

SEE market's quest for security and competitiveness

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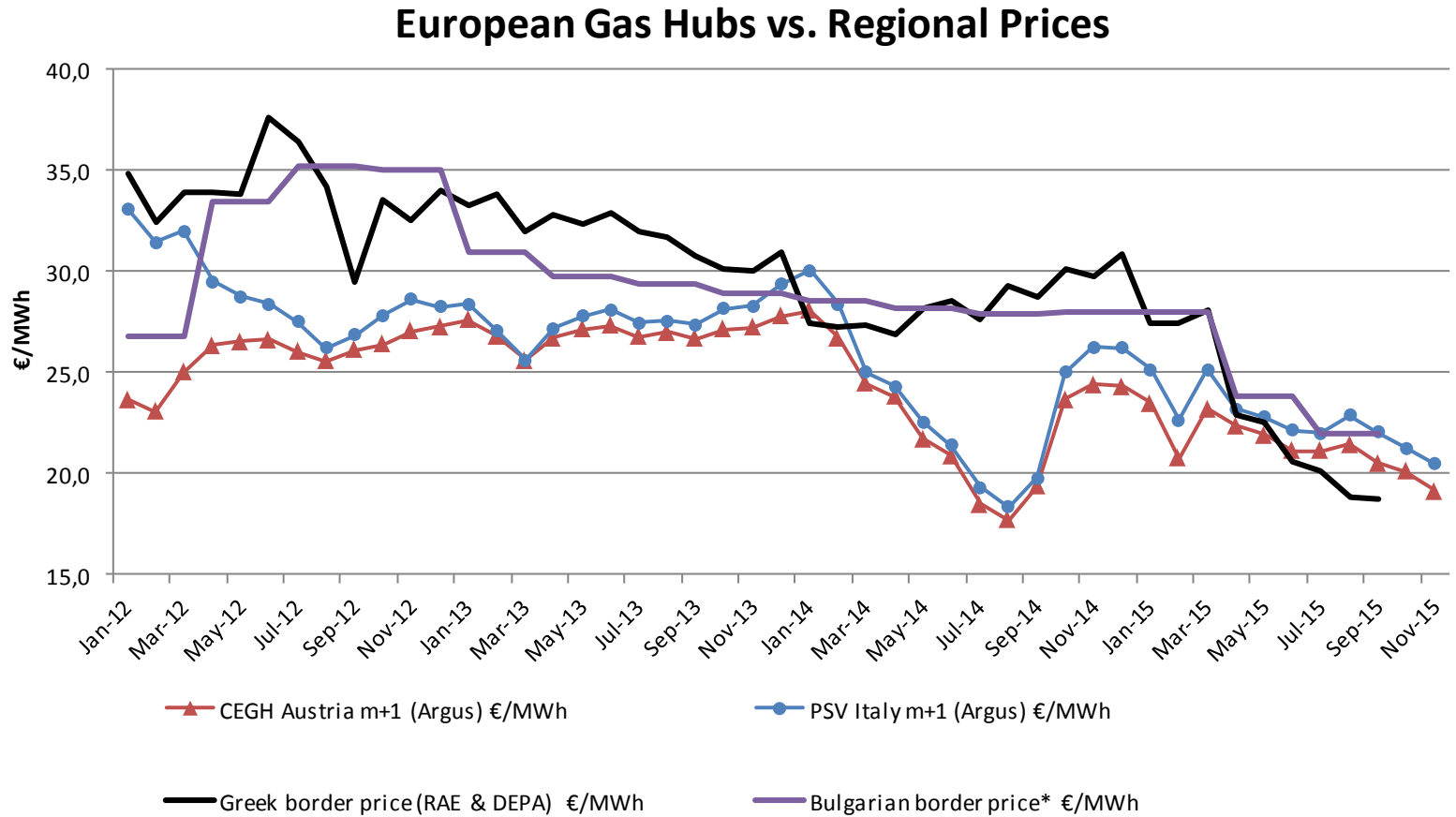
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ΔΗΜΟΣΙΑ
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European Gas Hubs vs. Regional Prices



