



# **The role of the ITGI system**

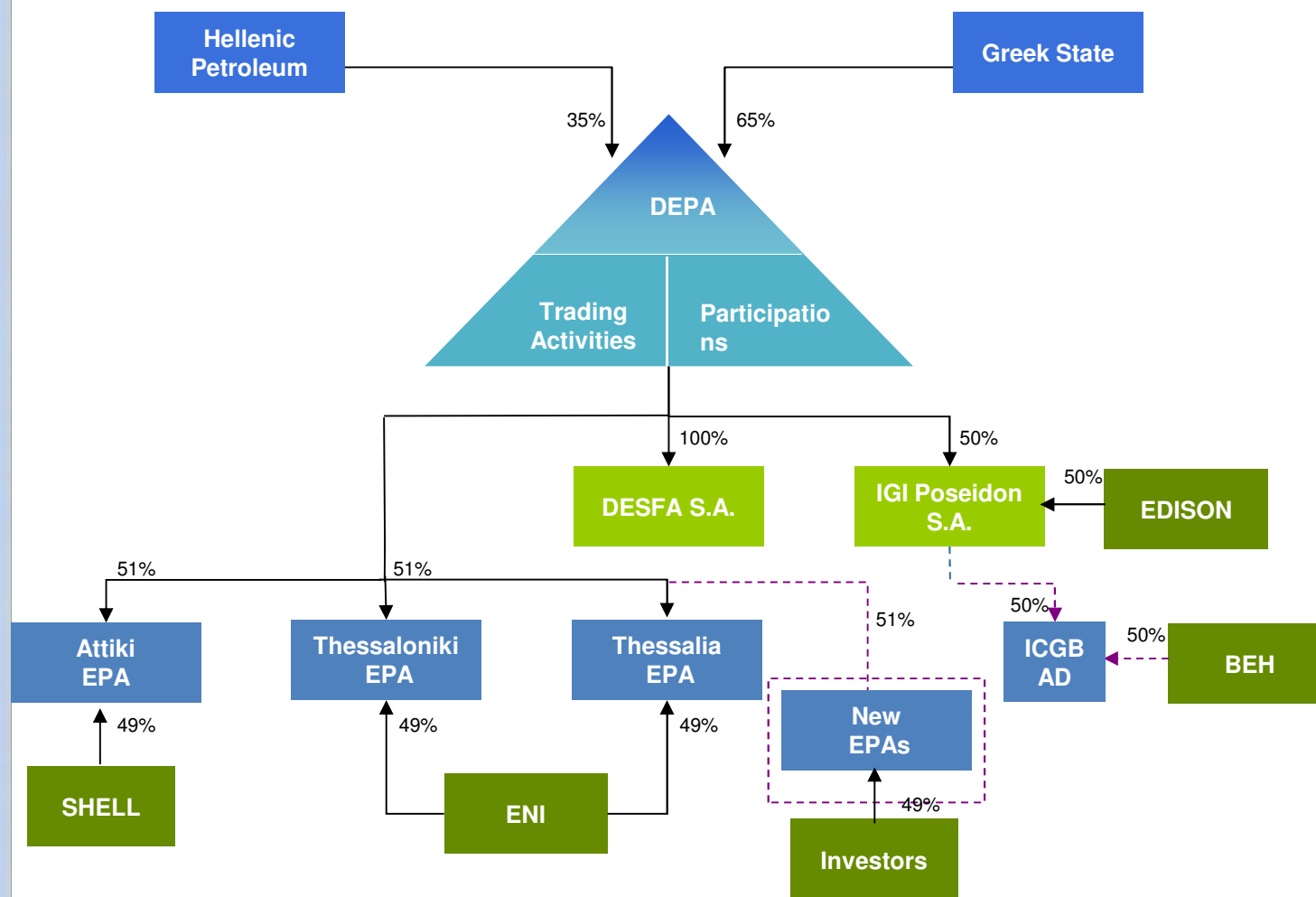
## **New Opportunities and Synergies rise from the East Mediterranean**

