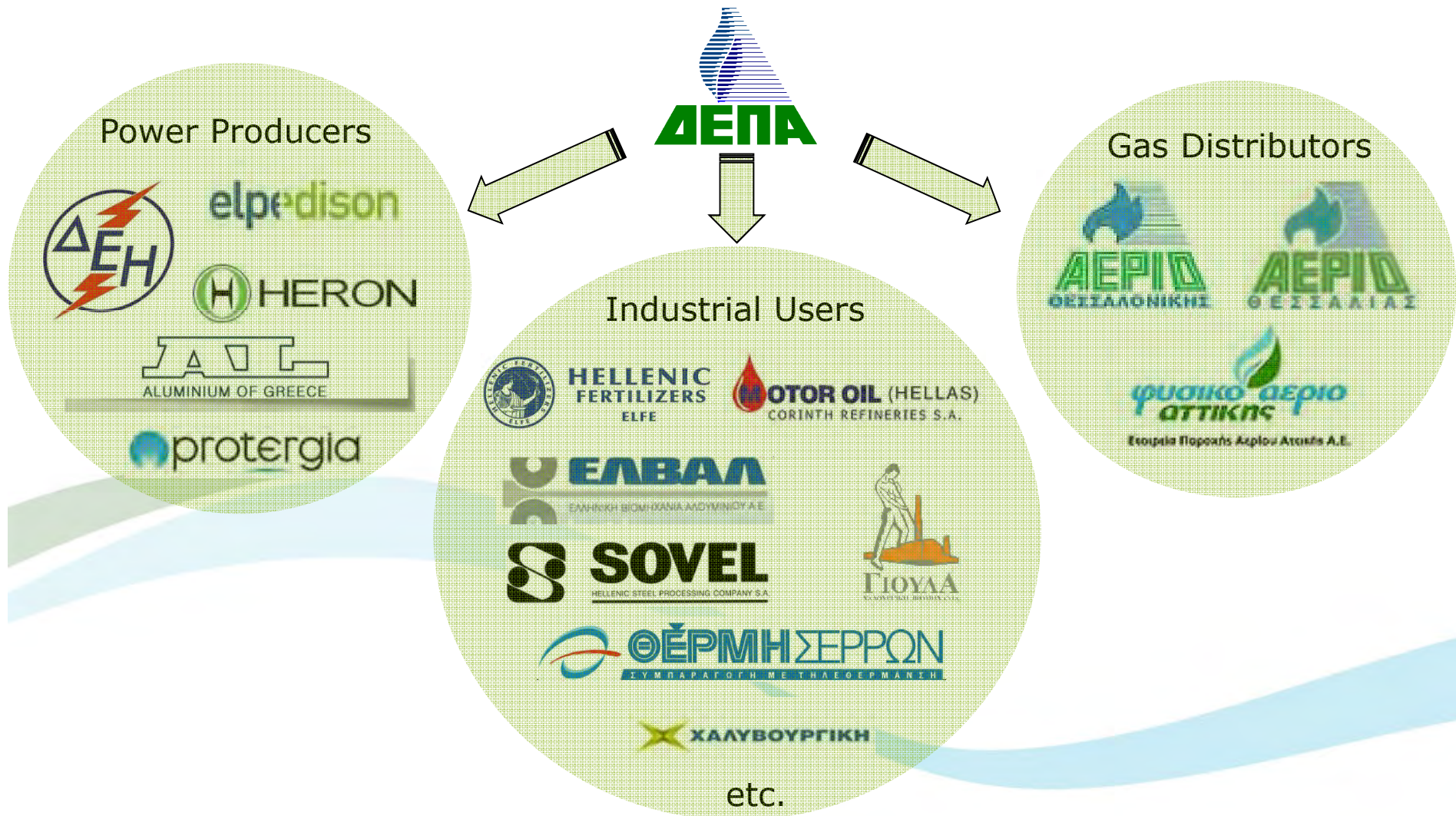
Southern Corridor straightens European energy security, provides scope for gas sources and routes diversification and reduces dependence on Russian gas