* Bulgarian border price includes indigenous production

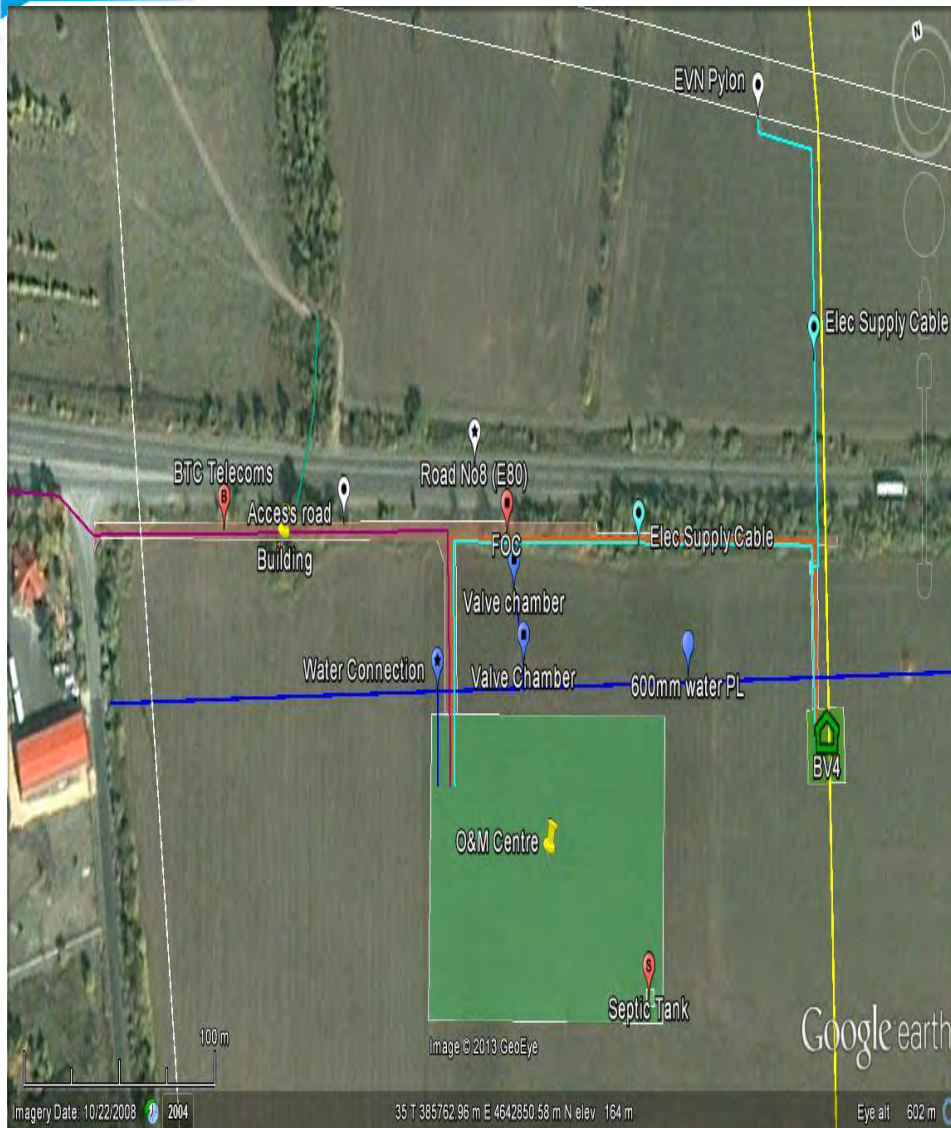
SEE market overview

SEE's market is:

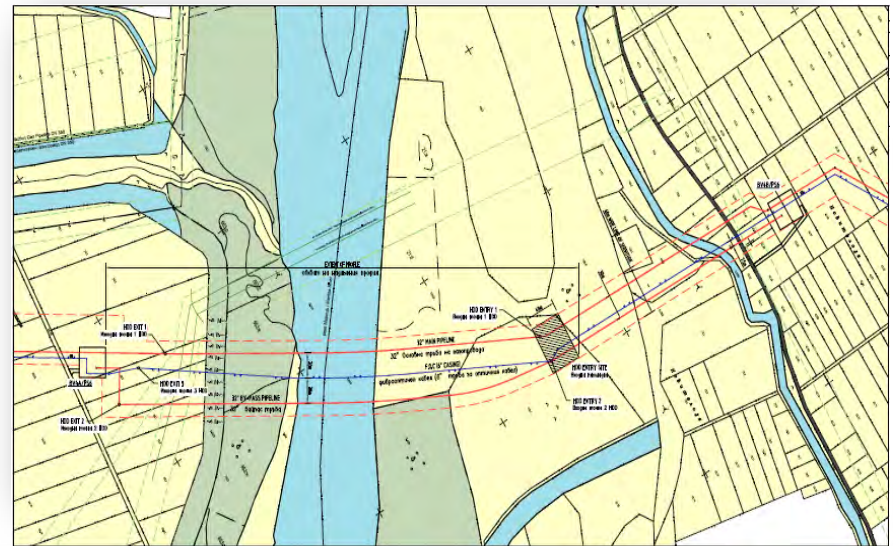
- the closest market to new sources, including LNG through Greece;
- a growing market;
- in urgent need to diversify its supply sources and increase its energy security.
- in urgent need for gas to gas competition.



