

The Energy Crisis and the Global and Regional Gas Markets

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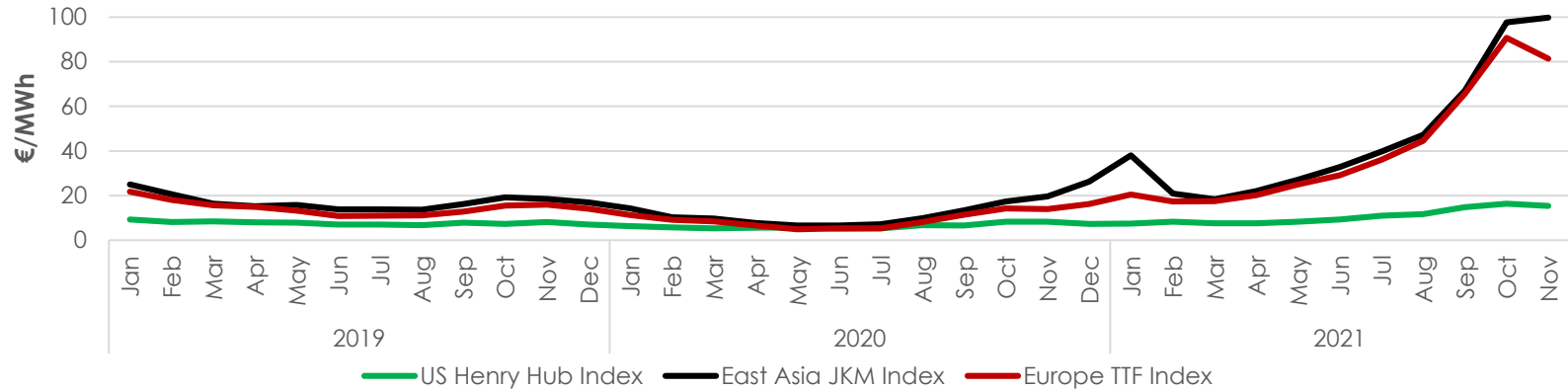


DIORIGAGAS
ENERGY COMPANY FSRU TERMINAL



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Natural Gas major Month Ahead Pricing Indexes



- Main **reason**: on the one hand, ng is considered a bridge to zero carbon, but on the other hand **no investments in infrastructure** to materialize this bridge.
- Main **effect**: price spikes in ng → price spikes in electricity → energy crisis compromising not only energy affordability but also the very same **EU** pathway to a carbon zero 2050 that relies to increased electrification.
- Within EU, not all countries have the same starting point → lack of natural gas system interconnectivity in the **SSE** region & lack of organized regional liquid natural gas market worsen the energy crisis.
- In **Greece**, ongoing lignite phase out leads to increased ng demand & gives a dominant role to ng in elc price formation. At the same time, lack of adequate ng storage & SoS reserves deprives the ng system of flexibility & exacerbates price peaks.

Dioriga Gas FSRU – A new SE European natural gas gateway

- A new LNG import terminal developed by Motor Oil, ready by end 2023.
- SoS, operational flexibility, source diversification, competitive pricing, sustainability, emissions reductions & H₂ readiness.
- LNG bunkering & truck-loading services for the maritime/ off-grid/ transportation sectors.
- An open to all, flexible & user-friendly terminal, developed by LNG users for LNG users.
- Ongoing market test, 1st phase expires Jan 10th.



Regulatory aspects and concerns

- **The role of natural gas as transition fuel is of paramount importance** in the road to net zero, securing:
 - immediate emissions reductions, especially in hard to abate sectors;
 - early use of renewable and low carbon/ decarbonized gases through blending;
 - faster penetration of renewables via provision of flexibility & storage.
- However, **time is of essence** if we want the necessary investments on **natural gas infrastructure to materialize on time**.
- Towards this end, a **collective effort** should aim at:
 - Regulatory framework update → RAE strengthening;
 - Bureaucracy & licensing delays limitation;
 - Barriers to entry removal & creation of a level playing field.