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Oil & Gas Regulation 2025

20th Edition



Contributing Editors:
Michael Burns & Julia Derrick
Ashurst LLP

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Preface

Dear Reader,

Welcome to the 2025 edition of *ICLG – Oil & Gas Regulation*. Ashurst LLP is delighted to serve as the *Guide*'s Contributing Editors and authors of two chapters.

As we near the end of the first quarter of the 21st century, we can reflect on how the oil and gas industry has changed in nearly two and a half decades. In some ways, the factors influencing the oil and gas industry have not changed that significantly: for example, it is telling that while the International Energy Agency's recently updated "Shared Goals" give prominence to energy security and the energy transition, the earlier 1993 version of these Shared Goals also referenced energy security, diversification and environment sustainability. These themes are not new. But perhaps the biggest shift is in terms of how the oil and gas industry perceives itself and its role. This shift is epitomised by the fact that many oil and gas companies now consider themselves to be "energy companies", reflecting the focus on the energy transition and also the role that oil and gas, often in association with decarbonisation technologies (such as CCS), plays in the wider energy industry.

The management and regulation of oil and gas is a complex area (perhaps more so now than ever before), balancing such diverse and sometimes conflicting issues as generating national wealth, energy security, environmental protection and, increasingly in recent years, the need to address climate change. It is a vastly important, fascinating and ever-changing area. It is also very much an international area, with governments, regulators, oil and gas companies and their advisors alike looking beyond the confines of national boundaries to consider the oil and gas regulation landscape across different jurisdictions.

As well as considering oil and gas regulation, we also continue to track developments in the key decarbonisation technologies relevant to the oil and gas sector, such as clean hydrogen and carbon capture and storage, in the jurisdictions covered by this *Guide*.

This *Guide* follows a practical Q&A format, which allows for easy navigation of the many different facets of oil and gas regulation, and facilitates comparing and contrasting specific areas in different jurisdictions.

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iclg

Greece


Yannis Seiradakis

Bernitsas Law


Eleni Stazilova

1 Overview of Natural Gas Sector

1.1 A brief outline of your jurisdiction's natural gas sector, including a general description of: natural gas reserves; natural gas production including the extent to which production is associated or non-associated natural gas; import and export of natural gas, including liquefied natural gas ("LNG") liquefaction and export facilities, and/or receiving and re-gasification facilities ("LNG facilities"); natural gas pipeline transportation and distribution/transmission network; natural gas storage; and commodity sales and trading.

In the wake of the Russian invasion of Ukraine, which triggered an unprecedented energy crisis in Europe, and throughout 2022, Greece was at the forefront of developments to secure energy efficiency and energy security by undertaking major projects in order to diversify energy resources at a national level as well as becoming an energy provider in the region. Regarding Greek gas, demand is fully covered by imported natural gas, which is injected into the National Natural Gas Transmission System ('**NNGTS**'), either through entry points from Bulgaria and Turkey or through the LNG facility on Revithoussa Island and the LNG storage and regasification unit ('**FSRU**') in Alexandroupolis.

Amid the repercussions of the Ukrainian war, there was a 31% reduction in natural gas demand in the period from mid-2022 to mid-2023, compared to the same period of 2022, and an 18.2% reduction compared to the average of the previous five years in the same period. At the same time, Greece reduced its dependence on Russian natural gas from 40% to 20%.

The entrenched situation resulted in increased imports from the United States, who became Greece's main supplier, with the natural gas imports mix also including imports from Russia, followed by Egypt, Algeria, Norway and Spain.

However, the situation has changed since June 2023, when Russian natural gas (including LNG) became the primary source of imports, followed by LNG from other importing countries. Specifically, in the first eight months of 2024, Russian gas exceeded 55% of Greece's total gas imports. During the period from June 2023 to August 2024, total Russian gas imports were 85% higher than during the same period between 2022 and 2023. This trend shift was mainly caused by a decrease in Russian natural gas prices and a reduction in US-imported quantities of LNG.

With respect to natural gas facilities, the long-expected Alexandroupolis FSRU, developed by GASTRADE S.A., has commenced commercial operation since 1 October 2024. The Alexandroupolis FSRU is an offshore floating unit for the reception, storage and regasification of LNG and a transmission system for the shipping of natural gas into the NNGTS, thus securing new natural gas quantities for the supply of the Greek and the regional Southeast European markets.

In addition, three additional FSRU projects are under development in Korinthos, by petroleum group Motor Oil, in Volos, central Greece, by Mediterranean Gas, and in Thessaloniki, northern Greece, by Elpedison. All of the above projects are set to commence commercial operation in 2025 or early 2026 and are expected to contribute to the decongestion of the NNGTS and further increase the capacity of the Greek natural gas system.

Natural gas transmission within the Greek territory is carried out through the NNGTS operated by the Hellenic Gas Transmission System Operator S.A. ('**DESFA**'), whereas distribution is conducted through the natural gas distribution network. Transmission systems and distribution networks can also be privately operated through an independent natural gas system licence ('**INGS Licence**') and a distribution network licence ('**Distribution Network Licence**'), respectively, both granted by the National Regulatory Authority for Waste, Energy and Water ('**RAEWW**'). The most significant private projects in this area are the Trans Adriatic Pipeline AG ('**TAP**'), which transports natural gas from the Shah Deniz II field in Azerbaijan to Europe, and the Gas Interconnector Greece-Bulgaria ('**IGB Pipeline**'), which provides a direct link between the national natural gas systems of Greece and Bulgaria, acting as a piece of strategic gas transportation infrastructure and therefore enhancing supply security to Greece, became operational on 1 October 2022.

The IGB together with the Alexandroupolis LNG terminal constitute 'critical infrastructure' for the Vertical Gas Corridor project, which involves Greece, Bulgaria, Romania, Hungary, Slovakia, Moldova and Ukraine and foresees – among other things – an increase in Azeri gas reaching Central Europe via the TAP.

Further, the EastMed gas pipeline has been proclaimed as one of the most important export projects for Eastern Mediterranean gas, a region at the epicentre of energy developments due to recent discoveries. The pipeline is a 2,000 km natural gas pipeline planned to cross the Israeli, Cypriot and Greek exclusive economic zones, reach Greece and from there connect to Otranto, Italy, through an underwater pipeline. The EastMed pipeline, which is still in the early stages of development, is expected to improve Europe's energy security by diversifying its routes and sources and providing direct interconnection to the production fields. The project will also support the economic development of Greece and Cyprus by providing a stable market for gas and hydrogen exports. The Project was included again in the updated EU list of Projects of Common Interest (2023–2025).

A significant development in the country's energy field was the planned award to a private investor of the use, development and operation of an underground natural gas storage facility ('**UGS**') in the South Kavala natural gas reservoir. The Hellenic Republic Asset Development Fund ('**HRADF**') had launched an international tender for the concession of the almost depleted South Kavala offshore natural gas field. The tender had been repeatedly delayed mainly due to ongoing consultation regarding the facility's business pricing framework, and disagreement between RAEWW and DESFA with respect to additional investments required for the effective operation of the UGS facility, and officially came to an end in March 2023, following an absence of eligible bids.

Until recently, DEPA was the dominant player in the domestic natural gas market, holding a quasi-monopolistic share with almost non-existent competition. As of 2017, private companies started dynamically entering the natural gas wholesale market with imports of natural gas (including LNG) dominating the total transactions. The opening of the wholesale market, together with the expansion of the sources of LNG origin, significantly enhanced competitiveness among gas suppliers.

1.2 To what extent are your jurisdiction's energy requirements met using natural gas (including LNG)?

Before the energy crisis that emerged in 2022, Greece was heavily dependent on natural gas, a fuel that was continuing to support the country's power production at a growing rate. While 2021 was a record year for natural gas consumption in Greece, which increased by 17% compared to 2020, making it the main source of electricity generation in Greece, given the significant price increase and in order to tackle potential deficiency in natural gas in the near future, the country reduced natural gas domestic consumption by 40% in 2022 compared to 2021, in line with the political agreement on a voluntary reduction of natural gas demand by 15%. In 2023, domestic consumption was further decreased by 21% compared to 2022, only to rise by 25% in the first nine months of 2024.

Over the past few years, natural gas, being more environmentally friendly than any conventional form of energy, was gradually replacing lignite and was set to play the role of bridge fuel in the decarbonisation process, eventually giving way to RES production. This transition was partially halted by the energy crisis triggered by the Ukrainian war; however, it has already resumed as of early 2023, as natural gas prices returned to normal levels.