The Greece – Bulgaria Interconnector (IGB)



- FEED / Technical Design are completed
- Line pipe & LLI procurement procedure is in progress
- FID to be taken in November 2015 and construction to start in 2016
- New Market Test to be launched by November 2015
- First gas is expected to flow in 2018



Greece: a gate of LNG for SE Europe

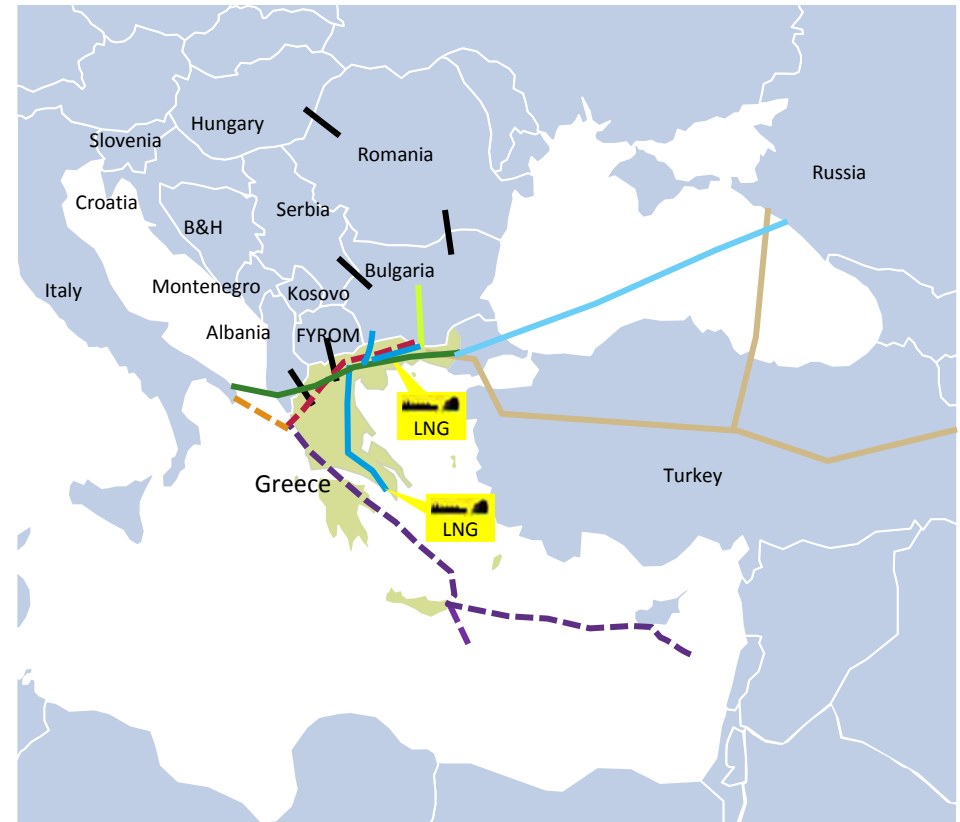
The planned FSRU in Northern Greece will allow SEE region to have easier access to additional LNG imports.

The LNG Terminal in Northern Greece has been included in the 2nd PCI list.

The existing LNG Terminal at Revithoussa will expand its storage capacity by 95,000m³ LNG +73% and its send out rate by 80,000MWh/day +54%.