**Harry Sachinis,  
Chairman & CEO  
Nicosia 26/01/2012**



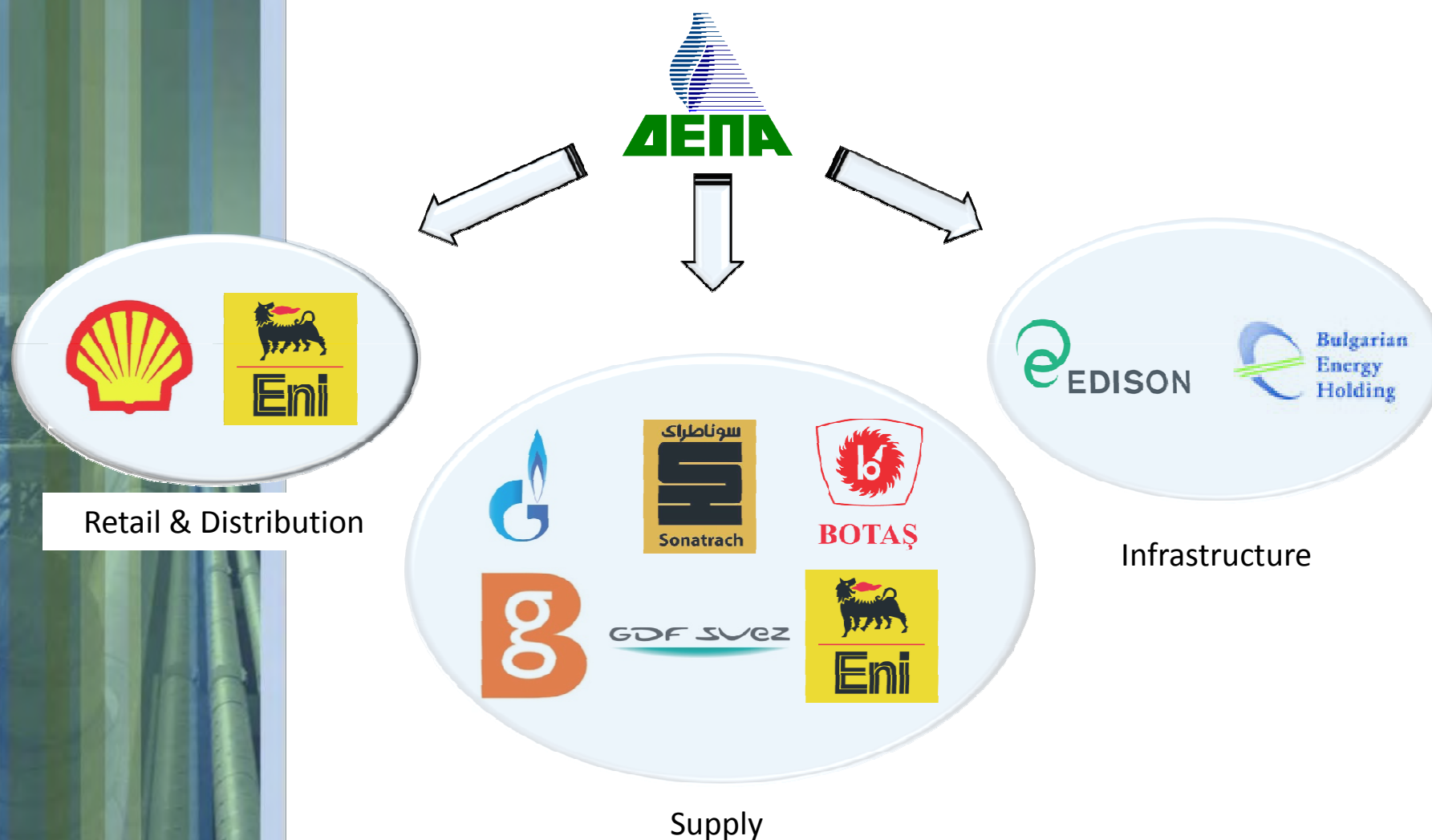


# The DEPA Group





## DEPA, together with its strategic partners, is at the forefront of gas market developments in Greece and the SEE region