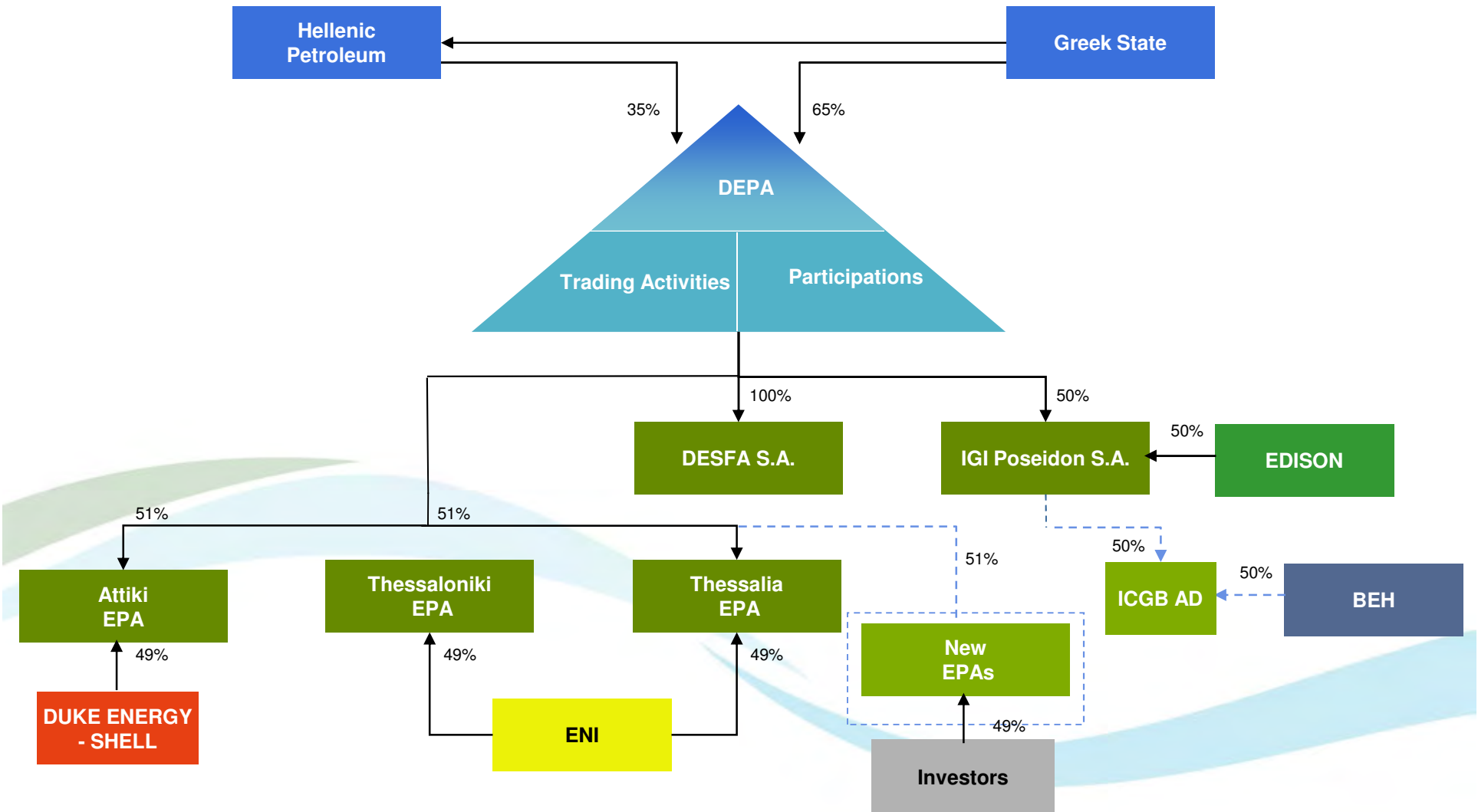
Public Gas Corporation of Greece (DEPA SA)



DEPA: Value-created Relationships with Customers



DEPA's Group Structure



DEPA's Strategic Objectives

Ensure long-term leadership in a competitive market and capture growth both in Greece and the region

