



19th NATIONAL ENERGY CONFERENCE

“Energy & Development”

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***“DEPA’s Initiatives for Economic Growth
and Regional Energy Security”***

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Greece on path to economic recovery

- Visible signals of economic stability and expectations for recovery after 5 consecutive years of recession
- A number of positive developments in fiscal and macroeconomic figures along with certain ongoing structural reforms create the sense of a cautious optimism
- However, the situation is still precarious and hard efforts should be continued in order to secure the health of the Greek economy in the long-run
- Energy is crucial for the economy's growth and consequently offers opportunities for transformation initiatives and sizable investments
- Currently there are certain reforms underway both in the electricity and in the natural gas market
- But while market reforms are absolutely necessary to boost productivity, efficiency and competition, there are also inherent risks and threats for the market players, especially for the incumbents ones



Reforms in the electricity market have significant impact on players involved

- Reforms but also uncertainties in the Greek electricity market
- The new regulatory regime has changed the landscape and resulted in drastic reduction of gas demand for power generation
- Even recently constructed CCGT plants at risk of devaluation
- Vertical increase of electricity imports
- ToP clause for DEPA in 2014 (and consequently for many of its customers)
- The law for the formation of the “Small PPC” has been voted



Reforms in the domestic gas market may have significant impact for players involved (including DEPA)

- Government to withdraw EPA's gas supply exclusive rights
- Supply activities will be legally separated from distribution ones in accordance with the European target model
- Distribution will be a fully regulated business, under strict rules for access to network and for applicable tariffs
- All industrial customers nationwide will become eligible as of 1/1/2015. Commercial and residential customers will follow within the next 2-3 years
- Changes will affect not only the retail market but also the wholesale gas market and consequently DEPA
- Reforms may have an impact on EPA's shareholders (including DEPA)

Vision and strategy

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

Core initiatives

- I Achieve competitive, well-diversified and flexible supply
- II Remain the market leader and continue to drive growth in the domestic market
- III Play a key role in infrastructure development and gas supply in the region
- IV Optimise wholesale margins

Strategic enablers

- V Contribute to the creation of a green, competitive and efficient energy market
- VI Build a fit-for-purpose organisation to win in a competitive gas market and prepare carefully for future differentiation in related businesses

CNG and small-scale LNG: Proven Technology, Already in the Agenda of many Governments and Businesses



LNG powered offshore supply vessel, Norway



LNG powered vessel design (Source: DNV)



Locomotive converted to LNG, US



LNG trailer 50 m³, China



LNG bus, Poland



LNG truck, Netherlands



NG and LCNG station, US

DEPA's vision is to create a new gas gate to SE Europe and establish Greece as a physical and pricing gas hub in the region



SE Europe can be a key market for a number of new gas sources included East Med gas/LNG