## DEPA S.A.'s financials for years 2009-2011

■ Annual  
■ 9-months

**Sales**  
(bcm)

3,4

3,2

4,0

**Turnover**  
€ million

1.004

1.160

1.100

**Earnings  
before tax**  
€ million

61

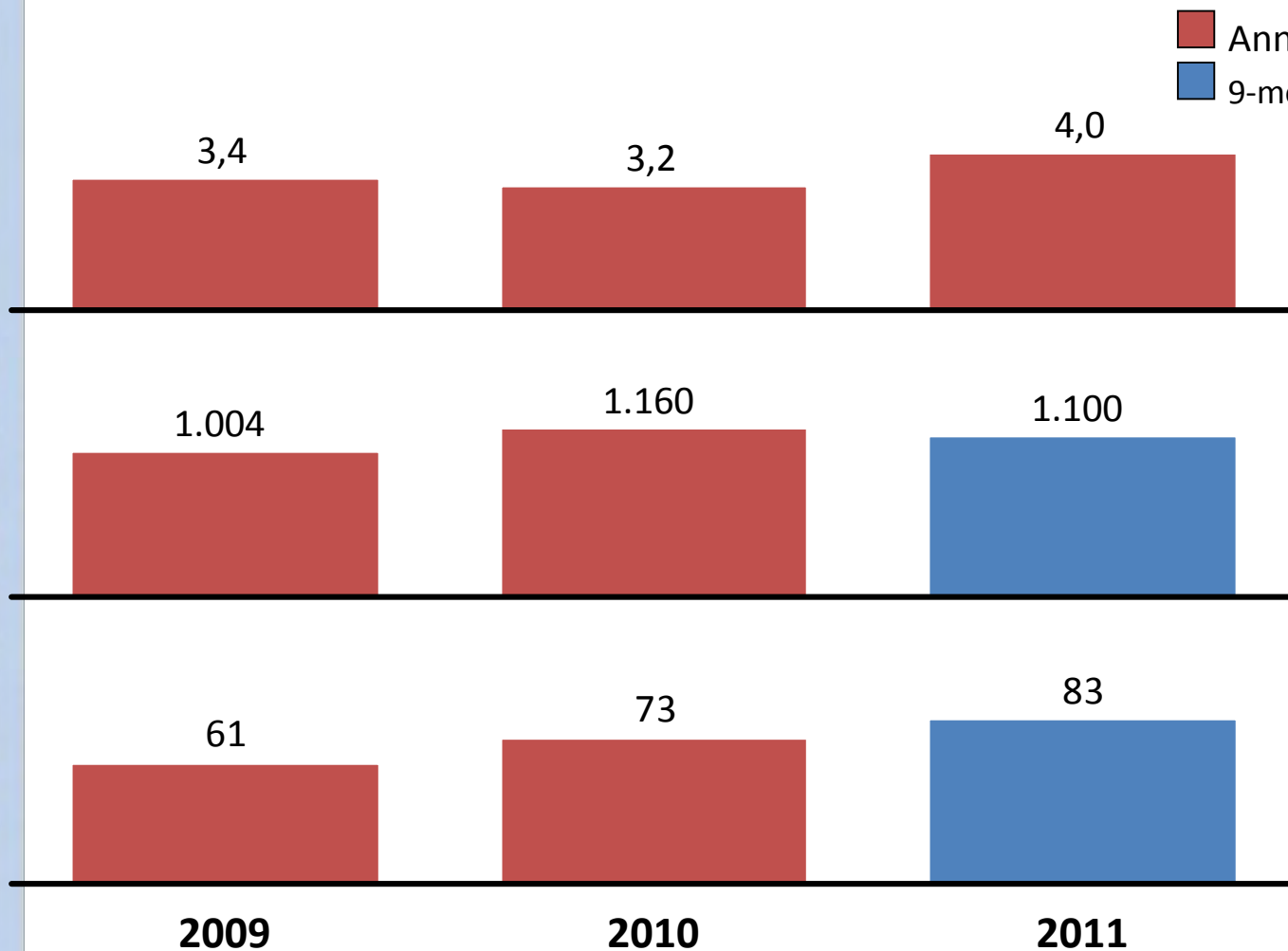
73

83

2009

2010

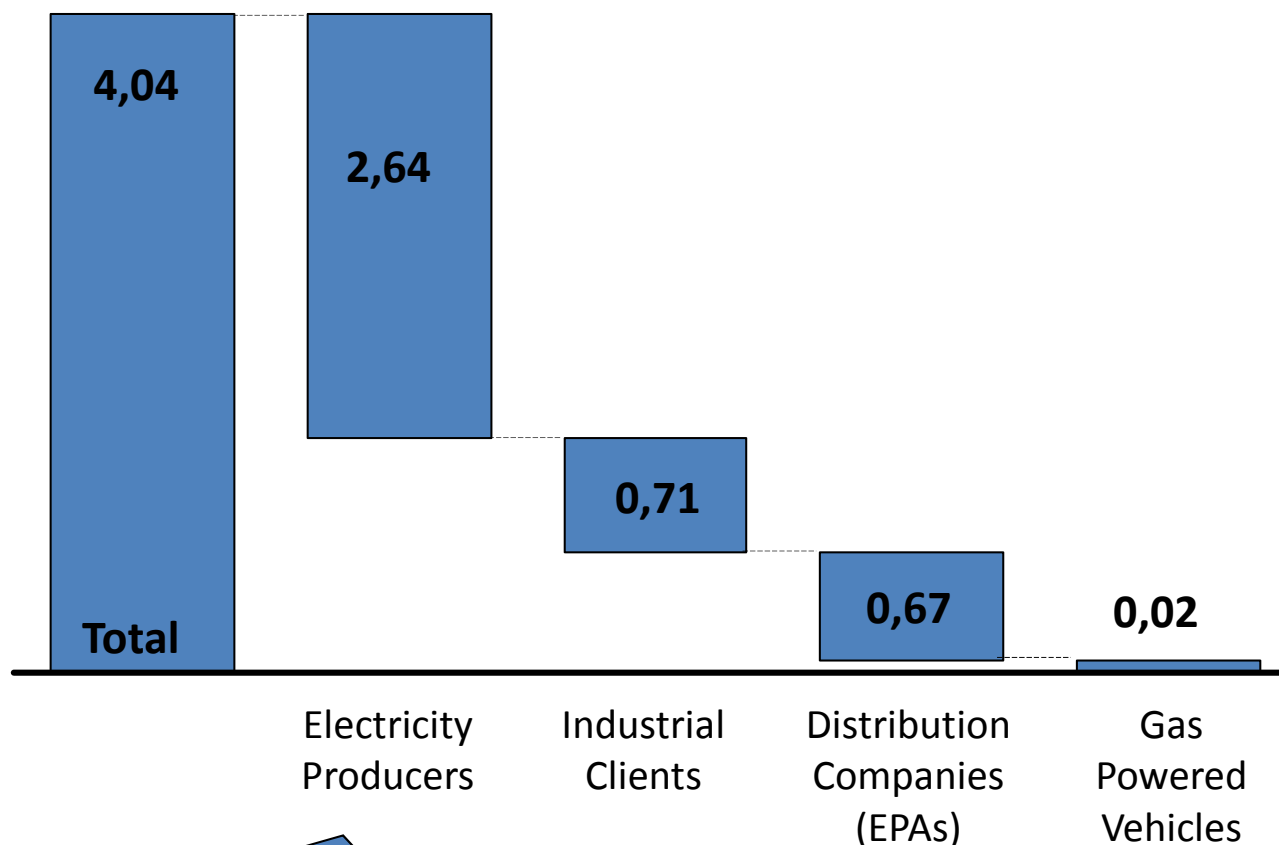
2011



## Distribution of volumes sold by DEPA

- Market Share ~90%
- 65% of sales comes from the sector of electricity production
- 18% of sales is attributed to industrial clients
- 17% of gas sales comes from residential, commercial and other types of consumers through the regional Distribution Companies (EPAs)

