

Athens, 03.01.2020

**IGI POSEIDON S.A. STEPS UP THE PACE IN THE DEVELOPMENT OF THE EASTMED PIPELINE FOLLOWING THE SIGNING OF THE INTERGOVERNMENTAL AGREEMENT (IGA) BY CYPRUS, GREECE AND ISRAEL.**



IGI Poseidon S.A. the 50% - 50% JV between Edison S.p.A and DEPA S.A., is announcing that it is stepping up the pace of the EastMed pipeline’s development, following the signing of the Intergovernmental Agreement on the project by Cyprus, Greece and Israel, last week in Athens.

Accordingly, contracts will be awarded shortly to speed up the remaining steps that will lead to a Final Investment Decision and the start of construction works by 2023, while prioritizing compliance with the highest environmental and security standards.

The contracts to be awarded, concern all the engineering details required for the project’s implementation, as well as the permitting activities in Cyprus and Greece. The decision of the project promoters to accelerate the EastMed’s development aims at ensuring that this process benefits fully from the provisions of the IGA to facilitate the respective permitting process and regulatory decisions.

Mr. K. Xifaras said: “I wish to thank all the Governments for their commitment for the development of the EastMed pipeline which led to the signing of the Intergovernmental Agreement. This Agreement is the result of the hard work of many people over the last years

and brings the EastMed's realization a step closer. IGI Poseidon is now determined to honor the provisions of the IGA by accelerating further the project's development. We shall be informing all stakeholders in Europe and beyond of the EastMed's unique geopolitical and economic benefits.

Mr. Pierre Vergerio said: The signing of the Intergovernmental Agreement by the Governments of Cyprus, Greece and Israel, as well as the letter of support from the Minister of Economic Development of Italy, confirms the support for the EastMed from the concerned Governments, as a project of strategic significance promoting energy security through the diversification of sources and routes. We now look forward to advancing the project by maximizing the opportunities for its efficient development, based on fruitful cooperation established by the IGA".

### **About EastMed Pipeline**

The EastMed Pipeline is developed by IGI Poseidon S.A a Joint Venture between DEPA. S.A and Edison S.p.A. The project will secure a direct export route from the new gas discoveries in the East Mediterranean area to Europe via a pipeline from the Levantine Basin to Cyprus, Greece and Italy.

The EU supports the project's development activities as a Project of Common Interest (PCI) promoting the Eastern Mediterranean Corridor, as well as with co-funding from the Connecting Europe Facility (CEF). The Pre-FEED studies that were finalized in March 2018, confirmed that the EastMed is **technically feasible, economically viable and commercially competitive**. Its added value, as a project that is complementary with other export options developing the East Mediterranean Corridor, was underlined. The FEED phase includes all the engineering studies, as well as permitting activities in Cyprus and Greece, leading to the Final Investment Decision. According to its schedule the project would be ready to start operating in 2025.

The project has been successfully assessed from both a quantitative and qualitative perspective by The European Network of Transmission System Operators for Gas (ENTSOG), which in cooperation with the European Commission, carried out a Cost-Benefit Analysis in the framework of the 4<sup>th</sup> PCI list. The CBA was performed for the EastMed together with the Poseidon pipeline and the Italian TSO projects', the Adriatica Line and the Matagiola-Massafra, collectively representing a gas supply chain connecting the East Mediterranean gas resources to the European gas system.

The IGA, which allows for additional future signatories, confirms the recognition of the Parties for the strategic importance of the EastMed as a project that enhances energy security and diversifies sources and routes of natural gas and notes that, together with the Poseidon pipeline, it constitutes the cluster of infrastructure bringing gas from the East Mediterranean to Europe; to ensure the pipeline's timely realization and its viable operation the IGA provides for cooperation via an intergovernmental joint committee to facilitate its development in accordance with the highest environmental standards, while stressing its possibilities to transport gas from additional future new sources, including from Greece.

The IGA was signed, on January 2, 2020, in the presence of the Prime-Minister of Greece, Mr. Kyriakos Mitsotakis, of the Prime-Minister of Israel, Mr. Benjamin Netanyahu and of the President of Cyprus, Mr. Nikos Anastasiadi.

Signing on behalf of the three states' governments were Georgios Lakkotripis, Minister of Energy, Commerce and Industry of Cyprus, Kostis Hatzidakis, Minister of Environment and Energy of Greece and Yuval Steinitz, Minister of Energy of Israel, while Italy's Minister for Economic Development, including energy matters, Mr. Stefano Patuanelli, sent a letter of support to his Greek counterpart.