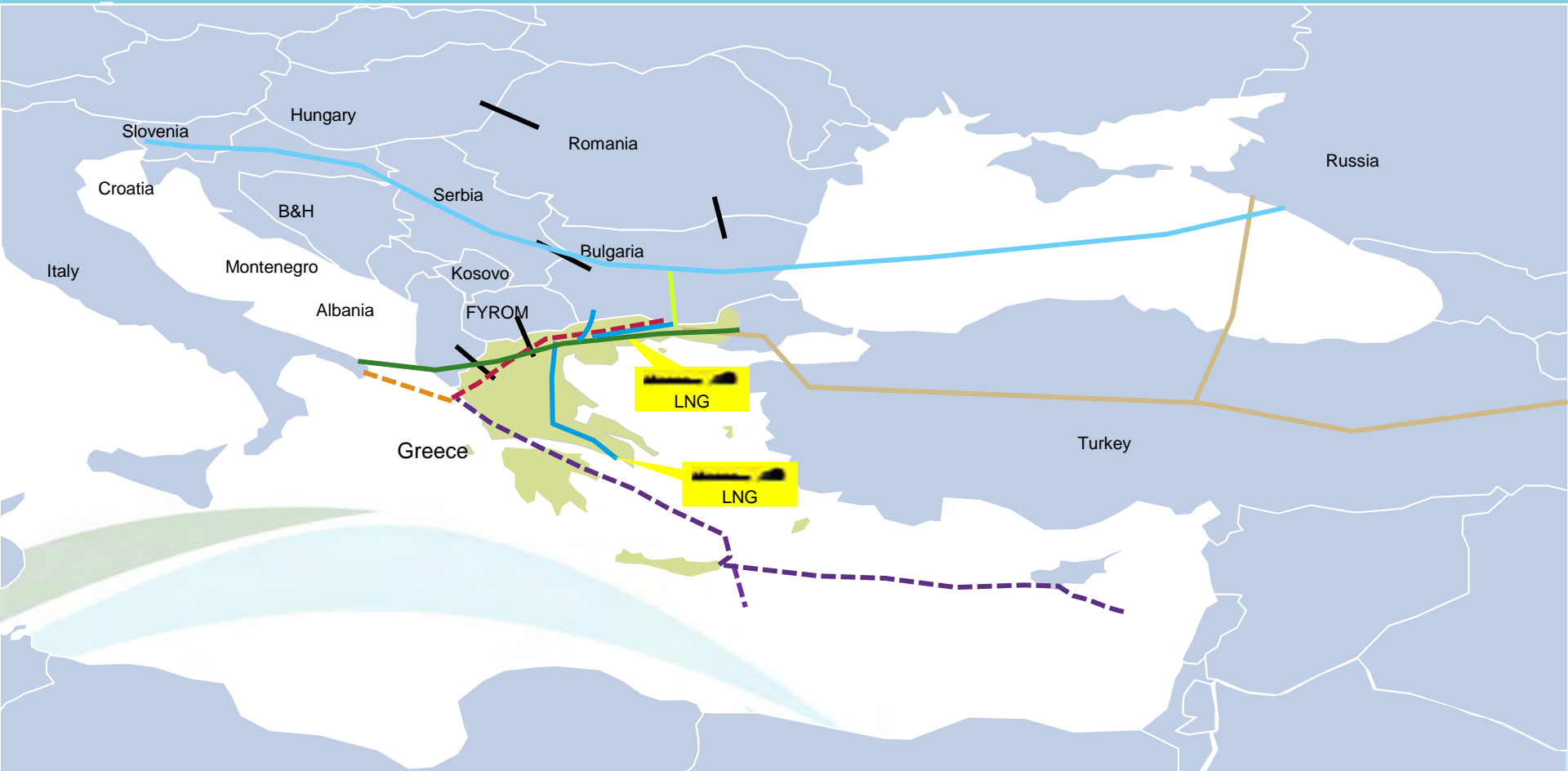
SEE's market is:

- the closest market to new sources, including LNG through Greece;
- a growing market with competitive prices;
- in urgent need to diversify its supply sources and increase its energy security.





Greece supports certain gas pipeline & LNG projects of regional and European interest



- TAP
- South Stream
- East Med
- IGI Poseidon
- IGI Onshore

} IGI

- IGB
- Other Interconnectors
- LNG Terminal



Conclusions

- Energy is crucial for the economy's growth and consequently offers opportunities for sizable investments and transformation initiatives
- Reforms in the sector are necessary to boost productivity, efficiency and competition, but often are accompanied with risks and threats for the market players involved, especially the incumbents ones
- DEPA is currently reviewing its strategy and redefining its initiatives to ensure leadership in a competitive market and capture growth both in Greece and in the region
- To this end the company is:
 - a) targeting enlargement of its customer base by expanding gas distribution networks in new areas and/or by employing the CNG / small-scale LNG technology and
 - b) continuously playing an active role towards diversification, security of supply and gas market integration in the region of the SE Europe



Thank you for your attention

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