2011, bcma



Natural gas is responsible for ~25% of the total electricity produced in Greece



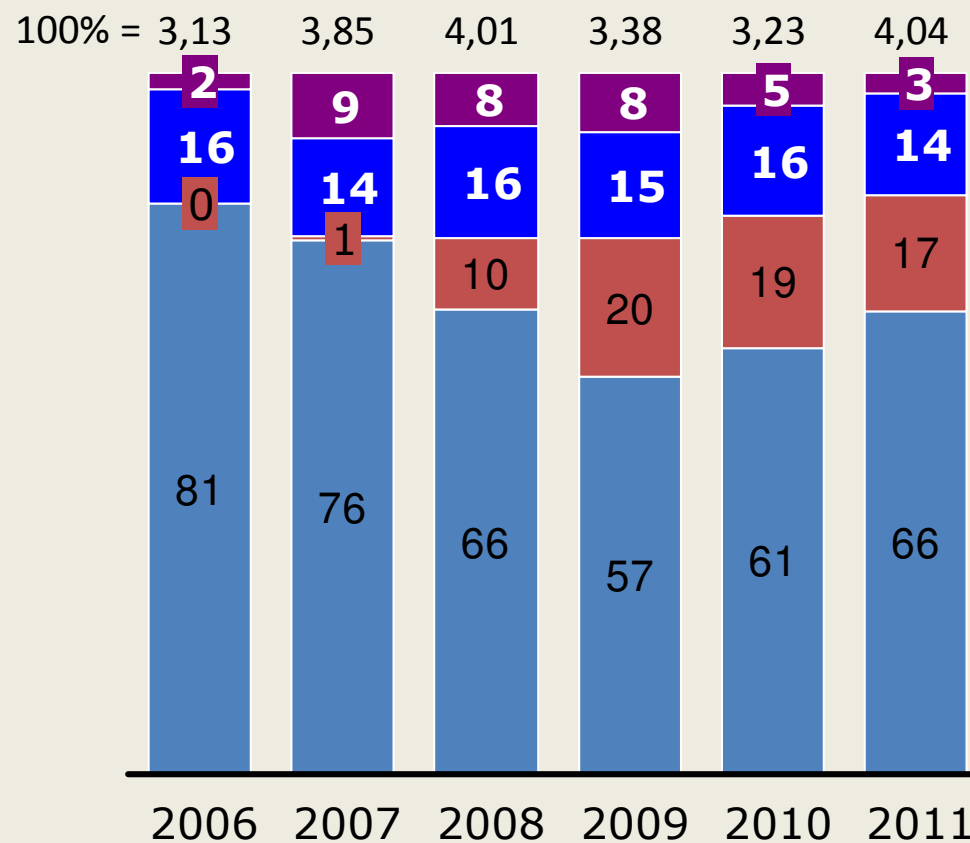


DEPA is constantly examining and expanding its supplier base in order to diversify its portfolio and reduce its average supply cost

