



NATURAL GAS PUBLIC COMPANY (DEFA)

THE CYPRUS LNG IMPORT TERMINAL THE CREATION OF THE ISLAND'S GAS MARKET

The Economist – 14th Cyprus Summit, Nicosia Nov.2018

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Co-financed by the European Union

Connecting Europe Facility

Shaping the Natural Gas Market of Cyprus

1. Current Framework/Status
2. The LNG Import Terminal Project
3. Project Progress, Structure & Financing
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Current Framework/Status

- Cyprus has an energy isolated market (no interconnected capacity)
- Dependency on Liquid Fuels for Power Generation
- 3 Main Conventional Power Stations Owned by EAC, Total 1478MW
- Dual fuel (LF & NG) generation capacity 830MW at VPS
- Increasing Renewable Penetration (Solar, Wind)
- NG Market Regulation under CERA
- Cyprus Law - Harmonised with EU Directive 2009/73/EC
- Derogations may apply due to Isolation & Emergent Market
- Possible monopolistic operation for early years



The LNG Import Terminal Project

● Description

- Acquisition of **FSRU**
- Construction of the **jetty** for FSRU berthing and mooring equipment
- Construction of the jetty borne **gas pipeline and Loading Arms**
- Construction of **onshore gas pipeline**
- Construction of shore side **above ground installation** (AGI) pressure reduction and metering station (PRMS)
- Construction of **pipeline storage array** as a Natural Gas buffer solution



Project Progress, Structure & Financing

- Secured Environmental Licensing
- Received Preliminary Permit for Marine Works from CPA
- Project Budget: €300m.
- Awarded a Connecting Europe Facility (CEF) Grant of 40% of eligible CAPEX, up to €101m.
- Created ETYFA (Natural Gas Regasification Infrastructure Company)
- Engaged in discussions with EIB and EBRD. In discussion with additional interested Financial Institutions. Started Due Diligence process aiming at achieving Financial Close by Q1 2019
- GoC Decision for Electricity Authority of Cyprus (EAC) participation in the infrastructure SPV (ETYFA), up to 30%



LNG Import Terminal Project Tender Process



- Cyprus LNG Import Terminal Project Tender Announcement on **5 October 2018**
- Award by mid to end **Q1 2019**
- Target Date: **end November 2020**

- Scope includes:

- Engineering, Procurement, Construction
 - FSRU
 - Marine and Civil Works
- Operation & Maintenance of the whole facilities (up to 20 years)



Next Steps (short term)



1. LNG Procurement

- EoI to be announced in **Q4 2018**
- Receiving Interest for MSAs and SPA RfP stage
- SPA RfP stage, following award of infrastructure tender

2. Owner's Engineer Tender

- To be announced **Q4 2018**
- Award prior to receiving proposals for infrastructure tender

3. Open Season Process

- Determination of Major End Users, NG Quantities per buyer and Spatial Allocation
- 3 current licensed IPPs



Next Steps (longer term)

Other NG Consuming Markets

- Bunkering
- Industry
- Road Transport

NG Pipeline Network Development

- Preliminary Design and Feasibility Study Completed
- Phase A' – Power Generation supply and development of backbone transmission network





Thank You!

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