Additionally, in response to the energy crisis, the country decided to temporarily step back in the decarbonisation process, with an increase of coal mining by 50% and extension of the operation of coal-fired power plants until 2028 with a view to ensuring security of supply. However, as of early 2024, a new record low of lignite participation in the production of energy was reached, while in September the most consecutive hours without lignite in the energy mix were recorded. Nevertheless, even though Greece is accelerating the green transition with renewable energy source ('**RES**') production at a level of 51%, the participation of natural gas remains at the high level of approximately 32% of the energy spectrum.

Based on the Residual Energy Mix 2023 published by the RES & Guarantees of Origin Operator ('**DAPEEP**'), the energy production mix in Greece for 2023 was formulated as follows: (a) natural gas accounted for 31.87% of total production (including high efficiency combined heat and power ('**HE CHP**') production using natural gas as a fuel source); (b) RES production accounted for 50.84% of total production (solar 17.5%, wind 23%, hydropower 9% and biomass 1.3% of total production); (c) lignite reached 9.2% of total production; and (d) oil contributed only 7.4% of total power production.

1.3 To what extent are your jurisdiction's natural gas requirements met through domestic natural gas production?

Upstream gas operations are almost non-existent, as production of natural gas is negligibly small compared to total consumption. Thus, the country's natural gas needs are mostly met by imported natural gas and LNG. Greece has accelerated efforts to reduce its energy dependence on Russia, while other large gas suppliers include Algeria, Egypt, Turkey and the US. Further, Greece is exploring its upstream potential in the context of several hydrocarbon exploration and exploitation concessions, which will identify targets that could be exploited and partially satisfy the country's demands.

Political instability, military conflicts or geopolitical tensions that impact South-Eastern Mediterranean Europe and/or other regions, such as the recent events in the Gaza-Israel region, which expanded to Lebanon, and the general hostilities in the Middle East, the magnitude, duration and potential effects of which are uncertain and hard to predict, have recently highlighted the country's need to adjust its energy strategy, accelerating the shift towards alternative energy sources or further diversifying energy imports.

1.4 To what extent is your jurisdiction's natural gas production exported (pipeline or LNG)?

As a result of the energy crisis, the geostrategic importance of Greece has grown, becoming an energy hub for LNG imports to cover the country's needs as well as to provide natural gas to neighbouring countries, such as Albania, Bulgaria, Italy, North Macedonia and Serbia. Through its LNG and storage terminal on Revithoussa Island, Greece became a net exporter of natural gas, as compared to 2021, as natural gas exports have more than tripled. During 2022, the country exported 20.41 TWh of natural gas to other EU markets, as compared to 5.17 TWh in 2021, which represented a 295% increase. This skyrocketing trend, however, did not last long with DESFA's data showing a 95.45% decrease in exports through the NNGS during the first nine months of 2024.

2 Overview of Oil Sector

2.1 Please provide a brief outline of your jurisdiction's oil sector.

Although there is an increasing interest in upstream oil business, Greece currently has negligible domestic crude oil production and is largely dependent on imports.

While Russia was until recently a significant supplier, oil imports from Russia have significantly decreased, mainly due to EU-imposed sanctions and a general shift in the global geopolitical equilibrium. Since early 2022, Greece's largest crude oil suppliers are Kazakhstan, Azerbaijan, Iraq, Turkey, and the United Arab Emirates, showcasing how the EU has managed to adapt to the changing oil market landscape and essentially minimise its dependence on Russian oil.

Despite poor oil production, the export of oil products has grown, mostly thanks to Greece's strong refinery capacity.

2.2 To what extent are your jurisdiction's energy requirements met using oil?

Crude oil accounts for more than half of the country's total primary energy supply and total final consumption.

In terms of power production, based on the Residual Energy Mix 2023 published by DAPEEP in 2023, oil contributed only 7.4% of total power production.

Recent data from the European Commission on the Greek economy highlights that Greece remains significantly dependent on fossil fuels, especially in the transport sector. Despite encouraging results, primarily in the development of RES in the energy mix, the country still relies 55% on oil and 20% on natural gas. This indicates that, despite efforts for energy transition, Greece continues to have a large dependency on fossil fuels for its energy needs, which presents a challenge for its sustainable development in the future.

2.3 To what extent are your jurisdiction's oil requirements met through domestic oil production?

Crude oil production in Greece, currently derived from two producing fields in the Northern Aegean Sea (Prinos) by a single oil producer, is gradually falling at the low end of the overall production mix in Greece and is insignificant compared to domestic oil consumption.

However, from 2012 onwards, the Greek Government has been actively promoting upstream oil operations, as described in more detail below in question 3.1.

2.4 To what extent is your jurisdiction's oil production exported?

Domestically produced oil is only used for internal needs; however, the export of oil products has grown in the last few years, mostly as a result of the increased refining output of imported oil performed by four oil refineries.

3 Development of Oil and Natural Gas

3.1 Outline broadly the legal/statutory and organisational framework for the exploration and production ("development") of oil and natural gas reserves including: principal legislation; in whom the State's mineral rights to oil and natural gas are vested; Government authority or authorities responsible for the regulation of oil and natural gas development; and current major initiatives or policies of the Government (if any) in relation to oil and natural gas development.

Law 2289/1995 ('**Hydrocarbons Law**'), which transposed Directive 94/22/EC on the conditions for granting and using authorisations for the prospection, exploration and production of hydrocarbons, constitutes the main applicable legislation governing the development of hydrocarbons in Greece. The Hydrocarbons Law was substantially amended by Law 4001/2011 ('**Energy Law**'), through which new practices were incorporated, aimed at creating a more appealing investment climate and to attract serious investments in the oil sector. Further, the Hydrocarbons Law was amended by Law 4685/2020, which introduced certain new measures streamlining the licensing requirements for exploration and production activities.

The rights to prospecting, exploration and production of hydrocarbons in onshore, sub-lake and submarine areas upon which the Greek State exercises sovereignty or sovereign rights in accordance with the provisions of the United Nations Convention on the Law of the Sea are exclusively vested in the Greek State (Article 2, para. 1 of the Hydrocarbons Law). Such rights are exercised by the Hellenic Hydrocarbon and Energy Resources Management Company S.A. ('**HEREMA**'), a State-owned company that was established by virtue of Presidential Decree ('**PD**') 14/2012 (Government Gazette A' 21/2012) in implementation of Articles 145–153 of the Energy Law, whereas certain powers are also exercised by the Ministry of Environment and Energy ('**Minister**'). In order to reflect its scope for the management of energy resources within the Greek State, the company has recently amended its corporate name in accordance with Article 66, para. 4 of Law 4964/2022 (formerly named Hellenic Hydrocarbon Resources Management ('**HHRM**')).

Over the past few years, the HEREMA entered into numerous lease agreements ('**Lease Agreements**') for the development of hydrocarbons at several offshore and onshore blocks (Aitoloakarnania, Arta-Preveza, Block 1, Block 2, Block 10, Ioannina, Ionian Sea, Katakolo, North-West Peloponnese, Sea of Thrace, West Patraikos Gulf), while during the course of 2018–2019, Lease Agreements for the Ionian Sea, Southwest Crete and West Crete blocks were executed. The Lease Agreements for (a) Southwest Crete and West Crete, involving a consortium comprising ExxonMobil and HELLENiQ ENERGY, (b) Ionian Sea involving HELLENiQ ENERGY, and (c) Block 10 (West of the Peloponnese), awarded to HELLENiQ ENERGY (former HELPE), were ratified by the Greek Parliament in 2019.

Exploration and exploitation of hydrocarbons deposits in Greece is entering a critical phase; investors holding exploration rights have already completed seismic surveys during 2022–2023 and are proceeding with their evaluation and further interpretation. Certain hydrocarbons concessions in Greece are nearing maturity and are expected to reach final investment decisions in 2025 (notably the Ioannina concession, which has made significant progress compared to the other concessions); these developments are accelerated by the recent geopolitical tension in the Middle East and in particular the surging oil and gas prices as a result of the Israel-Palestine war.

Finally, by way of Article 173 of the recent Law 4964/2022, a new framework was introduced regulating the activity of CO_2 storage in Greece. Based on these provisions, interested companies that already hold a licence to explore and exploit hydrocarbons in a specific area in accordance with the Hydrocarbons Law are, under certain conditions, granted the right to convert depleted projects into CO_2 storage sites. Please refer also to our response to question 3.13 below.

3.2 How are the State's mineral rights to develop oil and natural gas reserves transferred to investors or companies ("participants") (e.g., licence, concession, service contract, contractual rights under Production Sharing Agreement?) and what is the legal status of those rights or interests under domestic law?