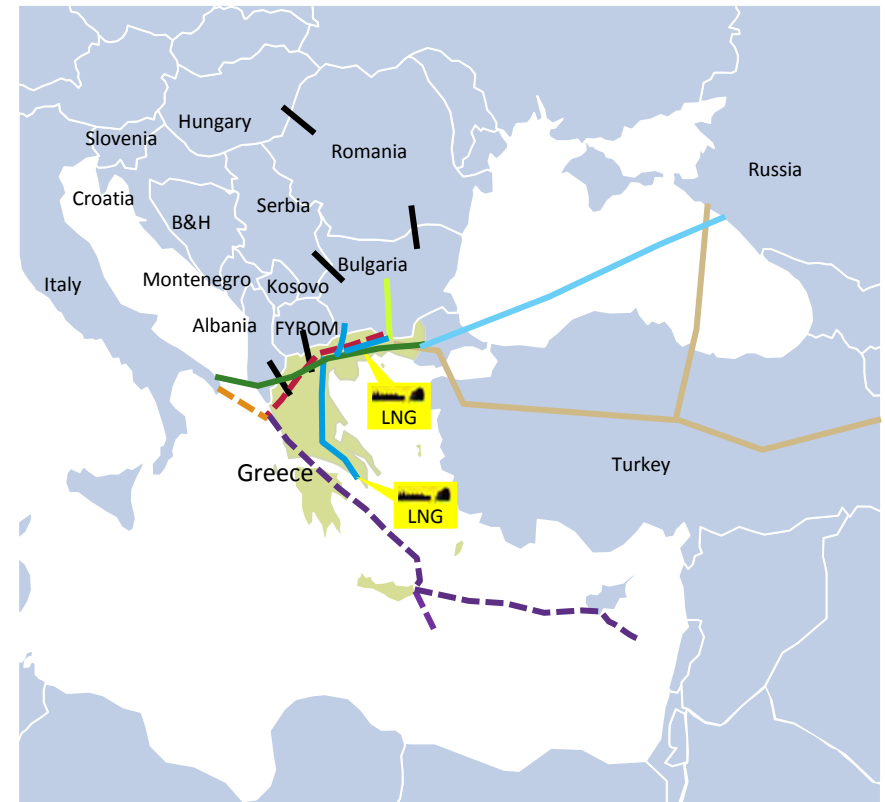
The Terminal could immediately serve the SEE market through Kulata / Sidirokastro, via virtual or physical flow, as soon as the Interconnection Agreement between Bulgartransgaz and Desfa is signed.

The LNG Terminal in Northern Greece will be able to send out LNG into Greece and from there, in conjunction with IGB and ITG, to SEE and Turkey.



