

# Global Oil & Gas Conference

## South East Europe & Mediterranean



## CEO's Presentation

**28<sup>th</sup> September 2016**

# Energy Group with a leading position in Greece and in South East Europe



- Contemporary refineries, of high level complexity.
- Competitive product mix, exports constitute >55% of the total.
- Leading position in the domestic market, with a share of 60-65% in wholesale and 30% retail.
- Vertical integration of the domestic trade and petrochemical industry with the refining industry.
- 3.300 employees in Greece and abroad.
- Assets worth € 7,3 billion and equity of € 1,9 billion (data 06/30/2016).
- Completion of investment program amounting to € 3 billion in the international and domestic economic crisis.
- Implementation of a series of performance improvement programs, with annual benefits of over € 350 million.

# The importance of Refining in EU - Its transfer outside the EU is a loss at all levels

## 1. PETROLEUM MARKET IN EU

**23 B€ / YEAR**  
ADDED VALUE TO EU ECONOMY

**# 2** FOR SKILLED JOBS IN MANUFACTURING ★

**270 B€ / YEAR**  
TAXES COLLECTED ON FUELS SALES FOR MEMBER STATES

**# 4** PRODUCTS INNOVATION

**5 B€ / YEAR**  
AVERAGE INVESTMENTS

**# 1** PROCESS INNOVATION

**140.000** PEOPLE DIRECTLY EMPLOYED

## 2. ENVIRONMENT AND LOCATION



\*Reduction of 100 CO<sub>2</sub> emissions units in the EU means its replacement with 135 non-EU units