The Greek State's oil and natural gas development rights may be granted through: (a) a Lease Agreement; or (b) a Production Sharing Agreement (Article 2, para. 10 of the Hydrocarbons Law). Based on Article 2, para. 14 of the Hydrocarbons Law, the type of agreement to be concluded is determined on a case-by-case basis through a Ministerial Decision of the Minister; however, in practice, Lease Agreements are by far the most

preferred contractual type. Both types of agreements are signed by the HEREMA and the contractor and are subject to the Minister's prior approval.

3.3 If different authorisations are issued in respect of different stages of development (e.g., exploration appraisal or production arrangements), please specify those authorisations and briefly summarise the most important (standard) terms (such as term/duration, scope of rights, expenditure obligations).

The right of prospecting for hydrocarbons is granted through a decision issued by the HEREMA. More specifically, upon the Minister's approval, the HEREMA issues an invitation for the submission of applications for prospecting for hydrocarbons, either following the submission of an application by any interested party or on the HEREMA's initiative ('**Prospecting Invitation**'). Within the deadline set out in the Prospecting Invitation, the HEREMA's prospecting licence is granted to one or more interested parties for a maximum duration of 18 months.

The exploration and production rights are granted through one of the agreements referred to in our response to question 3.2 above, awarded either: (a) following an invitation to tender, approved by the Minister, and published in the Government Gazette and the Official European Union Journal; (b) following the application of an interested party for an area not included in a published invitation to tender; or (c) through an open invitation process ('**Open Door**') for the submission of interest if the area under discussion is available on a permanent basis or has been previously subjected to a tender that was not completed or has been abandoned by the contractor, if the latter has withdrawn from or terminated the respective agreement. The exploration right is granted for a maximum duration of seven years in the case of onshore areas and eight years in the case of offshore areas, starting in both cases from the date of execution of the relevant agreement with the Greek State, while the production stage has a maximum duration of 25 years from the date on which the contractor/lessee notifies the Greek State that it has tracked down a commercially exploitable crude oil deposit. Both stages may be extended under certain conditions provided by the same law.

3.4 To what extent, if any, does the State have an ownership interest, or seek to participate, in the development of oil and natural gas reserves (whether as a matter of law or policy)?

Under the Lease Agreement, the contractor is the exclusive owner of the extracted hydrocarbons as of the time of their extraction, while the Greek State acquires co-ownership of the extracted hydrocarbons only when the lease is paid in kind. On the other hand, in the Production Sharing Agreement, the State acquires ownership of the hydrocarbons as of their extraction, while the contractor solely acquires ownership of part of the extracted hydrocarbons, namely its agreed share, as well as a quantity equal to its expenses. Further, both the Lease Agreement and the Production Sharing Agreement may provide for the State's participation in a joint venture with the contractor, both in the exploration and the production stage.

3.5 How does the State derive value from oil and natural gas development (e.g., royalty, share of production, taxes)?

The State's consideration for oil and natural gas development rights comes in the form of royalties/lease fees under a Lease Agreement or a share in the extracted hydrocarbons under a Production Sharing Agreement. Such agreements may also provide for payment of a signature bonus, a production bonus, as well as an amount of compensation *per annum* determined by reference to the surface area used during the exploration and production stage ('**Surface Fees**').

According to Article 8 of the Hydrocarbons Law, the contractor's income from the exploitation of hydrocarbons is subject to a special 20% income tax and a 5% regional tax, while being exempt from any further contributions, duties or other obligations.

3.6 Are there any restrictions on the export of production?

According to the Hydrocarbons Law, the contractor is free to trade the extracted hydrocarbons either in Greece or abroad by exporting them, unless otherwise stipulated in the respective agreement.

3.7 Are there any currency exchange restrictions, or restrictions on the transfer of funds derived from production out of the jurisdiction?

Foreign exchange and movement of capital in Greece are free, deriving from the country's capacity as a Member State of the European Union and the Eurozone. Further, Article 2, para. 4 of PD 127/1996 provides that the funds derived from the exploitation of hydrocarbons can be freely transferred abroad, serving as *lex specialis* aiming to safeguard hydrocarbons investments.

3.8 What restrictions (if any) apply to the transfer or disposal of oil and natural gas development rights or interests?

According to Article 7, para. 4 *et seq*. of the Hydrocarbons Law, the transfer by the contractor of its contractual rights and obligations to a third party is subject to the HEREMA's and Minister's written consent. The State may refuse to grant its consent for national security reasons arising from the nationality and the financial and technical capability of the third party. A pre-emption right is granted to the State in the case of the substitution of the contractor or transfer of its shares, including in the case of the transfer of any affiliate company controlling the contractor. Further, provided that the contractor remains jointly liable with the transferee, the contractor may transfer its contractual rights and obligations to an affiliate enterprise, subject to the written consent of the HEREMA and the Minister. Subject to the State's pre-emption right, where the contractor is a joint venture, its members may transfer their rights and obligations to each other, upon written consent of the State and approval by the Minister.

3.9 Are participants obliged to provide any security or guarantees in relation to oil and natural gas development?

The Prospecting Invitation specifies the amount of the performance guarantee to be provided by the interested party, which must be issued by a credit institution lawfully operating in the EU. Likewise, under the Lease Agreements, the contractor must provide a letter of guarantee issued by a first-class bank lawfully operating in the EU, the form and terms of which are

substantially stipulated in the Lease Agreement. The amount of such guarantee is determined on a case-by-case basis and in principle calculated on the basis of the minimum expenditure requirement and gradually reduced by the amounts of actual expenditure incurred by the contractor.

3.10 Can rights to develop oil and natural gas reserves granted to a participant be pledged for security, or booked for accounting purposes under domestic law?

Please refer to the restrictions described in our response to question 3.8 above.

3.11 In addition to those rights/authorisations required to explore for and produce oil and natural gas, what other principal Government authorisations are required to develop oil and natural gas reserves (e.g., environmental, occupational health and safety) and from whom are these authorisations to be obtained?

The most significant permits/licences that might be required for the exploration and production of oil or natural gas are the following:

(i) an Environmental Terms Approval, incorporating forest intervention and antiquities authorisation (if applicable) issued by the Minister (Article 2 of Law 4014/2011 in combination with Ministerial Decision No. 17185/1069/2022, as recently amended by Ministerial Decision No. 53510/3616/2023 and as each time in force);
(ii) an installation and operation licence (Article 6, para. 1 (b) of the Hydrocarbons Law and Law 3982/2011); and
(iii) a Seveso III registration with the Minister (Joint Ministerial Decision 172058 (Government Gazette B' 17/2016)), transposing Directive 2012/18/EU.

Greece recently amended Article 146, para. 1 of the Energy Law by Article 228, para. 1 of Law 4920/2022, providing that the HEREMA shall be the competent authority to control the safety operations of natural gas and CO_2 storage projects.

3.12 Is there any legislation or framework relating to the abandonment or decommissioning of physical structures used in oil and natural gas development? If so, what are the principal features/requirements of the legislation?

According to Article 5, paras 6 and 14 of the Hydrocarbons Law, the contractor is free to waive any prospecting, exploration and production rights granted thereto through an authorisation or a Lease Agreement/Production Sharing Agreement, respectively, under the specific terms of such agreement. Based on Article 6, para. 7 of the Hydrocarbons Law, any equipment and materials from any unusable facilities can be sold by the contractor, subject to a relevant notification to the HEREMA. Further to the above, upon completion of the production phase, the contractor must return to the State any blocks used, free of any encumbrances, in a clean and environmentally safe condition (Article 10 of the Hydrocarbons Law).

3.13 Is there any legislation or framework relating to gas storage? If so, what are the principal features/requirements of the legislation?

Under Article 6, para. 1 (b) of the Hydrocarbons Law, the contractor may construct hydrocarbon storage tanks, following an installation and operation permit issued by the Minister, which, in the case of offshore facilities, is subject to the prior approval of the Minister of Maritime Affairs and Insular Policy. The above permit requires the prior issuance of an Environmental Terms Approval under Law 4014/2011, while for storage facilities falling under the provisions of Law 4495/2017, a building permit may also be required.

Regarding the State's gas storage facilities, Greece planned to utilise the depleted natural gas field of South Kavala by converting it into a fuel storage facility. Energean PLC, the single oil producer in the area, holds a licence for the exploitation of the currently almost depleted natural gas field. The HRADF launched an international tender for concession of the almost depleted South Kavala offshore natural gas field, with three international players expressing their interest in the first phase of the procedure in October 2020. The tender officially came to an end in March 2023, following an absence of eligible bids, mainly due to issues arising around the facility's business pricing framework.

