

Good Morning,

I am pleased to be here, with distinguished colleagues from countries of pivotal importance for an energy future in SE Europe, based on Security, Sustainability and Competition.

Despite progress, this region lacks rules and infrastructure for secure, competitive energy.

The recent DESFA - Bulgartransgas Agreement therefore marks a milestone; enabling - **with DEPA's significant contribution** - liberal, reverse virtual gas flows to Bulgaria via Kulata-Sidirokastro.

2016 is also a **milestone for Greece's natural gas market: the 20th** anniversary since the network supplied the first customer.

The Greek market has developed since; with an **increasingly** competitive framework and clearer retail transparency, consolidating today, its transition into a mature European market.

Liberalization will be complete in 2018, with **Distribution Companies** restructured, **barriers** preventing alternative suppliers from the market **lifted**, and customers free to choose suppliers.

Nevertheless, DEPA remains **tasked** with guaranteeing market security and uninterrupted supplies for Greece.

But performing - in this new, competitive environment - involves a plethora of additional risks, especially with regard to suppliers, TSOs and Distribution operators.

DEPA is facing the challenges, and will succeed, due to a: dynamic consumer-orientated commercial strategy, offering services and products - beyond the wholesale sector.

We will increase gas penetration and add new customers - investing around **150 million €**- to serve more household, commercial and industrial customers, for which we will add 1.300 km, to the existing -circa 5.000 km -

supply network, by 2021. This will integrate towns and industrial zones to the transmission system along Eastern and Central Macedonia, Thrace, Sterea Ellada and W. Greece.

DEPA will also provide access to homes and businesses in remote areas, through small-scale LNG and CNG. Collectively, our projects will serve around 160,000 new consumers and create jobs: 1,300 temporary and 700 permanent.

Meanwhile, **DEPA is looking outwards**, extending international activities in S.E. Europe, where new Interconnections, sources, routes and gas discoveries are making the market more integrated, diversified and competitive.

Our contract with SD2 already **makes us a key-stakeholder** in the Southern Corridor. To further exploit development opportunities we are promoting cross-border projects, recognized as PCI's, because they enhance energy security and diversification in SE Europe.

The IGB is critical, enabling the Vertical Corridor to supply 3-5 bcm up to Hungary –even to Ukraine. Moreover, in synergy with Revythousa and the Alexandroupoli FSRU, it provides access to the competitive LNG increasingly available in Europe.

Following the FID last December, ICGB launched the Market Test, resulting so far in requests for an aggregate capacity of 4.3 bcm in forward flow and 1 bcm in reverse mode.

Once the binding phase in October confirms booked capacity, construction can start with completion expected for 2019.

DEPA also promotes the Greece-Italy POSEIDON pipeline. Its maturity means the FID can be taken once gas is secured. Supplies from the Caspian, Mediterranean, Iran, and Kurdistan are possibilities.

Eventually, Poseidon could form a southern route for Russian gas, pursuant to DEPA, Edison and Gazprom's **MOU**. Our Working Groups are currently assessing these prospects, in compliance with EU rules.

We are also developing the EastMed—delivering Leviathan gas to Europe via Cyprus and Greece - enhancing security through a new diversified route.

Interest is growing: With the discoveries in Egypt, monetization options are being reevaluated, highlighting Europe as a destination market.

Work is progressing: IGI-Poseidon and Noble have signed an Agreement **related to the finalization of the EastMed's Pre-FEED** activities.

Key studies are nearing completion, including the Pre-FEED and the IHS-CERA **report assessing the EastMed's** relative competitiveness.

To conclude:

The activities outlined **demonstrate DEPA's commitment** to sponsoring projects that advance an integrated, competitive and diversified internal market in SE Europe, transforming it into a transit and pricing hub. They also reveal, **DEPA's intention to play a leading role in the new liberalized** landscape.