## 3. TRANSPORTATION FUELS

**270 MILLION CARS**

**34 MILLION TRUCKS**

**36000 PLANES**  
INCLUDING SMALL PRIVATE PLANES

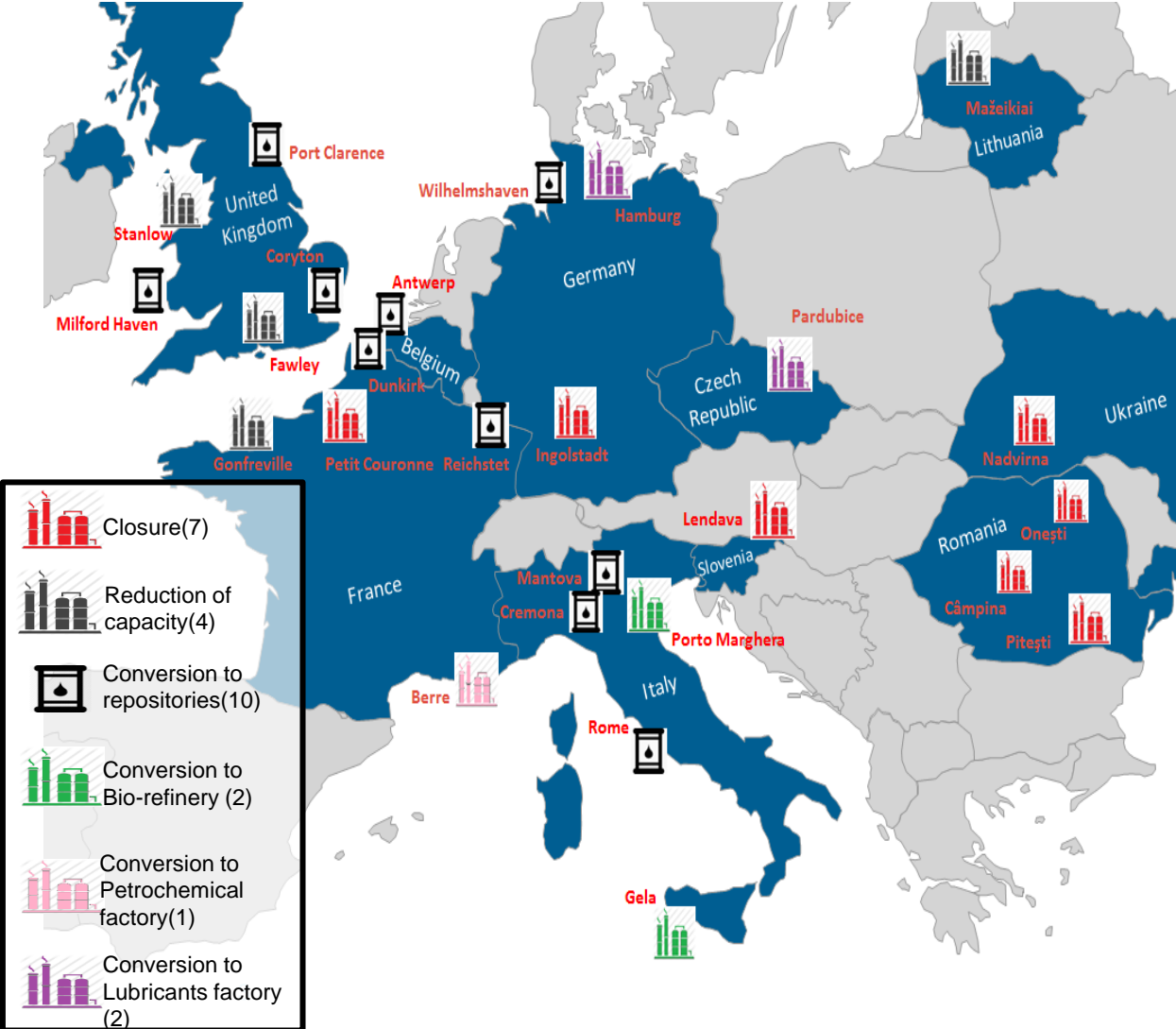
**93000 SHIPS**

90+ days EU supply to face possible supply crises.

\*Πηγή: Vivid Economics for UK DECC – Case study on Refining - Carbon leakage prospects under Phase III of the EU ETS and beyond

# Competitiveness of European Refineries

Since 2008, the refining capacity in Europe has fallen by 26 refineries (2,6 million b/d.)  
 ~ 40% of the capacity withdrawn worldwide



Due to oversupply of capacity, many refineries in Europe have terminated their operations, sold or converted into repositories

# The European Refineries operate in a highly competitive global market of petroleum and refining products.

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- High energy costs and compliance with the legislation creates significant disadvantage compared to refineries outside the EU.
- Moreover, refineries operating outside the EU have higher CO<sub>2</sub> emissions, lower labor costs and maintenance costs.
- The EU refineries lacking in gross margin by almost **\$ 4 / bbl** compared to refineries in the Middle East \*. The cost of complying with the law \* is estimated at **\$ 0,5 / bbl**.

# Main features of success future companies

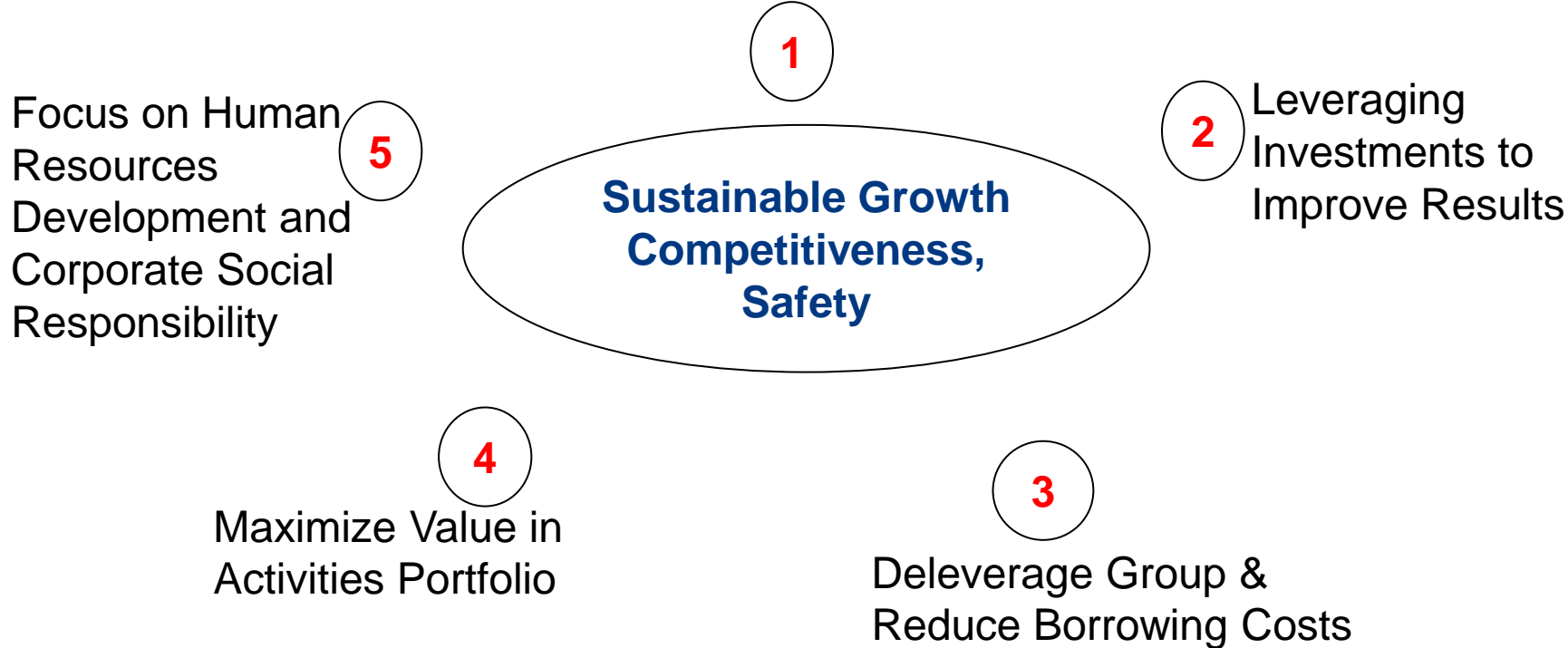
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- Co-innovation
- Competitiveness
- Extroversion
- People
- Social Awareness