Some of the critical developments expected to have a major impact on the future policy of the Greek Government are the surging natural gas prices and the escalating geopolitical instability in the wider region, with Greek-Turkish tensions jeopardising the gas supply from Turkey (one of Greece's key gas import corridors), showcasing the need for sufficient gas storage facilities to safeguard security of supply.

3.14 Are there any laws or regulations that deal specifically with the exploration and production of unconventional oil and gas resources? If so, what are their key features?

Greek energy legislation does not include any specific provisions on unconventional oil and gas production. However, the Hydrocarbons Law was amended in 2011 and subsequently in 2020 to permit non-exclusive seismic surveys, as part of the prospecting phase, thus incorporating a practice that has been successfully followed for more than a decade by other European oil-producing states.

3.15 What has been the impact, if any, of the "energy transition" on the oil and gas industry in your jurisdiction, and are there any policies or laws/regulations that require the oil and gas industry to decarbonise? Are there any policies or laws/regulations relating to the development of low-carbon hydrogen and its use in conjunction with or in place of natural gas, or the development of carbon capture and storage?

As part of its 'Clean Energy for all Europeans' package, the EU Commission has adopted the revised Renewable Energy Directive (EU) 2018/2001 for 2021–2030 ('**RED II**'), raising the overall EU target for RES consumption by 2030 to 32% and an energy efficiency target of at least 32.5%. RED III, a revision of RED II, was published in the EU Official Journal on 31 October 2023 and entered into force on 20 November 2023, setting a new target based on which at least 42.5% of energy produced in the EU shall be generated from renewables by 2030, a target significantly exceeding the previous target of 32%.

On 14 July 2021, the EU Commission published the 'Fit for 55 Package' to enable the EU to meet its target of a 55% reduction in greenhouse gas emissions by 2030 compared to 1990 levels and net zero by 2050. The Fit for 55 Package encompasses legislative initiatives across various sectors, including energy,

transport and buildings, which is intended to fundamentally overhaul the EU's climate policy framework and put the EU on track to deliver on the above targets. In September 2023, in the context of the revision of the RED III, the EU Parliament reached a deal to raise the share of renewables in the EU energy mix, in an effort to further accelerate its shifting away from fossil fuels. Based on this bill, a new target is set, providing that at least 42.5% of energy produced in the EU shall be generated from renewables by 2030, a target significantly exceeding the current target of 32%. In the transport sector, RED III introduced an incentive concerning an increase in the use of renewable energy, to contribute to a 14.5% reduction in greenhouse gas emissions by 2030. This target is expected to be achieved by increasing the share of advanced biofuels and introducing higher quotas for renewable fuels of non-biological origin, such as hydrogen.

In early 2020, the Government issued its National Plan for Energy and Climate ('**NPEC**'), which forms the Government's new policy aimed at protecting the environment and dealing with climate change. The NPEC sets the following key targets: (a) full decarbonisation by 2028, based on a detailed schedule introduced in 2020; (b) power from RES to become the country's main energy source reaching 65% of power production by 2030; and (c) a more ambitious target for greenhouse gas emission cuts, aimed at reducing emissions by more than 42% as compared to 1990 levels and by more than 56% as compared to 2005 levels. Based on the NPEC, energy efficiency incentives for the energy renovation of public buildings, industrial facilities and residences were to be granted during 2020–2021. Furthermore, the NPEC envisages investment of a value of up to €43.8 billion in RES, natural gas and electricity transmission and distribution networks, as well as the granting of financial incentives for the purchasing of electric vehicles and launching of energy-saving programmes by 2030.

Given the latest developments concerning Russia's war on Ukraine, the EU adopted the REPowerEU plan in May 2022, with a view to achieving by the end of this decade even more rapid RES development and greatly reducing the continent's reliance on fossil fuels, especially Russian gas imports. Following that, the Government amended the previous NPEC in August 2024 with a view to increasing the targets for RES capacity for 2030 and 2040, primarily aimed at further reducing the country's dependence on Russian natural gas. The new NPEC sets more ambitious targets for cutting down the country's energy demand and achieving higher blending rates for hydrogen and renewable gases (e.g. biomethane) in the gas mix and aims at a total RES capacity of 28 GW by 2030 compared to the previous 18.9 GW objective. As regards the share of natural gas in the energy mix, the NECP foresees almost a 55% reduction by 2030 compared to the share of gas in the energy mix in 2022. Further, in relation to energy storage, which is considered essential for the stability of the electricity system and the energy transition, the relevant target is revised at 6 GW by 2030, comprising 4.3 GW of battery energy storage systems ('**BESS**') and 1.3 GW of Pumped Hydro Storage ('**PHS**') projects.

Before the introduction of the first NPEC, the decarbonisation of the national energy market was declared a top priority under Law 3851/2010, transposing Directive 2009/28/EU, which set the target of increasing the share of RES in gross final energy consumption to 20% and in gross energy consumption to 40% by 2020.

In Greece, as well as at the EU level, natural gas was considered the ideal way to ensure the gradual transition from fossil fuels to RES. The pivotal role of natural gas in the operation of the energy market and, particularly, in building a low-carbon energy economy through state-of-the-art technologies, such as power-to-gas methods and fuel cells, has been indisputable. According to recent studies, increasing the share of natural gas in the energy mix will lead to major savings in terms of energy investments, while gaseous fuel will remain the reliable backbone of the energy system during the so-called 'energy transition'.

Several European countries have started working on the decarbonisation of natural gas, through the development of innovative technologies for the production of renewable gas, i.e. CO_2-neutral gas, including biogas and biomethane, green hydrogen and synthetic methane produced through the 'power-to-gas' method ('**R-Gas**') and decarbonised gas, i.e. CO_2-neutral gas produced from natural gas through the carbon capture and storage method ('**D-Gas**') and their injection into the gas transmission systems. The package of measures deriving from the Fit for 55 Package, as well as the REPowerEU plan, aim at accelerating the energy transition. The EU has proclaimed that the use of innovative energy carriers such as hydrogen, particularly coming from renewable electricity, will play a key role in the European Green Deal. Hydrogen can be used as a fuel, an energy carrier or a feedstock, and could reduce emissions in hard-to-abate sectors, particularly in industry and transport. These trends are reflected in the Communication of the EU Commission dated 8 July 2020 and titled 'A Hydrogen Strategy for a Climate-Neutral Europe' ('**EU Hydrogen Strategy**').

The EU Hydrogen Strategy aims at harnessing the tremendous business opportunities associated with the production of decarbonised hydrogen and making the widespread use of hydrogen feasible by 2050.

In September 2021, five Greek hydrogen-production project proposals were included in a first-round list submitted by the Government to the EU Commission for inclusion in its Important Projects of Common European Interest ('**IPCEI**') category, reserved for projects promising important contribution to economic growth and competitiveness. Recently, the project TITAN H2CEM was the only Greek project that has been approved for State Aid within the IPCEI Hy2Use. At the same time, DEPA Commercial S.A. launched construction of project LIFE GREENH2ORN which will be the first green hydrogen refuelling station in Greece to become operational by 2028. Such projects will contribute to supporting the European goal for a 55% reduction in greenhouse gas emissions by 2030 and carbon neutrality by 2050, indicating a milestone in energy transition.

With regard to Carbon Capture and Underground Storage ('**CCUS**'), it plays an important and diverse role in meeting the national energy and climate goals aimed at enhancing security of supply and minimising the dependence on Russian gas. Greece recently amended Article 146, para. 1 of the Energy Law by Article 228, para. 1 of Law 4920/2022, regulating the framework for CCUS that involves the issuance of licences for exploration and underground storage of CO_2 and natural gas. Energean PLC has been granted by the HEREMA with a licence for exploration in the Prinos basin in the Northern Aegean Sea, south of Kavala, serving as the only oil-producing area in Greece. Further, the project is expected to store almost 100% of Greek carbon emissions for 10 years, commencing in 2025.

The gradual decarbonisation of natural gas and the gradual development of hydrogen production are not only expected to achieve long-term decarbonisation targets (together with the significant increase in the RES share), but also to safeguard the viability of the existing or developing investments in natural gas infrastructure projects.

4 Import / Export of Natural Gas (including LNG)

4.1 Outline any regulatory requirements, or specific terms, limitations or rules applying in respect of cross-border sales or deliveries of natural gas (including LNG).

The import or export of natural gas is not subject to any licensing requirements and thus is freely exercised (Article 81 of the Energy Law), subject to the obligation to obtain a supply licence for the sale of natural gas to end customers in Greece (please refer to our relevant response to question 8.1 below).

5 Import / Export of Oil

5.1 Outline any regulatory requirements, or specific terms, limitations or rules applying in respect of cross-border sales or deliveries of oil and oil products.

