

## **1st Oil & Gas Forum – Alexandroupolis 07.09.2017**

Your Excellencies, Ladies and Gentlemen

It really is a pleasure to be attending an important meeting on energy in Alexandroupolis.

The select gathering of friends and colleagues provides an excellent chance to discuss and exchange views on the challenges facing our sector.

But it is especially relevant that this meeting is taking place in northern Greece; because this is a region which provides important potential solutions to these challenges – and to European energy security.

First allow me to say a few words on DEPA's mission: As you know, DEPA is the public sector' company that introduced natural gas to Greece back in 1995, steadily expanding over the years to reach more and more regions in the country.

Today we are successfully adjusting to the new regulatory environment, facing the future with growing confidence. We are bringing gas to more cities by extending our medium and low-pressure distribution network by 1300 kms. We are also reaching out to isolated communities and islands through innovative approaches; applying small-scale LNG and CNG to overcome isolation. In this way DEPA is generating development, fighting poverty, creating jobs and access to affordable energy. Our ultimate target is to increase by 2026 the domestic market with up to 6 – 7 bcm per year.

But one of the most vital aspects of our work is to ensure Greece's security of supply. The domestic environment may be changing, but this responsibility – and we are proud of this - remains constant for DEPA.

Towards this goal, through strategic partnerships with international partners, we have:

Secured long-term pipeline and LNG contracts with traditional and new suppliers – most recently with the Shah Deniz consortium through TAP.

We develop vital cross-border projects, exploiting Greece's proximity to major suppliers and markets, notably the IGB, the IGI and the EastMed.

We promote significant initiatives, so that Greece can play a key role as a hub of natural gas transit to Europe, from countries with rich natural gas deposits.

Looking at the map it is obvious that Greece – and particularly northern Greece, is literally Europe's gateway for the Southern Gas Corridor and for supplies from various new sources ; just as it is the gateway for the gas producers to European markets.

From the start, DEPA contributed to the development of the Southern Gas Corridor. Indeed, our SD2 contract, that through TAP will bring Caspian gas to Greece, makes us an important stakeholder in this historical venture. But our specific mission is to bring the Southern Corridor to SE Europe. Bulgaria, Serbia and mainly Ukraine are markets of potentially great importance for DEPA. To provide access to new sources of gas to some of the country's most in need for diversification is the essence of the Vertical Corridor - and of DEPA's involvement in its development.

Our project, the IGB, is the starting point – and the most essential element of the Vertical Corridor. Linking up with TAP, the IGB enables Caspian gas to flow to our neighboring markets – via critical infrastructure including the Bulgaria-Romania and Bulgaria –Serbia interconnectors.

Today the IGB is nearing a new phase – looking towards entering the construction phase by mid-2018 and ready to operate by 2020. For this we are busy preparing Calls for Tender for the Project Manager, procurement of pipes and EPC.

The FSRU here in Alexandroupolis is a crucial project and DEPA is studying very carefully the chance of participating in its development. This project, which also aims to be ready in 2020 offers a unique opportunity for South East Europe to gain easy access to LNG, and take advantage of the increasing volumes available to Europe. While the IGB and the FSRU are independent, the strong synergies between them are evident. Working together they provide a tangible added value to the broader

region and DEPA is committed to promoting energy security for Greece and beyond. We are ready to explore all these opportunities.

However, allow me to stress, that security of supply does not always come cheaply. High costs are involved – costs that are borne by the users. And while DEPA is committed to promoting projects enhancing security of supply from diversified sources and routes – we consider firmly - that these must be - above all -market driven, economically viable and commercially competitive.

This brings me to a final point: the need to promote the de-politicization of gas.

In my view we have too much rhetoric about the use of gas as a political instrument – rhetoric that results in a negative business climate for markets.

This is why it is in the interest of the international gas industry to unite and reject the politicization of gas.

For this we – as an industry - should firmly commit to speaking with a voice based on facts and reject the sort of political interference which distorts markets and prices. We need to act and promote:

Basic market conditions, such as unrestricted access to gas markets

Well-functioning gas markets and the development of infrastructure based on compliance with existing EU legislation

Commitment to secure supplies at affordable and competitive prices for consumers and businesses alike.

Ladies and Gentlemen,

The future of natural gas is bright. Gas contributes to the transition to a lower carbon economy. Demand is forecast to grow faster than oil and coal, rising about 1.9% per year towards the 2035 horizon. The positive long-term outlook for gas is driving DEPA's and Greece's development.

Northern Greece has the potential to develop into an important hub for the broader region, with the IGB, the Alexandroupoli FSRU and of course with the Kavala gas storage unit. And at DEPA we are committed to developing projects promoting energy security and contributing to the development of gas markets in SE Europe, based on the above principles.

Thank you very much for your attention.