- Spot
- Sonatrach
- Botas
- Gazprom

### DEPA's imports per supplier

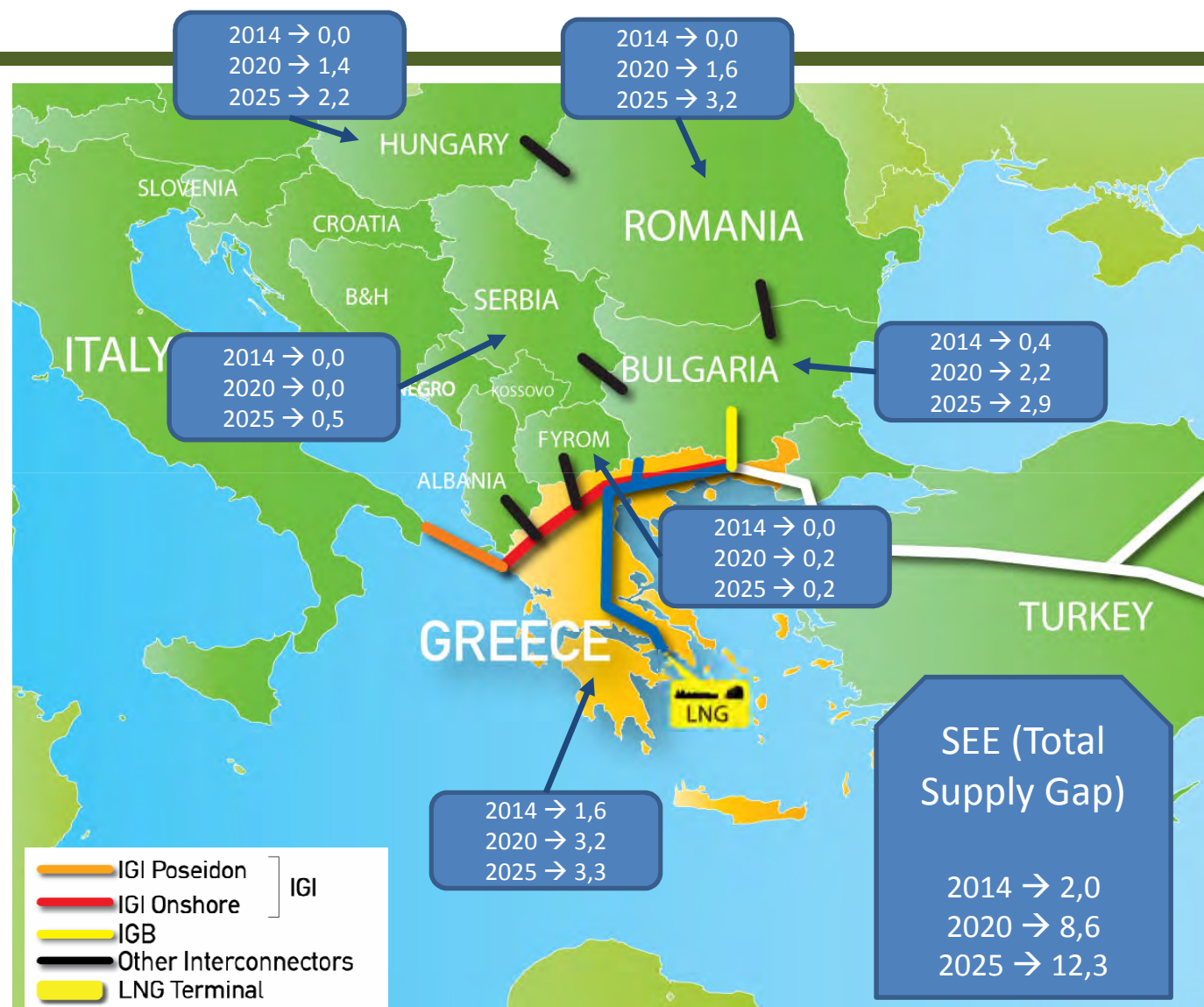
bcma



## Forecasted Demand Greece and SE Europe



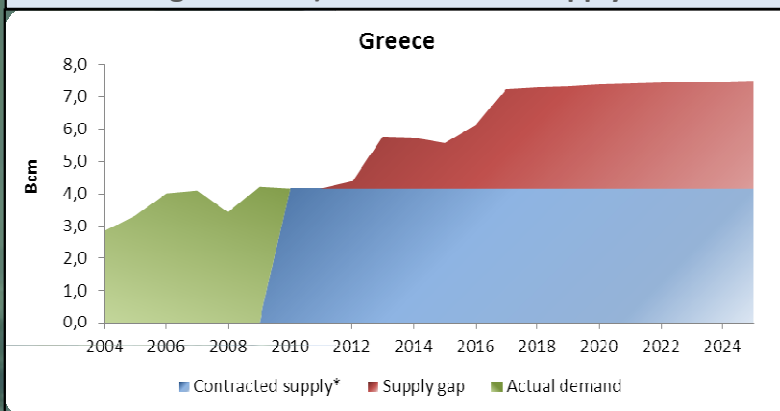
## Forecasted Supply Gap in Greece and SE Europe