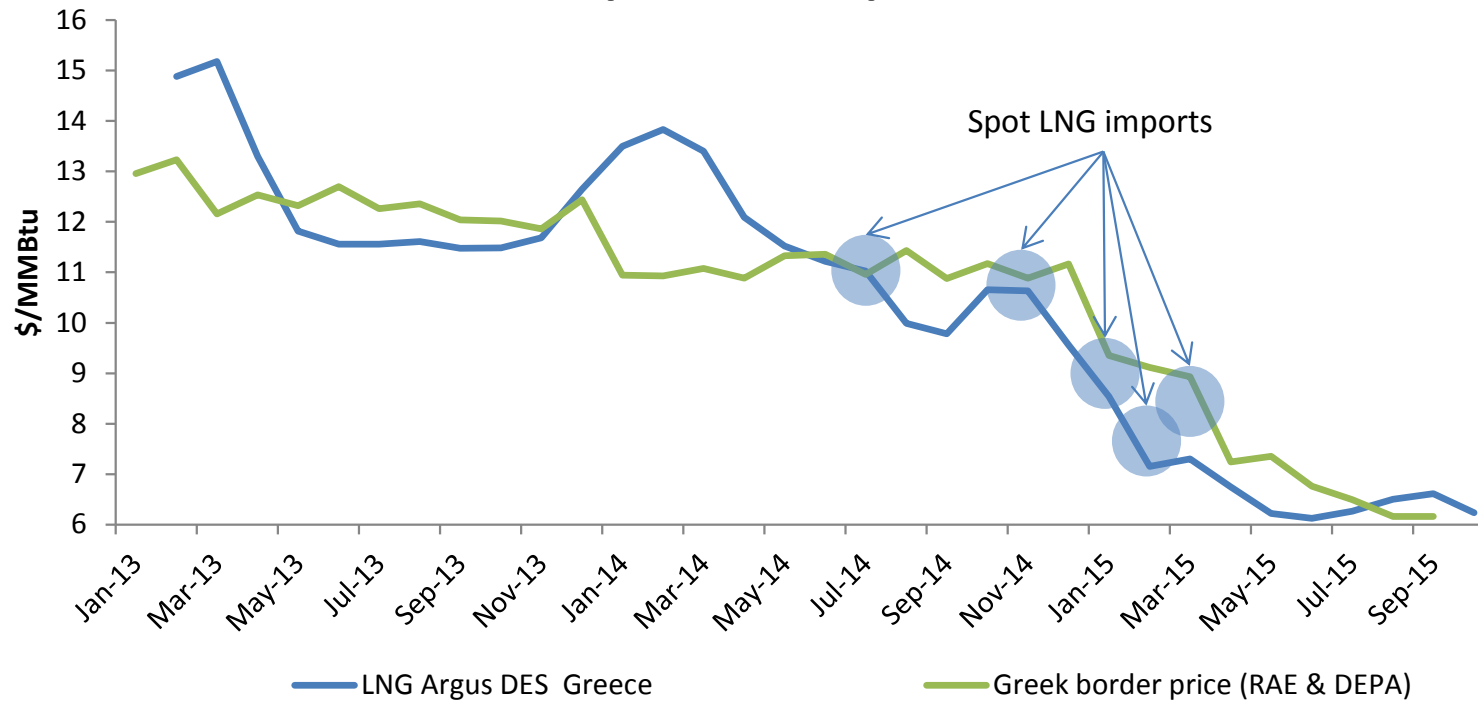
Impact of Market Integration to SEE

- The ultimate enablers for Gas to Gas competition are Interconnectivity and Market Integration.
- 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 on gas competition.
- DEPA is endeavouring to secure gas quantities for the regional market at competitive prices.
- DEPA is committed to integrating the SEE market to the benefit of business and households.
- A Regional Hub?



Spot LNG imports in Greece

Greek Spot LNG imports vs. Prices



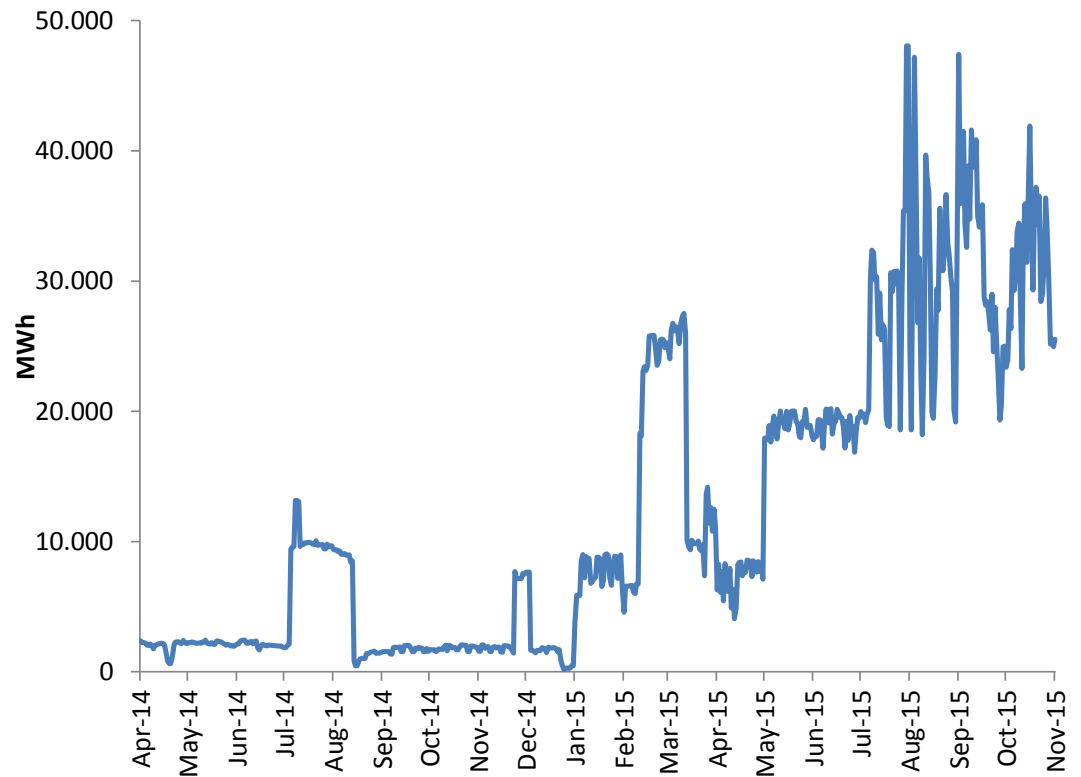
- LNG price slump on Q1-2014 motivated SPOT LNG imports to the Greek market
- However, decrease in long term oil indexed contract price caught up in Q3-2015

Trade in the Greek Hub (Virtual Nominations Point)

There is some initial trading activity in the Greek Hub

In October 2015, **33%** of gas delivered was previously traded at the Virtual Nominations Point (VNP)

Gas deliveries in SNP





Boosting VNP liquidity

Steps need to be taken to enhance Greek Market liquidity

Development of short term balancing market:

- Balancing point transfer from Aghia Triada to VNP
- Introduction of intraday trading in the Greek Network Code
- Expedited implementation of Balancing Platform according to BAL-NC
- DEPA boosts VNP short term liquidity by offering balancing gas to the VNP
- Stronger motivation to users to be balanced

Development of long term market:

- Interoperability Agreements with neighbouring countries to motivate cross border flows
- Establishment of a long term gas commodity exchange for delivery at the VNP
- Motivation of gas network code alignment among neighbours