Cross-border sales and deliveries of oil and oil products are not subject to any restrictions. However, the Lease Agreements or Production Sharing Agreements may provide that in the event of a state of emergency, the contractor is obliged to sell any hydrocarbons produced to the State.

6 Transportation

6.1 Outline broadly the ownership, organisational and regulatory framework in relation to transportation pipelines and associated infrastructure (such as natural gas processing and storage facilities).

The NNGTS transports gas from the Greek-Bulgarian border (upstream TSO BULGARTRANSGAZ) and the Greek-Turkish border (upstream TSO BOTAS) to consumers in continental Greece. Pursuant to Article 67, para. 1 of the Energy Law, the NNGTS comprises the main gas transmission pipeline and its branches, together with any future extensions thereof, the border metering and regulating stations, compression stations, operation and maintenance centres, the LNG terminal of Revithoussa and any other ancillary facilities. The responsibility for the operation of the NNGTS is vested in DESFA, the latter also being responsible for the maintenance, management, exploitation and development of the entire system (Article 67, para. 4 of the Energy Law).

The Alexandroupolis FSRU, having started operation since 1 October 2024, is the second LNG terminal operating in Greece, together with the Revithoussa LNG Facility (the latter being part of the NNGTS). The Alexandroupolis FSRU is connected to the NNGTS through a 28 km long pipeline, through which the gasified LNG is transmitted to the markets of Bulgaria, Greece, Moldova, North Macedonia, Romania, Serbia and Ukraine. Further, completion of Dioryga Gas, a new LNG Facility in Corinth developed by the Motor Oil group, Argo FSRU, an additional LNG Facility in Volos developed by Mediterranean Gas, and Thessaloniki FSRU in Thessaloniki developed by Elpedison are expected to further increase the capacity of the Greek natural gas system, thus strengthening the country's security of supply.

Additionally, the IGB Pipeline initiated its commercial operation as of October 2022, a development expected to limit dependence on Russian gas and enhance energy security. In light of the general urge to increase pipeline capacity in Southeastern Europe under the Vertical Gas Corridor initiative, the pipeline operator, ICGB, has announced the expansion of the IGB pipeline capacity from 3 bcm/year to approximately 5 bcm/year by the end of 2026, thus strengthening the role of Bulgaria and Greece on the regional energy map. Further, the IGB Pipeline is connected to the TAP, the commercial operation of which started in 2020, transporting natural gas from Azerbaijan to Europe. The TAP is also set to increase its capacity by 1.2 bcm/year in 2026.

Transportation of oil in Greece is mainly carried out by oil tankers and tanker trucks and less so by cargo trains. Pipeline transmission is very limited, as there are only two oil pipelines currently operating in Greece: a 220 km pipeline stretching from Thessaloniki to a refinery ('**OKTA**') in North Macedonia owned by HELLENiQ ENERGY; and a shorter pipeline in Attica connecting the Aspropyrgos refinery with the Athens International Airport, owned by the airport together with HELLENiQ ENERGY and Motor Oil Hellas.

6.2 What governmental authorisations (including any applicable environmental authorisations) are required to construct and operate oil and natural gas transportation pipelines and associated infrastructure?

In addition to the licences/authorisations mentioned in our response to question 3.11 above (environmental terms approval, installation and operation licence, building permit, Seveso III registration), the following permits are required:

(i) The right to construct an INGS and ownership thereof are granted through an INGS Licence issued by RAEWW pursuant to Article 74 of the Energy Law. According to Article 77 of the Energy Law, the right to operate and exploit an INGS is granted through an INGS Operation Licence, also issued by RAEWW. Further, transmission system operators ('**TSOs**') operating within the Greek territory are subject to the unbundling rules set out under Article 62 of the Energy Law and Article 9 of Directive 2009/73/EU ('**Gas Directive**'), thus being under the obligation to be certified by RAEWW as independent system operators (Article 64 of the Energy Law). The specific requirements and the licensing procedure are regulated in detail by Ministerial Decision 178065/2018 ('**Natural Gas Licensing Regulation**').

(ii) The right to transfer oil through a pipeline is granted through a relevant licence ('**Oil Pipeline Transmission Licence**'), according to Article 8 of Law 3054/2002.

6.3 In general, how does an entity obtain the necessary land (or other) rights to construct oil and natural gas transportation pipelines or associated infrastructure? Do Government authorities have any powers of compulsory acquisition to facilitate land access?

Pursuant to Articles 165–172 and 173, paras 1, 174 and 175 of the Energy Law, which regulates the route and establishment of a gas pipeline, a decision of the Minister defining the route of the pipeline is required. The procedure to be followed depends on the nature of the owners of the relevant land. More specifically, in the case of privately owned land or land owned by municipalities, landowners are under the obligation to provide an easement right (Articles 165–169 and 170 of the Energy Law), subject to the payment of compensation, while any communal spaces are made available by the Greek State at no consideration (Article 170 of the Energy Law). In the case that the realisation

of the project requires seaside or seabed access, concession of such spaces can be granted through a joint Ministerial Decision issued according to Article 173, para. 1 of the Energy Law. The consideration for the above easement rights, where applicable, is determined through a decision of the competent Decentralised Administration (Article 166, para. 4 of the Energy Law). Further to the above, and pursuant to Article 171 of the Energy Law, if any expropriation is found to be necessary for the construction of a gas pipeline, as well as the necessary building of mechanical installations, the expropriation shall then be effected exclusively to the benefit of the State, with the latter in turn granting an access right to the project entity, in accordance with Laws 797/1971 and 2882/2001.

Article 1 of Law 367/1976 provides that the land required for the construction of an oil pipeline can be expropriated in accordance with Laws 797/1971 and 2882/2001.

More recently, Law 4685/2020 (Article 110), amending the Hydrocarbons Law, provided that any state-owned land (including land owned by municipalities and prefectures) required for the conduct of seismic and other geological surveys necessary for the prospection and exploration of hydrocarbons, is provisionally granted to the contractor of a Lease Agreement without further regulatory and licensing requirements.

6.4 How is access to oil and natural gas transportation pipelines and associated infrastructure organised?

As provided for under Article 68 of the Energy Law, DESFA, in its capacity as the owner and operator of the NNGTS, may enter into gas transmission services agreements, LNG facility usage agreements (for the use of the Revithoussa terminal) and agreements for the use of storage facilities with third parties ('**Users**'). As per Article 72 of the Energy Law, in order for any person to be able to enter into transmission agreements with DESFA, registration with the NNGTS Users Registry kept by RAEWW is required. The registration requirements, process and relevant documentation are regulated by the Natural Gas Licensing Regulation and the NNGTS Users Registry Regulation (Ministerial Decision Δ1/A/5816/2010 (Government Gazette B' 451/2010)). Please refer to our response to question 6.6 below for the Third-Party Access regime applying in the NNGTS. Similarly, pursuant to Article 10 of Law 3054/2002, third parties are granted access to oil transmission pipelines and storage facilities on a compulsory basis.

Access to the NNGS operated by DESFA, as well as any other details regulating the natural gas and LNG transmission services are set forth in the NNGC Code (current version having been approved by RAEWW's Decision No. E-143/2023, Government Gazette B' 5773/2023).

6.5 To what degree are oil and natural gas transportation pipelines integrated or interconnected, and how is co-operation between different transportation systems established and regulated?

Based on Article 79 of the Energy Law, the interconnection of an INGS with the NNGTS or other transmission systems is regulated through each INGS's Operation Code. Further, the NNGTS is interconnected with the distribution network, through which gas is transferred to end users. On the other hand, oil pipeline interconnections are not regulated under Greek law, while existing oil pipelines are not interconnected with other transportation facilities.

6.6 Outline any third-party access regime/rights in respect of oil and natural gas transportation and associated infrastructure. For example, can the regulator or a new customer wishing to transport oil or natural gas compel or require the operator/owner of an oil or natural gas transportation pipeline or associated infrastructure to grant capacity or expand its facilities in order to accommodate the new customer? If so, how are the costs (including costs of interconnection, capacity reservation or facility expansions) allocated?

EU internal market regulation typically requires gas TSOs, LNG system operators, and operators of storage facilities to grant energy companies non-discriminatory access to their infrastructure, as per Article 32 of the Gas Directive ('**Third-Party Access**' or '**TPA**'). However, according to Article 36, para. 1 of the Gas Directive and Article 16 of the Energy Law, major new gas infrastructure may, upon request and by way of RAEWW's decision, be exempted, for a defined period of time, from the TPA obligation, in accordance with the procedure and preconditions provided for under Article 36 of the Gas Directive.

