

10 January 2008

### **PRESS RELEASE**

#### **ENDESA HELLAS GOING FULL STEAM AHEAD WITH ITS INVESTMENT PLAN**

#### **THE 3<sup>RD</sup> NATURAL GAS UNIT IN VOLOS IS PROGRESSING ACCORDING TO PLAN**

In implementation of the relevant decisions of its Board of Directors, Endesa Hellas is completing the preparations for launching as soon as possible the construction of its new combined cycle power plant in Volos. This project has been preceded by the 334 MW Co-generation plant (which is ready and awaits its connection to the power transmission network) and the 430 MW combined cycle plant in Agios Nikolaos.

The new plant is located in the Industrial Area of Diminio (Magnisia), on a plot owned by the MYTILINEOS Group.

The Geotechnical studies, awarded to CASTOR after a competitive tender procedure, are already under way.

The technical equipment will be supplied by General Electric and will have a total power generation capacity of 445 MW. The plant's annual power generation output is expected to exceed 2530 MWh, with an annual consumption of some 450 million cubic metres of natural gas.

The facility will use state-of-the-art, environment-friendly technology, and will also be designed for stand-alone operation, which means that it will generate no liquid waste and will minimise air pollutants. This technology employs water recycling systems for the water used, thus minimising the use of additional water.

The facility, whose construction is budgeted at approximately 280 million Euro, will employ a total of 40-50 when fully operational. It should also be noted that a total of around 300 persons will be employed during the construction period.

The Company has already entered into negotiations with the Hellenic Gas Transmission System Operator S.A. (DESFA) for concluding the contracts for construction of the natural gas pipeline required for the operation of the new plant.

In parallel with the above activities, the Company is also pursuing all necessary procedures for modification of the power production Licences it currently holds, in order to raise its licensed power generation capacity from 400 MW to 445 MW.

In addition, ENDESA HELLAS is already examining two candidate sites for construction of the Company's 4<sup>th</sup> combined cycle plant with a power generation capacity of around 450 MW, construction of which is scheduled to begin in 2009.

### **Company Profile**

The strategic positioning of ENDESA HELLAS is driven by the development of new business activities in the energy sector in Greece, with the Company's power generation capacity being the largest in the country and being also characterised by the balanced use of thermal and renewable sources.

The Company has already made several business moves aimed at securing a share of more than 14% of the Greek market for the production of electrical power by the year 2015. With a start-up capital of 1.2 billion Euro the Company will evolve into the largest independent power producer in Greece, with potential for also expanding its activities into other SE European markets.

The Company's activities include construction, development and operation of thermal power stations, utilisation of renewable energy sources (wind, hydropower and photovoltaic parks), and trading of electrical power and CO<sub>2</sub> pollutants. The Company also plans to gradually enter the retail market, as soon as the conditions in the Greek market will allow this.

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