

PRESS RELEASE

On Thursday, December 1st, 2022, on the National Day of Romania, in Athens, on the sidelines of the 22nd World LNG Summit, SNTGN Transgaz signed a new Memorandum of Understanding (MoU) on the Vertical Corridor, which, as a novelty compared to the previous version expiring this month, includes as a signatory party the Greek company Gastrade.

The new MoU on the Vertical Corridor was signed on behalf of SNTGN Transgaz SA by Mr. Ion Sterian, Director General, on behalf of BULGARTRANSGAZ by Mr. Vladimir Malinov, Executive Director, on behalf of FGSZ by Mr. János Fehér, Member of the Board, on behalf of DESFA by Ms. Maria Rita Galli, Chief Executive Officer, on behalf of ICGB by Mr. Georgios Satlas, Executive Officer and Ms. Teodora Georgieva, Executive Officer. On behalf of Gastrade of Greece, the MoU was signed by Mr Konstantions Sifnaios, Vice President and Managing Director.

The Memorandum of Understanding on the Vertical Corridor was initially signed in 2019 between the system operators of Romania - SNTGN TRANSGAZ, Bulgaria - BULGARTRANSGAZ, Hungary - FGSZ, Greece - DESFA, as well as ICGB - the company operating the Greece-Bulgaria Interconnector - IGB, after the relevant ministries of Greece, Bulgaria, Romania, Hungary have signed a Joint Statement by the Ministers of Energy for the natural gas "Vertical Corridor" during the CESEC meeting held in Budapest in September 2016.

The signatories agreed to cooperate to realize the South-North natural gas corridor, called the Vertical Corridor, interconnecting the networks of Greece, Bulgaria, Romania and Hungary, enabling bi-directional flows of natural gas. To achieve this objective, the companies agreed to investigate the technical requirements in the form of new connections, pipelines, interconnectors or enhancements of the national networks, to harmonize the planned developments in the region taking into consideration the relevant CESEC expectations, and to invest reasonable efforts into achieving a non-exclusive long-term partnership and that they are willing to mutually cooperate during the preparation of developments of GR-BG-RO-HU pipeline systems.

Another very important element of the Memorandum is the provision that this MoU as a basis for intensified future cooperation in terms of analysis of the possibility of constructing the necessary gas infrastructure for the purpose of transmission of natural gas to the transiting countries and beyond to the EU market from Greece via Bulgaria, Romania to Hungary and vice versa.

In the new Vertical Corridor MoU signed in Athens, the Parties might consider the involvement of non-EU countries if such case is relevant for the implementation of the targeted Vertical Corridor, and express commitment in promoting PCI and other necessary projects jointly or individually, which highly strengthen the realization of the Vertical Corridor, including, but not limited to: GR projects, BG projects, RO projects and HU projects. The updated document states that the signatories intend to harmonize the planned developments in the region taking into consideration the relevant CESEC expectations, EU energy strategies and policies and regional aspects.

The Memorandum of Understanding on the Vertical gas Corridor will be valid for 3 years since the day of its signature, with the possibility to be automatically extended for one more year.

Bulgartransgaz is the owner and system operator of the natural gas transmission network in the Republic of Bulgaria and is as such responsible for the control and management of the network, its maintenance, development, construction and connection to other natural gas transmission networks;

DESFA is the owner and system operator of the natural gas transmission network and the Revithousa LNG terminal (hereinafter the National Natural Gas System – NNGS) in the Hellenic Republic and is as such responsible for the control and management of the NNGS, its maintenance, development, construction and connection to other natural gas transmission networks and LNG facilities;

FGSZ is the owner and system operator of the natural gas transmission network in the Republic of Hungary and is as such responsible for the control and management of the network, its maintenance, development, construction and connection to other natural gas transmission networks;

Transgaz is the system operator of the natural gas transmission network in the Republic of Romania and is as such responsible for the control and management of the network, its maintenance, development, construction and connection to other natural gas transmission networks;

ICGB is the owner and the independent transmission system operator of the Gas Pipeline Interconnector Greece – Bulgaria (IGB), which connects the Trans Adriatic Pipeline (TAP) as well as the natural gas transmission network of Greece near the town of Komotini with the Bulgarian transmission network near the town of Stara Zagora and as such is responsible for the management, operation and maintenance of the IGB gas pipeline;

Gastrade is the owner, developer and future operator of the offshore LNG Terminal in Northern Greece, Alexandroupolis, an Independent Natural Gas System in the Hellenic Republic which will be connected to the National Natural Gas Transmission System of Greece operated by DESFA and is as such responsible for the construction and commissioning s, its development, operation, management and maintenance.

The project is to become a new energy gateway and play a key role in the energy security and independence of Greece and South Eastern Europe. Gastrade will contribute decisively to the smooth energy transition of this region. The floating storage and regasification unit at Alexandroupolis is expected to start operations by the end of 2023. Its contracted regasification capacity has already reached up to 60% of its technical capacity of 5.5 bcm per year.

SERVICIUL COMUNICARE







THE REALIZATION
OF THE "VERTICAL CORRIDOR"
WILL ENABLE BI-DIRECTIONAL FLOWS
OF NATURAL GAS BETWEEN
**GREECE, BULGARIA, ROMANIA
AND HUNGARY**