✓ **Achieve competitive well-diversified and flexible supply**

✓ **Remain the market leader and maximize growth in the domestic market**

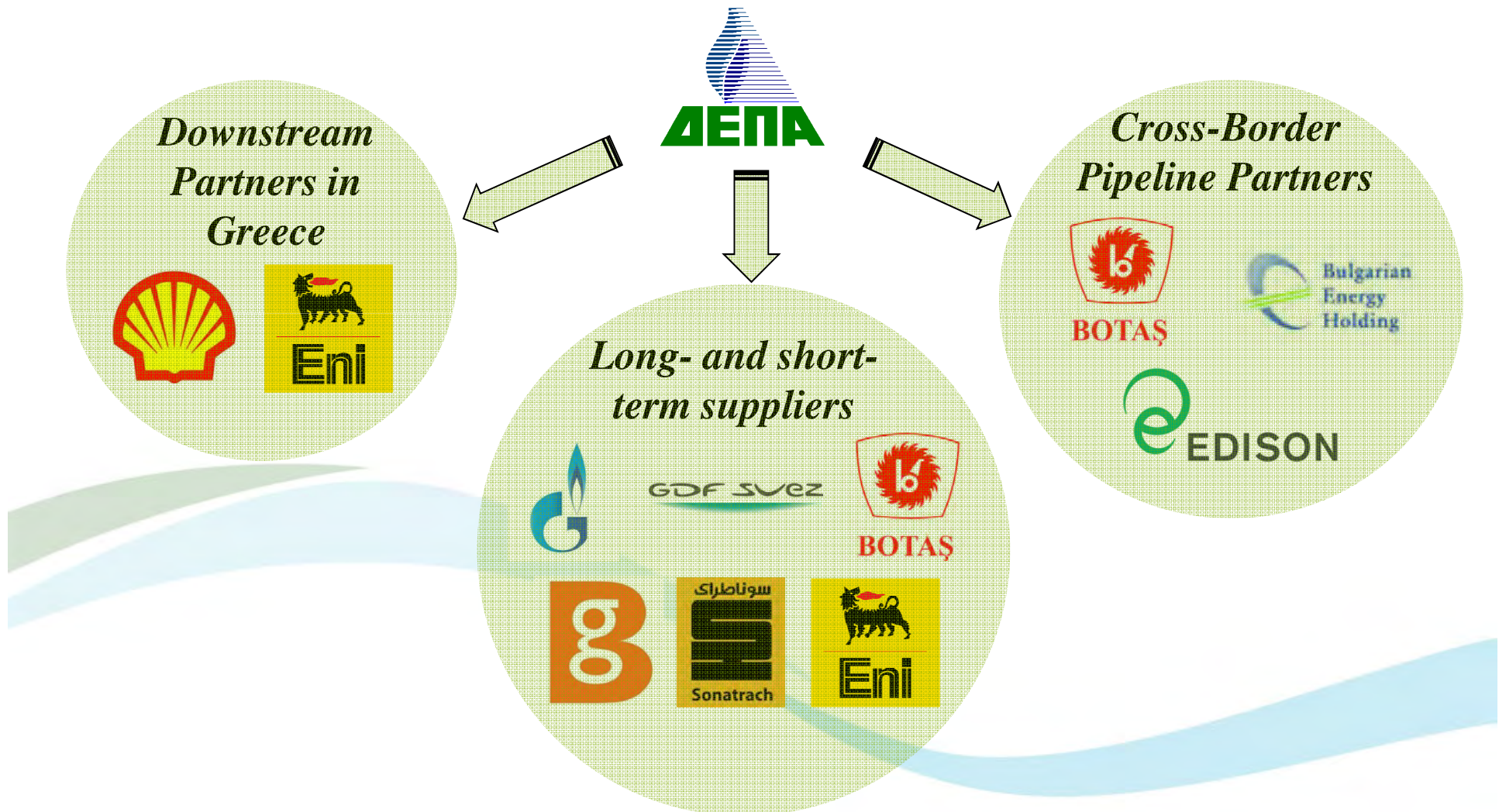
✓ **Play a key role in the region in infrastructure development and supply**

