

Press Release

Cooperation between DESFA and Athens Exchange for the creation of a wholesale gas market

Signing of a Memorandum of Understanding

Athens, September 14, 2017. On Thursday 14th of September 2017 a Memorandum of Understanding between the National Natural Gas System Operator (DESFA) and Athens Exchange Group (ATHEXGROUP) was signed.

The cooperation aims mainly to bring together expertise and infrastructure owned by the two companies, ensuring relevant economies of scale for a more efficient and faster achievement of the strategic goal: development of a wholesale gas market in Greece and its expansion to South-Eastern Europe, within the framework of integration of the internal EU gas market.

In this cooperation the following are firstly encompassed:

1. Exploring the possibility of joint development, implementation and operation of the Balancing Platform, according to DESFA's design.
2. Exploring the possibility of joint participation in initiatives for the development of a natural gas exchange and, especially, incorporation of the Trading Platform in it, provided that conditions of efficiency, competitiveness and feasibility are met.
3. Exploring the required legal and regulatory modifications and interventions, which will be applied at a short-term or mid-term stage for the operation of a Natural Gas market under the said framework.
4. Taking actions and initiatives concerning the evolvement of the Hellenic Natural Gas Market into a hub for corresponding Markets of other EU countries, as well as of neighboring countries that are non-EU members.
5. Exploring options of submitting proposals for EU funded programs for the materialization of the aforementioned business plans.

On behalf of DESFA, the MOU was signed by the President and CEO, Mr. Sotirios Nikas, who commented: *"This is a major step towards the efficient and fast achievement of one of the key objectives of energy policy, both of DESFA and of the country: the development of a wholesale gas market in Greece and its expansion in Southeastern Europe, creating a regional gas hub."*

The CEO of ATHEXGROUP, Socrates Lazaridis, upon signing the MOU, stated: "The aim of the Athens Exchange is to contribute with its know-how and infrastructure to the national effort for the restructuring of the Hellenic Energy Market under European standards. In order to

achieve that, the collaboration of all stakeholders is required. The result of this endeavor is today's cooperation with DESFA. Our main concern is to contribute to the establishment of the appropriate economies of scale, in order to make this market valuable to the participants, efficient as an economic unit and eventually beneficial for the final consumer. We hope that the cooperation model with DESFA, which is today inaugurated will be the base for the formulation of a broader market in the region".

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About the project and the cooperation

The development of an operational wholesale natural gas market is one of the pillars of the European Gas Target Model, as it facilitates entry of new players in the market and development of competition, thus providing more options and achieving competitive gas prices both for households and enterprises.

DESFA, within the framework of its responsibilities from the national and EU regulatory framework and in line with the rationale of the Gas Target Model, has already started since 2015 a systematic effort for the establishment of an operational wholesale natural gas market.

The first stage for the operation of a wholesale market is the set-up of a balancing market and a Balancing Platform, in which the Transmission System Operator will buy/sell gas quantities required for balancing the network. In that way, market liquidity is increased and a reference gas price is formed on a daily basis, based on the prevailing conditions of supply and demand.

In this direction, DESFA has already put underway the necessary actions on an institutional and technical level, aiming to have the Balancing Platform in operation at the beginning of 2018.

In this context, DESFA and ATHEXGROUP collaborate with their expertise and infrastructure, aiming to ensure the relevant economies of scale, for a more efficient and faster achievement of the strategic goal: development of a wholesale Gas Market in Greece and its expansion to South-Eastern Europe, in the context of the internal EU gas market integration.

About The National Natural Gas System Operator (DESFA) S.A.

DESFA is responsible for the management, operation, maintenance and development of the National Natural Gas System (NNGS) of Greece. At the same time, its extensive experience and its manpower expertise, make DESFA the most suitable and reliable partner to participate in ongoing international energy projects in Southeastern Europe.

About Athens Exchange Group

The **Athens Stock Exchange** since its establishment in 1876, consistently participates in the financial and business developments in the country.

Athens Exchange Group (ATHEX Group) provides support to the Greek Capital Market. ATHEX Group operates the organized Equities and Derivatives markets, the alternative market and performs clearing and settlement of trades.

The Athens Stock Exchange, through its markets, offers solutions and financing tools to businesses, expands investor choices by providing a safe, stable and easy environment in full alignment with international practices and the European regulatory framework.

In a period that the role of stock markets in exploring alternative ways of financing business, at a European level, is significantly enhanced, the Athens Exchange Group has taken a series of initiatives to highlight the attractiveness of the Greek Capital Market and the Greek companies to the international investment community and expand the variety of investment opportunities.

Its shares are traded on the Main Market of the Athens Stock Exchange (Symbol: EXAE).

The profiles of the ATHEX Group and its markets can be downloaded from the [link](#). More information can be found on the website www.athexgroup.gr.

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