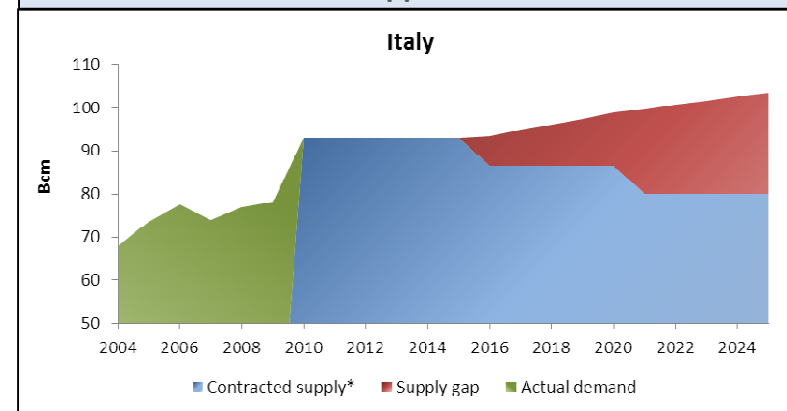


# SEE and Italy are estimated to have a gas supply gap of about 45 bcm by 2025, creating an urgent need for new sources and routes

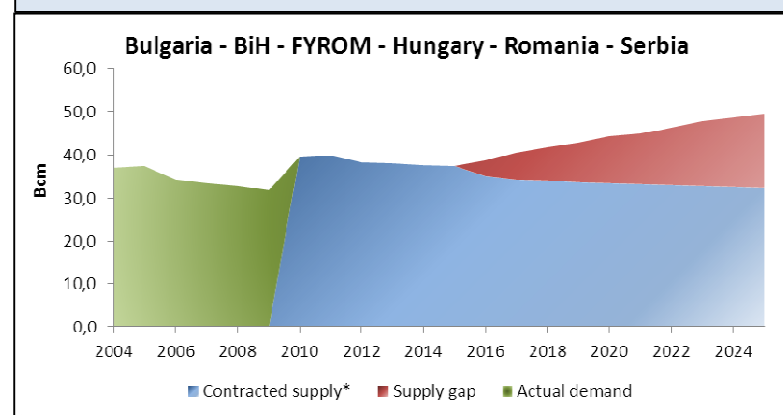
## Greece – A growing market (driven by power generation) in need of new supply