Under Article 10, para. 3 of Law 3054/2002, the holders of an Oil Pipeline Transmission Licence are obliged to grant Third-Party Access to their pipeline, as well as to storage facilities, the terms of which are not regulated and thus left to the parties' free negotiations.

6.7 Are parties free to agree the terms upon which oil or natural gas is to be transported or are the terms (including costs/tariffs which may be charged) regulated?

Natural gas transmission agreements entered into with the NNGTS are based on pre-approved mandatory templates; currently, the standard framework agreement approved through RAEWW's Decision 1435/2020 (Government Gazette B' 4802/2020) is applicable. The charges applying to users for accessing the NNGTS are calculated based on a list of tariffs prepared by DESFA and approved by RAEWW (currently regulated by RAEWW's Decision E-152/2024 (Government Gazette B' 4909/2024)), in accordance with the Tariffs Regulation approved by RAEWW's Decision E-59/2023 (Government Gazette B' 4192/2023). Similarly, regulated tariffs apply for the use of the LNG terminal of Revithoussa operated by DESFA and the natural gas distribution networks, currently operated by the subsidiaries of DEPA Infrastructure S.A., as well as certain privately controlled entities (see below under question 7.1).

Unlike the gas sector, the contractual and commercial arrangements of Third-Party Access to oil pipelines are left to the parties' negotiations, which, however, shall take place in good faith and subject to the principles of non-discrimination and fair competition (Article 10 of Law 3054/2002).

7 Gas Transmission / Distribution

7.1 Outline broadly the ownership, organisational and regulatory framework in relation to the natural gas transmission/distribution network.

Pursuant to Article 80B of the Energy Law, the distribution of natural gas was until recently carried out by three natural gas distribution companies ('**EDAs**'), each of which was responsible for the operation of a geographically divided distribution

network, namely Attica (Attiki Gas Distribution Company Single Member S.A. ('**EDA ATTICA**')), Thessaloniki and Thessaly (Thessaloniki-Thessaly Gas Distribution Company S.A. ('**EDA THESSALONIKI**')) and the rest of Greece (Public Gas Distribution Networks Single Member S.A. ('**DEDA S.A.**')) (Article 80A of the Energy Law). Ownership of the parts of the distribution network developed before 1 April 2017 lies with DEPA, while any new parts of the distribution network developed by the EDAs shall be owned by the respective EDA. DEPA Infrastructure S.A., formerly a state-controlled entity, being the sole shareholder of EDA ATTICA, EDA Thessaloniki and DEDA S.A., was acquired by Italgas SpA in the end of 2022 further to a public tender conducted by the HRADF.

Further to recent restructuring that took place in early 2024, DEPA Infrastructure S.A. was renamed Enaon, while DEDA S.A. was renamed Enaon EDA which, following the merger with former EDA THESSALONIKI and former EDA ATTICA, has become a unified gas distribution network operator for Attica, Thessaloniki, Thessaly and areas in the rest of Greece, being the universal successor of the three merged operators.

By way of background, previously both natural gas supply and distribution activities were carried out by DEPA. Law 4602/2019 provided for the split of DEPA's commercial and infrastructure activities, as part of the latter's full unbundling. Subsequently, based on Law 4643/2019, amending Law 4602/2019, DEPA was divided into three separate legal entities: DEPA Infrastructure S.A., comprising all the distribution gas activities of DEPA; DEPA Commercial S.A., where all DEPA's gas-related activities (both wholesale and retail) were transferred; and DEPA International S.A., comprising all the international infrastructure projects in which DEPA participates. Under the same law, tenders for the sale of the HRADF's total shares in DEPA Commercial S.A. and DEPA Infrastructure S.A. were launched, excluding shares of DEPA International S.A. In December 2019, the HRADF published an invitation to submit expressions of interest for the acquisition of 100% of the share capital of DEPA Infrastructure S.A., with Italgas finally acquiring DEPA Infrastructure S.A. in 2022.

Furthermore, in February 2020, the HRADF launched a second tender for the acquisition of a majority shareholding (65%) in DEPA Commercial, with an option to acquire the total of its issued share capital. The tender for the part-privatisation of DEPA Commercial was halted as of April 2021, and eventually was cancelled in October 2023.

Further to the liberalisation of the natural gas distribution market, certain independent entities have also been granted Distribution Network Licences (see below under question 7.2) and have developed or plan to develop local distribution networks, integrated into the country's overall distribution network.

7.2 What governmental authorisations (including any applicable environmental authorisations) are required to operate a distribution network?

A Distribution Network Licence is required for the construction of a distribution network, and a Distribution Network Operation Licence must be obtained for the operation and commercial exploitation of such network (Article 80, para. 2 of the Energy Law and Article 28 of the Natural Gas Licensing Regulation); both licences are issued by RAEWW. Depending on the specific technical conditions, the construction of a distribution network may be subject to environmental, building and installation/operation licensing.

7.3 How is access to the natural gas distribution network organised?

As provided for under Article 80 of the Energy Law and the Distribution Network Code (RAE's Decision 589/2017, Government Gazette B' 487/2017 as amended by RAE's Decision 298/2018, Government Gazette B' 1507/2018 and further amended by virtue of RAE's Decision 420/2021, Government Gazette B' 3726/2021), third parties may gain access to the distribution networks by entering into a distribution services agreement with the EDAs. As with the NNGTS, registration with RAEWW's NNGTS Users Registry is a prerequisite for accessing the distribution networks. As per Article 32 of the Gas Directive, the Third-Party Access regime, described in our response to question 6.6 above, also applies for distribution networks.

7.4 Can the regulator require a distributor to grant capacity or expand its system in order to accommodate new customers?

Pursuant to Article 58 of the Distribution Network Code, the distribution networks are expanded or upgraded according to a five-year development plan, issued by RAEWW, following a proposal of each EDA. Such development plan is subject to mandatory online public consultation, while the operators shall prepare the development plans, taking into account the needs and relevant requests of the end customers. The development plan shall be updated on an annual basis.

7.5 What fees are charged for accessing the distribution network, and are these fees regulated?

The charges applying to users for accessing the distribution networks are regulated by RAEWW through Tariff Regulations of Basic Activities of the Natural Gas Distribution Network and separate Usage Tariffs, as well as the required revenue decisions issued for ENAON EDA and the rest of the distribution system operators ('**DSOs**').

7.6 Are there any restrictions or limitations in relation to acquiring an interest in a gas utility, or the transfer of assets forming part of the distribution network (whether directly or indirectly)?

In line with EU energy regulation, as of 2019, Articles 80E *et seq.* of the Energy Law provided that Greek DSOs were subject to ownership unbundling rules (Law 4602/2019). In this respect, Law 4602/2019 provided that all DSOs should be subject to unbundling certification by RAEWW, while any person/entity acquiring an interest in a DSO was required to notify RAEWW in advance and obtain the latter's prior approval.

However, Article 139 of Law 4951/2022 repealed the ownership unbundling requirement for DSOs, replacing it with legal unbundling.

Further, since Law 4951/2022, there is no requirement for certification from RAAEY in the case of the unbundling of a DSO. However, the obligation for any person/entity acquiring an interest in a DSO to notify RAEWW in advance and obtain the latter's prior approval still stands.

8 Natural Gas Trading

8.1 Outline broadly the ownership, organisational and regulatory framework in relation to natural gas trading. Please include details of current major initiatives or policies of the Government or regulator (if any) relating to natural gas trading.

In principle, any activity of sale, purchase, import or export of natural gas is not subject to any licensing requirement and thus, such transactions are freely carried out (Article 81 of the Energy Law), following registration of the interested party with the NNGS Register held with RAEWW. A supply licence issued by RAEWW is only required for the supply of natural gas to end customers; therefore, wholesale trading is not regulated, although RAEWW can impose restrictions on the supply of natural gas by wholesale customers to ensure security of supply and fair competition.

8.2 What range of natural gas commodities can be traded? For example, can only "bundled" products (i.e., the natural gas commodity and the distribution thereof) be traded?

As a principle, natural gas is freely traded in Greece, subject to licensing requirements (NNGS Register and supply licence, where applicable) and the unbundling rules, set out in the Energy Law and the Gas Directive.

9 Liquefied Natural Gas

9.1 Outline broadly the ownership, organisational and regulatory framework in relation to LNG facilities.

Greece is enhancing its facilities for importing LNG and securing the energy supply. The LNG terminal on Revithoussa Island is part of the NNGTS and is thus owned and operated by DESFA, as provided for under Article 67, para. 1 of the Energy Law.

