

Press Release

10/12/2009

The recently announced joint effort of the MYTILINEOS and MOTOR OIL Groups for the import of a Liquefied Natural Gas (LNG) shipment did not lead to a successful conclusion, as the Hellenic Gas Transmission System Operator (HGTSO), under the pretext of its inability to interpret an otherwise quite clear Ministerial Decision, obstructed the collection of the shipment from the Revithousa LNG Terminal.

It should be noted that the two Groups had adhered fully and within the prescribed deadlines to all procedures under the law in order to secure the smooth collection of the shipment from the HGTSO facilities on Revithousa island, and in general to secure the use of the national gas transmission system. More specifically, the applications required for registration in the Register of Users of the national gas transmission system and for signing the respective transmission contracts had already been submitted to the Regulatory Authority for Energy (RAE) and to the HGTSO since October. Acting upon these applications, the RAE informed in writing the two Groups that they may proceed to sign the transmission contract with the HGTSO, and that the latter is obliged to grant access to the Revithousa LNG Terminal to all interested parties under the same terms. Furthermore, the HGTSO decided to release the pipeline for use, a decision which was also approved by a respective decision of the RAE.

However, despite the intention of the competent authorities to resolve promptly and in accordance with the national and Community legislation the issues involved, and thus lead to the liberalisation of the natural gas market, certain 'interests' within the HGTSO which oppose this prospect showed themselves to be inexcusably remiss in concluding a formal procedure such as the conclusion of the required transmission contract. It is highlighted that the aforementioned procedure does not involve any prior arrangements or negotiations, as the contents and terms of the contract (including invoicing) are concrete and determined by Ministerial Decisions.

Nevertheless, the first significant victory was won, as the decisions needed at the institutional level were made, and all that remains to be done now in order to achieve full market liberalisation and smooth LNG imports is the conclusion of formalities. This bold initiative to import LNG served as a trigger for actions that were pending since 2005.

Given the significance of this venture, whose successful conclusion will only result in benefits for the Greek economy, for the interests of the consumers who stand to gain from a lower cost production process, as well as for the HGTSO itself, whose interests are served by the broadening of its supplier base and the more efficient use of public facilities, we expect that any formalities will be concluded within the next few days, so that the way to market liberalisation and to free LNG imports by private-sector organisations in Greece, always in compliance with the provisions of the Community legislation, is immediately opened.

MYTILINEOS and MOTOR OIL Groups will proceed in full compliance with the provisions of the law in order to ensure the protection of their employees and their shareholders, as well as of consumers at large, who will be the key beneficiaries of the opening up of the markets, the strengthening of competition, and the following decrease in the prices of electricity and industrial goods.