

**Keynote Speech by the Deputy Minister of Environment, Energy & Climate
Change of Greece, Dr. John Maniatis at the IENE Workshop on the
Hydrocarbon Exploration and Production in the East Mediterranean and the
Adriatic Sea**

The Geopolitical Framework

- The change in the geopolitical map of our region has created new prospects and new sources of wealth and prosperity. We are, for the first time, forming a common Energy Doctrine between Greece and Cyprus. Both countries, already sharing unbreakable historic bonds and also being EU members, have to shape a common course, based on their perception of energy and its central role in their economies. In co-operation with Israel, Greece and Cyprus can contribute to the realization of the two basic pillars of EU energy strategy, i.e. diversification of energy sources and diversification of natural gas routes.
- Regarding Greece, the target for the coverage of 30% of our needs in hydrocarbons from indigenous resources over the next 15 years is considered to be realistic. This means that we believe that Greece can replace 30% of its hydrocarbons imports, amounting to a total of € 10-12 billion, with quantities to be produced domestically.

Exploitation of Mineral Resources: Basic Principles

- We follow a stable and transparent policy, both on a national and a local scale, based on the following three principles:
 1. The recording, disclosure and presentation of the country's mineral resources through transparent international rounds, aim at maximizing the benefits for the state
 2. The viable and rational exploitation of these resources with respect to the environment will be achieved by abstaining from harmful practices and guaranteeing sustainability and with the adoption of internationally applied best practices.

3. The provision of offsets to local societies, as well as the socially just distribution of the national revenues.

National Policy on Hydrocarbons Exploitation

- However, we need neither to exaggerate nor live on myths. There are no conspiracies or mysteries. In order to have tangible results in the near future, patience and persistence are required. Yet, we have to create a positive climate within the country and an appealing framework for foreign investments. Moreover, we should keep in mind that the business climate and expectations account for 50% of a country's economy. We aim at fostering both.
- In order for this national effort to prove fruitful persistent stability (in every sense: political, tax, social, regulatory, environmental) and "fair play" rules i.e. transparency are required. All contracts have to result from international calls aiming only at the maximization of the revenues for the Greek state.
- We undertook the initiative to inform the Greek MPs on a regular basis for all relevant actions. No contract will be signed without prior briefing of the Greek political parties and its subsequent ratification by the Parliament. The Greek authorities ought to be and shall be a reliable and permanent partner for the oil business sector.
- Strong economic antagonism and conflicting business interests are involved in the exploitation of these new resources.

Our Business Plan

- A new public authority is being established, which will be responsible for the management of all oil and natural gas reserves of the country.
- As it is already known, some of the biggest international companies, involved in seismic surveys, have already submitted eight (8) binding offers in the recent open call and the Evaluation Committee is currently concluding its work in order to select a contractor as soon as possible.

- By this autumn we will finally know precisely the locations and quantities of the hydrocarbon reserves of Greece. Then, we will immediately proceed with a big-scale international round of concessions for 10-15 fields.
- We have already proclaimed an international open door round for exploring oil and natural gas reserves in the Western Patras Gulf, Katakolo and Ioannina.
- We are currently planning a new round of concessions within the 2nd semester of 2012 for all land territories where there are indications for hydrocarbon deposits.
- We are also proceeding with the release of important geological and geophysical data included in the National Hydrocarbon Archive.

Two Remarks

- Our proposal is to use the expected revenues from hydrocarbon exploitation not for the needs of the national budget but for the purposes of a “Generation Solidarity Social Fund” that will support the social security system and, possibly, education, following the example of Norway.
- A big national effort is underway, planned to last many years, in order to create as many local jobs as possible, both for scientific and technical staff, but also lead to many scientific contributions and, also, encourage Greek investment initiatives (It is noted that in Norway the local content is 25%).

Conclusions

- Greece has rich reserves in mineral raw materials thanks to her natural environment and geographical position. In this moment of crisis, we have to exploit them in a dynamic and outward manner, with respect to the environment, in order to create new jobs and public wealth.
- It is, undoubtedly, a big bet, that we are determined to win.