This LNG terminal was expanded in 2018, enabling Greece to receive larger LNG cargoes. The upgrading of its third tank increased the total storage capacity of the terminal by 75% to 225,000 m^3 from 130,000 m^3, facilitated the growth of the gasification rate by 40% at 1,400 m^3 per hour from 1,000 m^3 per hour, and enabled the docking of larger LNG cargoes. Regarding the technical operation of the terminal, it is worth mentioning that in the first half of 2019, the average gasification increased to 80.99 million KWh per day from 51.57 KWh in 2017 and 38.05 million KWh in 2018, respectively. To this end, a new floating LNG facility on Revithoussa Island initiated its operation in November 2022. Similarly, the Alexandroupolis FSRU, deployed about 18 km offshore of Alexandroupolis and owned by GASTRADE S.A., is the second LNG terminal operating in Greece. Further, certain new private FSRU projects are under way (see above under 6.1.)

9.2 What governmental authorisations are required to construct and operate LNG facilities?

The construction and operation of LNG facilities in Greece are subject to the issuance of an INGS Licence (Article 74 of the Energy Law) and an INGS Operation Licence, respectively, both issued by RAEWW. In general, the licensing requirements are the same as for transmission systems, as outlined in our response to question 6.2 above.

9.3 Is there any regulation of the price or terms of service in the LNG sector?

The charges applying to users for accessing the LNG facility on Revithoussa Island are regulated through the NNGTS tariffs, as described in our response to question 6.7 above. Other than that, charges for Third-Party Access to INGS LNG facilities are predetermined by the relevant independent TSO and applied in the terminal usage agreements entered into with the terminal users (Article 78 of the Energy Law).

9.4 Outline any third-party access regime/rights in respect of LNG facilities.

As per Article 32 of the Gas Directive, a Third-Party Access regime, as outlined in our response to question 6.6 above, also applies to LNG facilities. Further, the NNGS Code was amended (RAE's Decision 735/2021, Government Gazette B' 4687/2021), providing for Third-Party Access to the LNG facility of Revithoussa. Following this development, the storage capacity of the Revithoussa terminal was increased by 70%.

10 Downstream Oil

10.1 Outline broadly the regulatory framework in relation to the downstream oil sector.

According to Article 4 of Law 3054/2002 and Ministerial Decision 16570/2005 ('**Oil Licensing Regulation**'), the activities of oil refining, wholesale and retail trading, transportation through pipeline and liquid gas bottling are regulated and a relevant licence needs to be acquired, while the importers of crude oil are subject to certain security stock obligations, as prescribed in detail under Article 12 of Law 3054/2002.

10.2 Outline broadly the ownership, organisation and regulatory framework in relation to oil trading.

Pursuant to Article 6 of Law 3054/2002 and the Oil Licensing Regulation, a wholesale trading licence is granted to companies limited by shares (*Société Anonyme*), limited liability companies or private companies (the so-called '**IKE**') or companies operating under any equivalent form in an EU Member State. Based on the same provisions, certain minimum share capital and storage capacity requirements must be met for such licence to be issued.

11 Competition

11.1 Which governmental authority or authorities are responsible for the regulation of competition aspects, or anti-competitive practices, in the oil and natural gas sector?

The Hellenic Competition Commission ('**HCC**') is the Greek independent authority empowered with the administrative enforcement of Law 3959/2011 ('**Competition Law**'), for all fields of commercial activity.

11.2 To what criteria does the regulator have regard in determining whether conduct is anti-competitive?

Pursuant to Articles 1 and 2 of the Competition Law, anti-competitive behaviours (such as price/bid-rigging, cartels, implementation of restrictions or controls on the production, trading, technological development or investments, unfair allocation of markets or sources of supply, and trading on unequal commercial terms) and abuse of dominant position, accordingly, are strictly prohibited.

11.3 What power or authority does the regulator have to preclude or take action in relation to anti-competitive practices?

Regarding undertakings, the HCC has extensive investigative powers, including access to information, interrogation procedures and on-site investigations without prior notice, while heavy administrative fines can be imposed on entities infringing the Competition Law or obstructing the HCC's procedures.

11.4 Does the regulator (or any other Government authority) have the power to approve/disapprove mergers or other changes in control over businesses in the oil and natural gas sector, or proposed acquisitions of development assets, transportation or associated infrastructure or distribution assets? If so, what criteria and procedures are applied? How long does it typically take to obtain a decision approving or disapproving the transaction?

Transactions subject to antitrust clearance are those that qualify as 'concentrations' and meet certain turnover thresholds, as set out in Regulation (EC) 139/2004 ('**ECMR**') and the Competition Law, respectively. As stipulated under Article 6, para. 1 of the Competition Law, all concentrations of undertakings are subject to preliminary control and shall be notified to the HCC within 30 days of: (a) the conclusion of the agreement; (b) the announcement of the offer to buy or exchange; or (c) the undertaking of an obligation for the acquisition of a controlling interest, in any case where the total worldwide turnover of the undertakings concerned amounts to at least €150 million, and each of at least two of the undertakings involved separately achieves a turnover exceeding €15 million in the Greek market. The duration of the procedure before the HCC depends on the level of complexity of each transaction; in practice, transactions raising no competition concerns are swiftly cleared.

12 Foreign Investment and International Obligations

12.1 Are there any special requirements or limitations on acquisitions of interests in the natural gas sector (whether development, transportation or associated infrastructure, distribution or other) by foreign companies?

In principle, no nationality restrictions apply for the issuance of INGS Licences, INGS Operation Licences, Distribution Network Licences, Distribution Network Operation Licences and Natural Gas Supply Licences or for obtaining access to the NNGTS or the country's distribution networks. However, a special (stricter) process is followed for the unbundling certification of non-EU TSOs, as per Article 11 of the Gas Directive and Article 65 of the Energy Law.

12.2 To what extent is regulatory policy in respect of the oil and natural gas sector influenced or affected by international treaties or other multinational arrangements?

As an EU Member State, Greece is actively promoting energy reforms, particularly by transposing the provisions of the third EU Energy Package for the liberalisation of electricity and natural gas markets. Further, Greece is a signatory to a number of international treaties and conventions of relevance to the oil and gas industry, most notably the Energy Charter Treaty and the International Convention for the Prevention of Pollution from Ships ('**MARPOL**').

13 Dispute Resolution

13.1 Provide a brief overview of compulsory dispute resolution procedures (statutory or otherwise) applying to the oil and natural gas sector (if any), including procedures applying in the context of disputes between the applicable Government authority/regulator and: participants in relation to oil and natural gas development; transportation pipeline and associated infrastructure owners or users in relation to the transportation, processing or storage of natural gas; downstream oil infrastructure owners or users; and distribution network owners or users in relation to the distribution/transmission of natural gas.

According to Article 10, para. 13 of the Hydrocarbons Law, all disputes among the parties related either to the performance of the terms of the hydrocarbons Lease Agreements or arising from non-contractual liability are excluded from the scope of court proceedings before both Greek and foreign courts. Such disputes shall mandatorily be settled through arbitration, either according to Law 2735/1999 on international commercial arbitration or any other internationally recognised arbitration system, such as the International Chamber of Commerce, the London Court of International Arbitration or the Arbitration Institute of the Stockholm Chamber of Commerce. The seat of arbitration shall be Athens and the proceedings shall be carried out in Greek. However, in the latest Lease Agreements entered into between the State and private investors, an alternative dispute resolution mechanism has been implemented, according to which a number of serious disputes between the parties are referred to a sole expert, while such expert's decision is subsequently subject to appeal through arbitration.

Any gas-related disputes between energy players and customers can be settled through arbitration before RAEWW's arbitration board, in accordance with Article 37 of the Energy Law. Under Articles 106–108 of the NNGTS Operation Code, any disputes between DESFA and NNGTS Users are resolved by a technical expert and, ultimately, by the Courts of Athens. Pursuant to Article 6 of the Distribution Network Code, any disputes between the distribution network users and operators are settled either before RAEWW or through the arbitration procedure established under Article 37 of the Energy Law.

13.2 Is your jurisdiction a signatory to, and has it duly ratified into domestic legislation: the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards; and/or the Convention on the Settlement of Investment Disputes between States and Nationals of Other States ("ICSID")?

Greece is a signatory to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards,

ratified by Legislative Decree 4220/1961, as well as to the ICSID, ratified by Law 608/1968.

13.3 Is there any special difficulty (whether as a matter of law or practice) in litigating, or seeking to enforce judgments or awards, against Government authorities or State organs (including any immunity)?