✓ **Optimize wholesale margins**

➔ **Contribute to the creation of a green and efficient domestic energy market (infrastructure, energy mix and market)**

➔ **Build a fit-for-purpose organization to win in a competitive gas market**

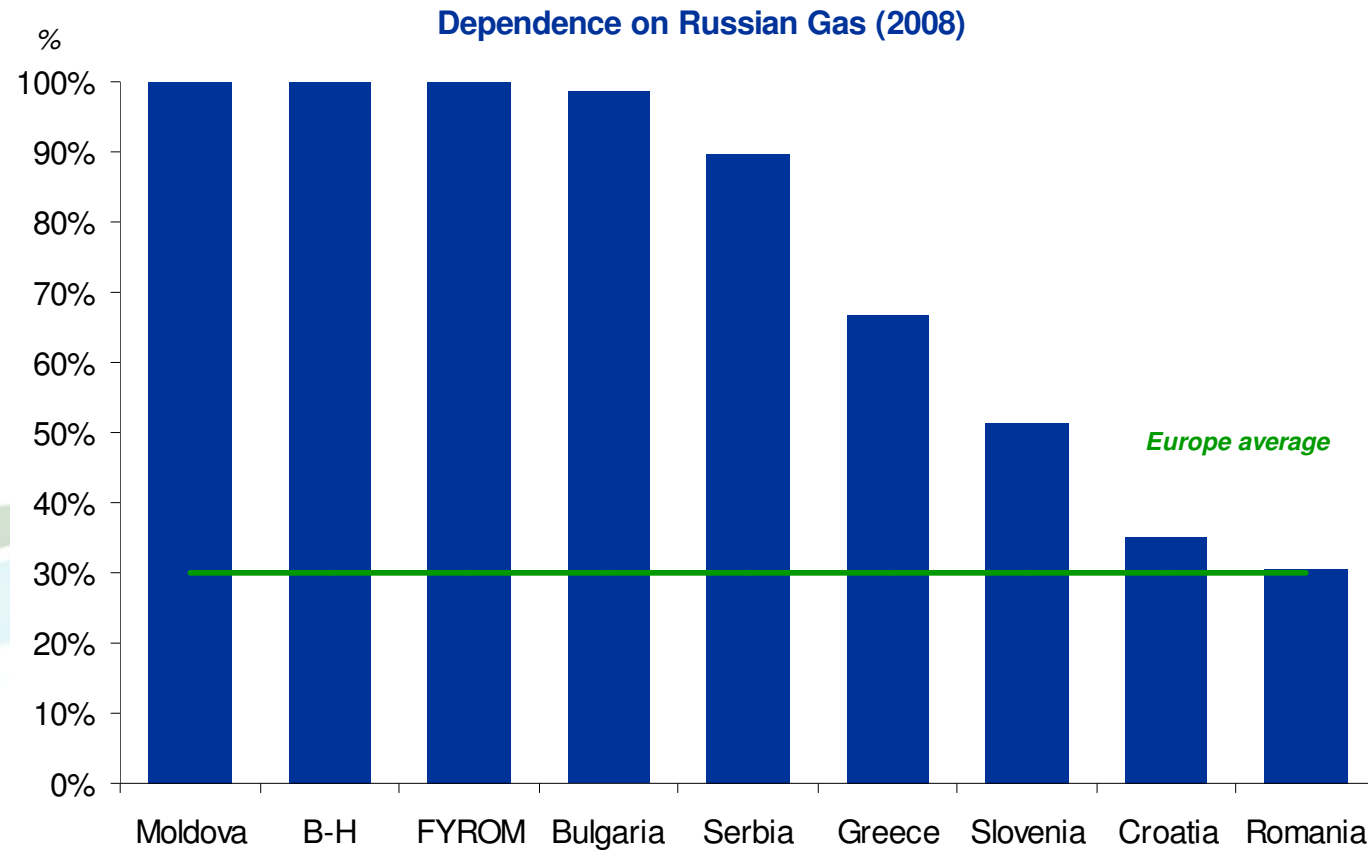
DEPA: Deep Relationships with Major Gas Players in the Broader Area