## Italy – A liberalizing market seeking to further diversify supplies

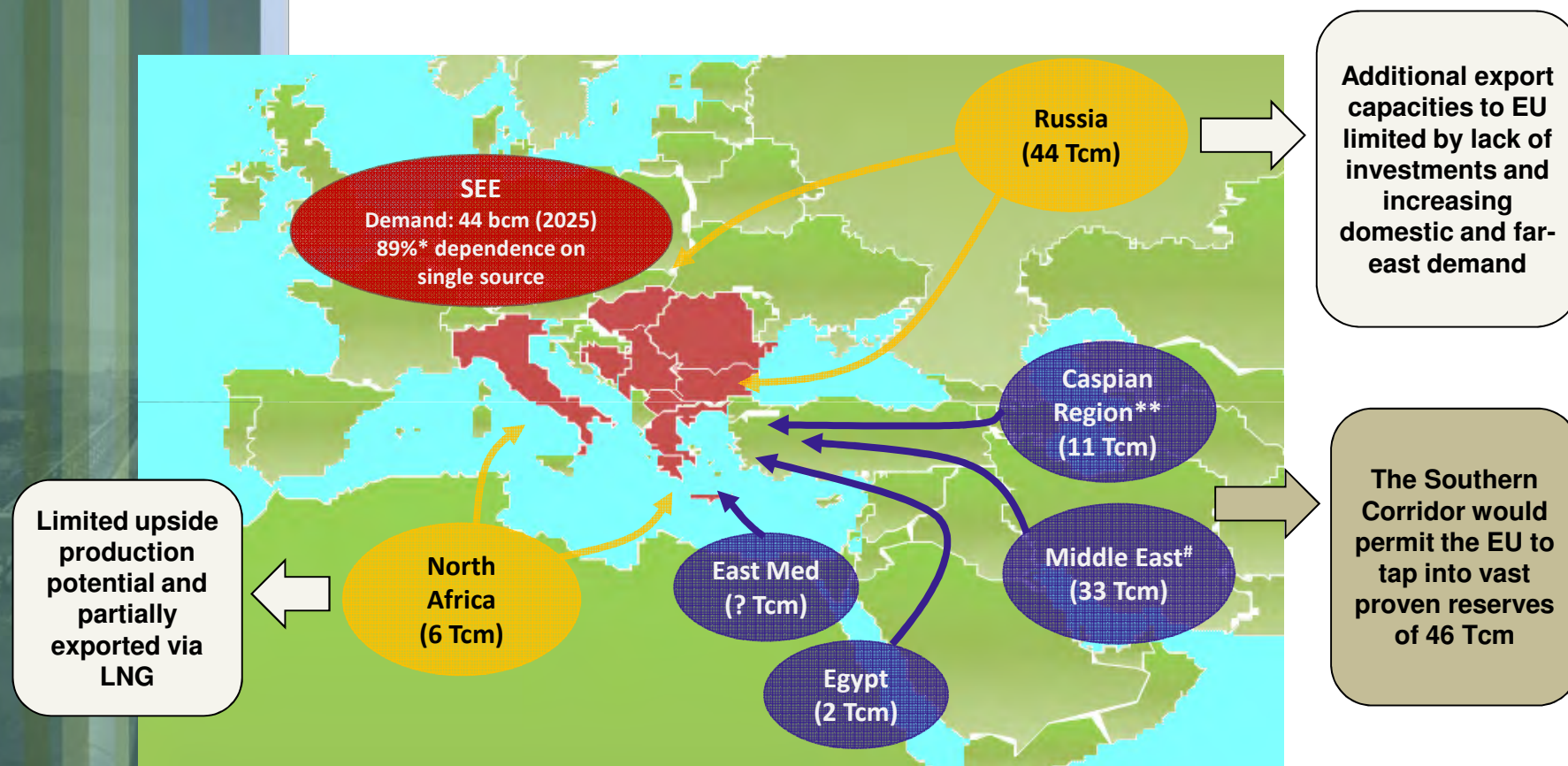


## Rest of SEE – Single external source dependency and need for diversification



\*Contracted supply includes import contracts and domestic production. Expiring contracts are assumed to be fully or partly renegotiated

# New natural gas sources will cater to Europe's needs for supply diversification and will respond to the foreseen supply gap



Source: BP Statistical Review of World Energy 2010



Traditional external supply sources



Potential new supply sources

\*Excludes Italy

\*\* Azerbaijan, Kazakhstan, Turkmenistan

# Iran, Iraq



## The ITGI System can spur the development of the Southern Corridor because...

**It is the most mature and advanced project of the Corridor, concerning the technical, regulatory and permitting activities.**

**It is scalable, allowing progressive expansion to meet supply and demand growth.**

**It provides a reverse flow capability, thereby facilitating greater flexibility and security.**

**It provides a competitive conditional firm tariff, allowing for the highest netback value to the SD2 Consortium.**

**It is in alignment with EU energy policy and responds perfectly to EU's urgent need for security of supply.**

**It reinforces the prospects for developing new interconnections, enabling supply to the whole region.**







## Preliminary studies have shown that a pipeline from the East Mediterranean fields is feasible, thus establishing a New Corridor to Europe

**The construction of the pipeline is technically feasible.**

**The pipeline will be able to carry around 8bcma and will have a length of around ~1100km.**

**The estimated transportation tariff of the pipeline is almost one third of the respective tariff for an LNG terminal. Transportation tariffs remain much lower even for delivery of gas to Italy.**

**The pipeline will supply natural gas to Crete and Peloponnese, spurring development in these new markets.**

**The pipeline option can create synergies with the ITGI system.**

**Natural gas from East Med will be able to have access to the SEE and Italian market at competitive prices.**

**East Mediterranean natural gas will play an important role as the European Union incorporates this newly found source into its energy policy.**





## A gas demand aggregator will facilitate the delivery of gas into Europe

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

Address the need and facilitate the gasification of the Western Balkans