Pursuant to Article 94, para. 4 of the Greek Constitution, judgments and awards shall be enforced against the State, local authorities and public entities. The relevant procedure is governed by Law 3068/2002, as amended and in force, as well as the Greek Code of Civil Procedure. However, it is noted that judgments can be enforced only against private (rather than public, e.g. public buildings) assets of the Greek State.

13.4 Have there been instances in the oil and natural gas sector when foreign corporations have successfully obtained judgments or awards against Government authorities or State organs pursuant to litigation before domestic courts?

We are not aware of any such notable cases.

14 Updates

14.1 Have there been any new regulatory or policy initiatives in your jurisdiction directly in response to the continuing global concerns around higher oil and gas prices and energy security (such as price caps, subsidies or a new focus on local sources of energy)?

Following the Russian invasion of Ukraine, energy prices increased rapidly at a global level. Growing energy demand in Asia and limited shale production in the US contributed to this rise as well. Electricity prices were influenced by the cost of CO_2 emission allowances, which tripled over the course of one year. As per the price adjustment, the cost of natural gas increased fivefold, while the respective electricity costs tripled. As a result, in 2022 Greece had the third-highest wholesale electricity price in Europe, at a 238% increase compared to the equivalent period of 2021, reaching €237 per MWh. Further, energy bills are intrinsically connected with the wholesale prices.

In response to the energy crisis, Greece implemented drastic measures to tackle the rapid increase of energy prices. The first Government move, under Article 138 of Law 4951/2022, was to suspend enforcement of the price readjustment clause from August 2022 to 31 July 2023 (now extended until 31 December 2023), which was reflecting wholesale price fluctuations and was responsible for a large portion of total energy bills. Further, the Government provided subsidies for partial price increases and imposed a cap on payments to power producers with a view to reflect their real production costs, effectively scrapping a surcharge on electricity bills, which would help financing power subsidies. Specifically, from July 2022, Greece adopted a new energy market mechanism, approved by the EU Commission, which ceased on 31 December 2023, and introduced a wholesale price cap on producers' earnings based on natural gas, lignite, RES and hydropower generation sources, under the provisions of Article 122 of Law 4951/2022.

The Hellenic Energy Exchange ('**HEnEx**') is responsible for the operation of the new mechanism through its day-ahead market. In terms of the subsidisation scheme, Greece financed the measure through carbon emission permits and levy on windfall profits that were imposed on energy producers. Furthermore, the Government has elaborated plans on energy saving, by reducing energy consumption and partially reducing the hours of night electricity supply in public infrastructure, mainly in historical or archaeological sites.

Further, Greece proceeded with implementing projects with a view to ensuring energy efficiency and energy security, by advancing its gas export capacity to neighbouring countries with the new infrastructure under development. In light of the above, the fact that the IGB Pipeline and the TAP are in the process of increasing their capacity means that Greece's export capacity in the region will be enhanced even more.

In addition to the above projects, the Government has also accelerated efforts to achieve energy security by promoting electrical interconnections, such as the Great Sea Interconnector, an interconnection between the Greek, Cypriot, and Israeli power grids via the world's longest submarine power cable, the GREGY, between Greece and Egypt, the Green Aegean Interconnector, between Greece and Germany, and the Saudi-Greek Interconnector.

In terms of renewable energy, Greece passed Law 4936/2022 entitled 'National Climate Law – Transition to climate neutrality and adaptation to climate change, urgent provisions to address the energy crisis and protect the environment' (Government Gazette A' 105/2022), aiming at establishing a coherent framework for improving national climate resilience. The new law also provided for key changes and obligations for the country. A Strategic Development Framework for the Greek islands under the name 'GR-eco islands' was also introduced, with the purpose of assisting them in achieving climate neutrality. Further, ambitious targets were established in the electric mobility sector with a targeted share of 25% electric or hybrid electric vehicles starting from 2024, while in 2030 all vehicles in Greece shall be of zero emission.

Another milestone in the context of renewable energy development is the introduction of the legal framework for the development of offshore wind farms introduced in July 2022 by Law 4964/2022, aimed at installing at least 2 GW by 2030, which will help Greece become carbon neutral by 2050. Pursuant to Article 66 of said law, the Greek State has the exclusive competence for the research and designation of the areas and development of offshore wind farms and areas for the installation of offshore wind farms, under the supervision of the HEREMA, the competent regulatory authority. In addition, Greece introduced the legal framework for offshore photovoltaic plants, under the provisions of Law 4951/2022, providing for 10 pilot floating solar projects.

Every year, a Preventive Action Plan ('**PAP**') is prepared by RAEWW to protect the security of gas supply in Greece, in line with the provisions of Regulation (EU) 2017/1938. The PAP assesses the potential gas supply risks for Greece and introduces preventive measures to address them. At the same time, it defines 'protected consumers' and provides for measures to minimise the possibility of their demand being subject to curtailment.

Greece is accelerating its efforts towards energy transition; however, a few obstacles need to be tackled, such as lack of grid availability, development of electricity storage infrastructure and launch of an efficient spatial planning framework for the establishment of renewables. In this respect, Greece is making a strong effort to increase the share of renewables in gross final energy consumption and improve energy efficiency to meet both the national and EU goals.

14.2 Please provide, in no more than 300 words, a summary of any new cases, trends and developments in Oil and Gas Regulation Law in your jurisdiction (other than anything already discussed above).

The HEnEx has recently implemented a major transformation in the Greek natural gas wholesale market, with the launch of the Natural Gas Trading Platform in March 2022 marking a significant milestone in the energy market. The launch of the Natural Gas Trading Platform allows for anonymous transactions of natural gas and benefits all market stakeholders. Its operation offers price discovery, helping market participants to optimise supply conditions for the benefit of consumers and overall enhancing security of supply. At the same time, it promotes interconnectivity in the energy market of Southeast Europe and enhances market liquidity in the wider region.

Additionally, a significant development was the entry into operation by DESFA of a Virtual Trading Point, through which natural gas traders not involved in physical trading were offered, for the first time, the possibility to operate in the Greek market, as it became possible to get involved in natural gas transactions, irrespective of whether they have contracted capacity at entry/exit points.

On a different front, the EU Methane Strategy adopted in October 2020 as part of the European Green Deal focuses on cross-sectoral actions as well as on specific actions in the energy, agricultural, waste and wastewater sectors to reduce methane emissions within the EU and globally. In the implementation of these targets, Greece is currently looking to establish a leadership position in the drive to reduce global emissions of methane, which is a far more potent greenhouse gas than CO_2.



Yannis Seiradakis has a wide-ranging transactional practice which encompasses significant experience in acting in complex privatisations, public and private projects and mergers and acquisitions. He has a particular expertise in the energy, infrastructure, utilities and transport sectors.
Yannis' vast experience in privatisations reaches back to his time as Special Secretary for Privatisations at the Ministry of Finance, in which capacity he managed the sale of numerous State-owned companies, notably public utilities. Since joining the Firm in 2004, he has been involved in high-profile privatisations of grid operators, motorways, ports, airports and railways.
Yannis is an expert in energy law, advising on the structuring, development, financing and implementation of transactions and projects in the conventional and renewable energy sectors. He advises extensively on legislative risk and compliance and counts leading energy companies, international investors, financiers and Government bodies among his clients.
Yannis advises both privately and State-owned entities and consortiums on project financings and public private partnerships, with a specialisation in documenting and negotiating concession contracts. He also advises on the regulatory framework for the assignment of public contracts by way of tenders and for developing projects and public private partnerships.
Yannis advises public and private companies, investors and financial advisors in mergers, acquisitions, restructurings and divestments of primarily distressed assets. Much of his work in this area is cross-border and takes place in highly regulated sectors.
Yannis holds a Degree in Law from the National & Kapodistrian University of Athens. He is admitted to the Athens Bar (1986) and the Athens Court of Appeals (1993).

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Eleni Stazilova is Counsel at the Firm, which she joined in 2017. She advises on project finance and energy related transactions, public procurement and public private partnerships.
Eleni has experience in drafting and negotiating commercial and finance agreements and participating in due diligence reviews. She also advises on the legal and regulatory framework governing tender procedures, acquisition and development projects in the conventional and renewable energy sectors, and on licensing and permit requirements for all types of energy projects.
Eleni represents clients in filing tender bids and legal recourses, petitions and applications arising from their participation in tenders and other public procurement procedures. Prior to joining the Firm, Eleni worked as corporate counsel in the architectural and construction sectors in Greece and abroad.
Eleni holds a Degree in Law and an LL.M. in Civil Law from the National & Kapodistrian University of Athens and an MOOC (Coursera) Introduction to European Business Law from Lund University. She is admitted to the Piraeus Bar (2016).

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