ITGI could Establish Greece as a Transit Country and a New Gate of Gas to Europe



SE Europe Wants to Diversify from Russia and Establish an Integrated Regional Gas Market

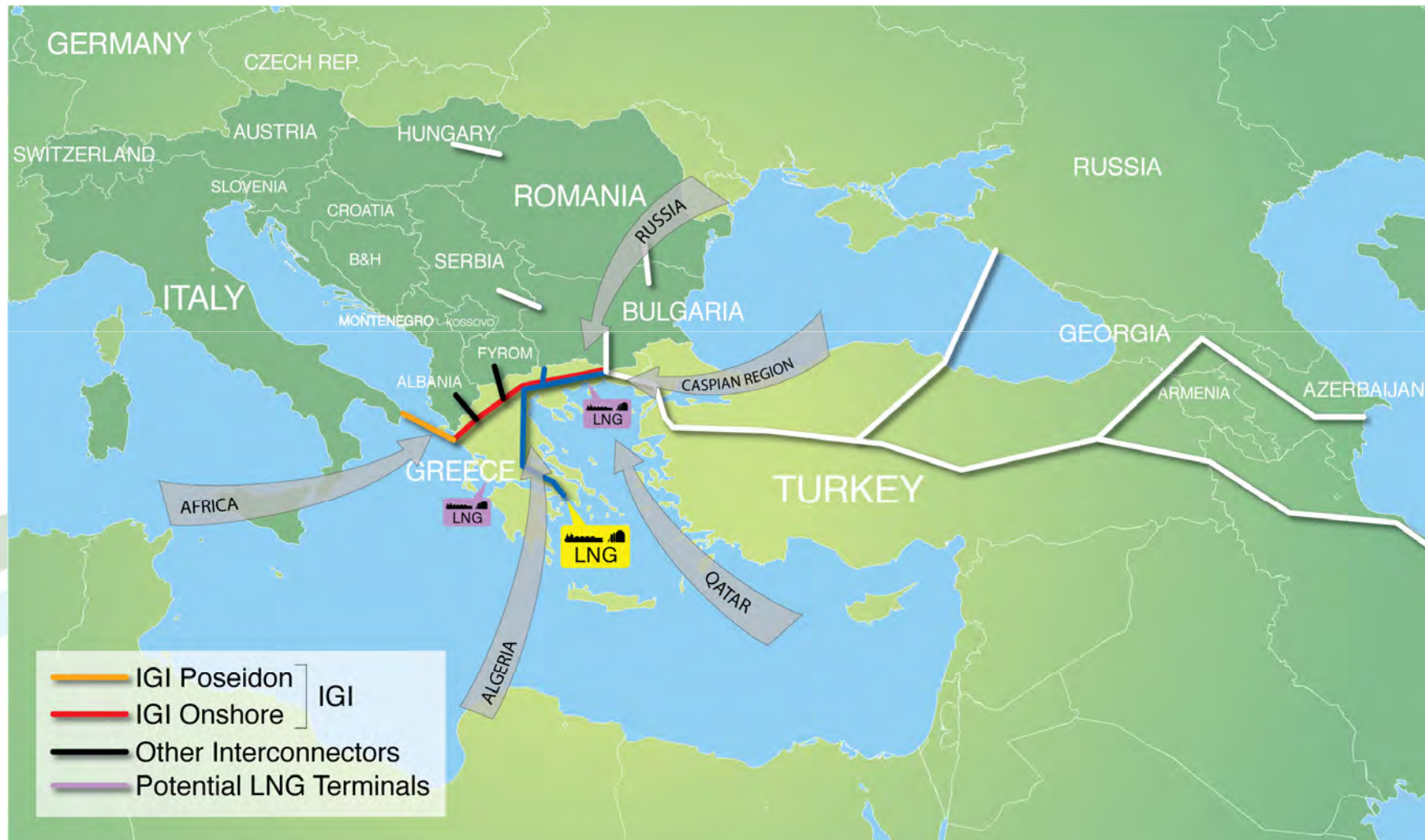


Source: IEA, PFC Energy

ITGI: the Quickest Option to Make Southern Corridor Valuable to Europe

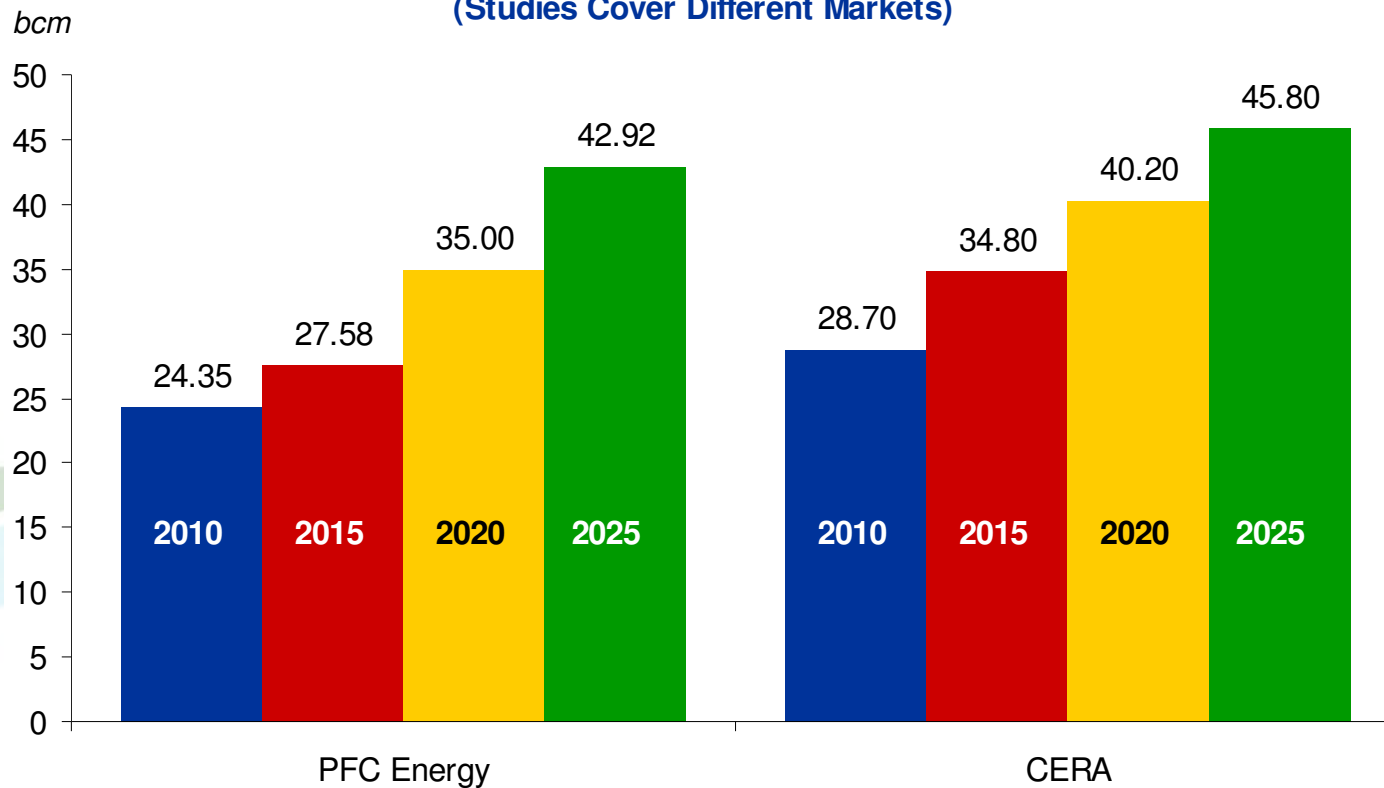


ITGI, IGB and Aegean LNG would Create a Regional Gas Hub

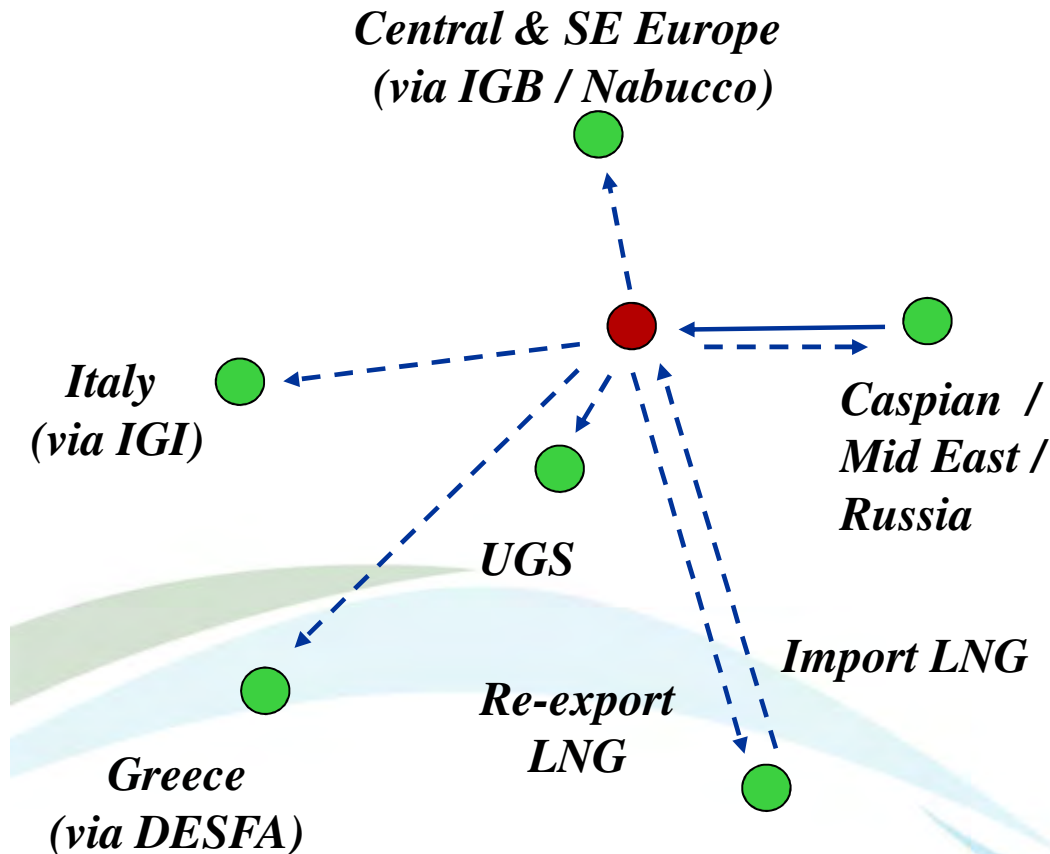


SE European Market to Grow by 17-18 bcm in 2025

**Gas Demand Forecast for SE Europe
(Studies Cover Different Markets)**



The Aegean LNG: Redefining the Regional Gas Market



- Long-term re-gasification capacity
- Short-term re-gasification capacity
- Capacity integration with Greek system, IGI, IGB
- LNG storage
- Underground gas storage
- LNG re-exports
- Gas exchange: spot
- Gas exchange: futures
- Swaps between pipeline and LNG
- Swaps to “re-export” piped gas

Conclusions

- Europe should find effective ways to balance its wariness for the continuous increase of its imports dependence and its interest to gain access to alternative gas supply sources.
- Greece (and DEPA) has a key role to play towards the diversification and security of gas supply in SE Europe
- By virtue of its position, Greece is well prepared and thus able not only to transit significant quantities of gas from the Caspian and the Middle East to Europe through the ITGI, but also to provide gas from other sources to the broader SE European region through the planned Aegean LNG and the IGB

Thank you for your attention