# 2016-2018: Group's Strategy

**Sustainable Growth with a human face. Holistic Safety in all activities. Stabilization of Group's Performance with reduction of leverage and growth outlook**

Holistic Safety in all activities



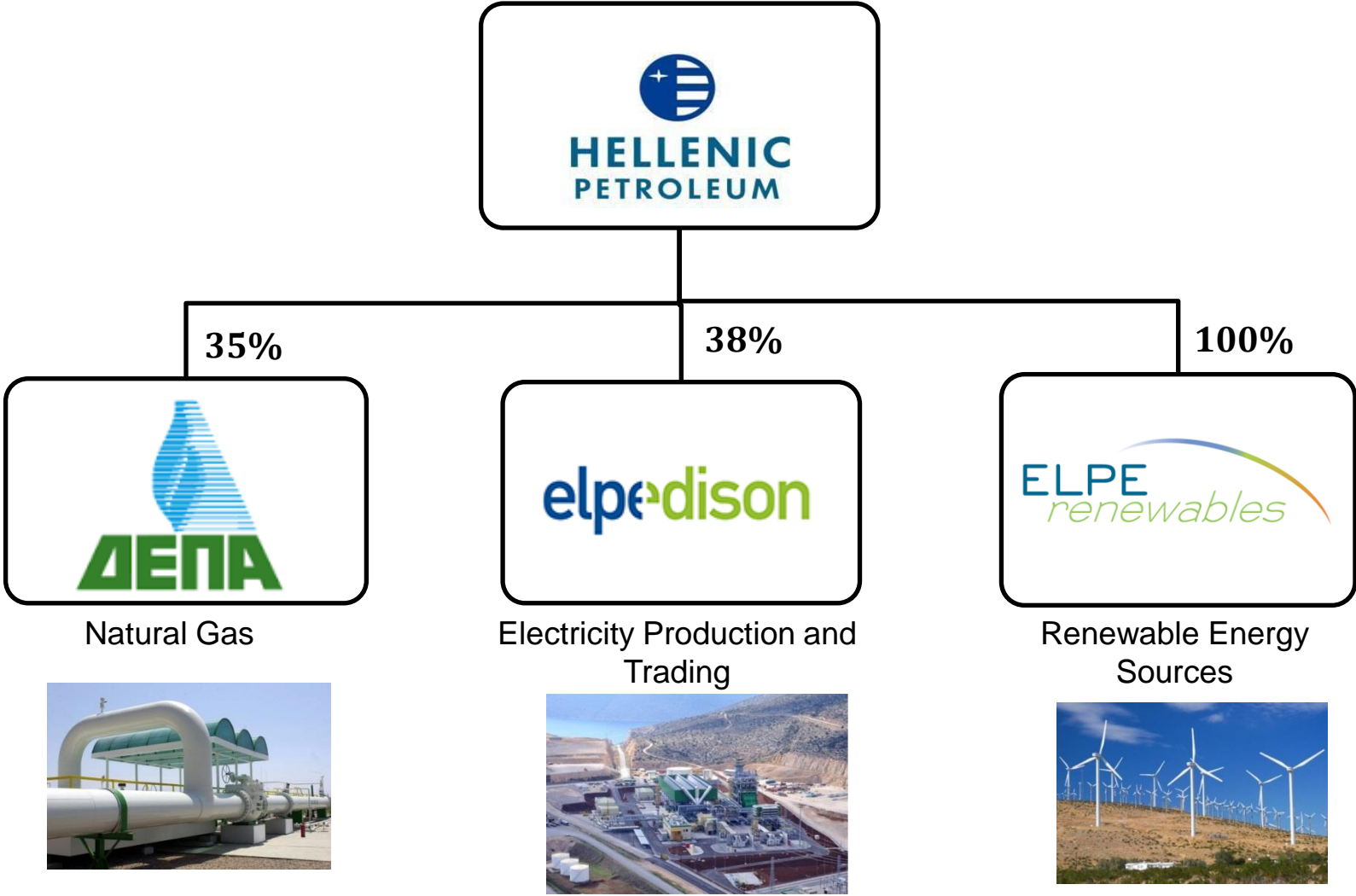
# Main Levers to Achieve Goals

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- **Increased extroversion** (exports > 50%)
- **Exploiting all opportunities** that arise in the international supply and marketing industry (Agreements with NIOC, Rosneft) and in all our activities (liquid fuels, natural gas, electricity, international subsidiaries, etc.)
- **Maximizing efficiency** of industrial plants
- **Customer focus** and satisfaction of future needs
- **Improving competitiveness**



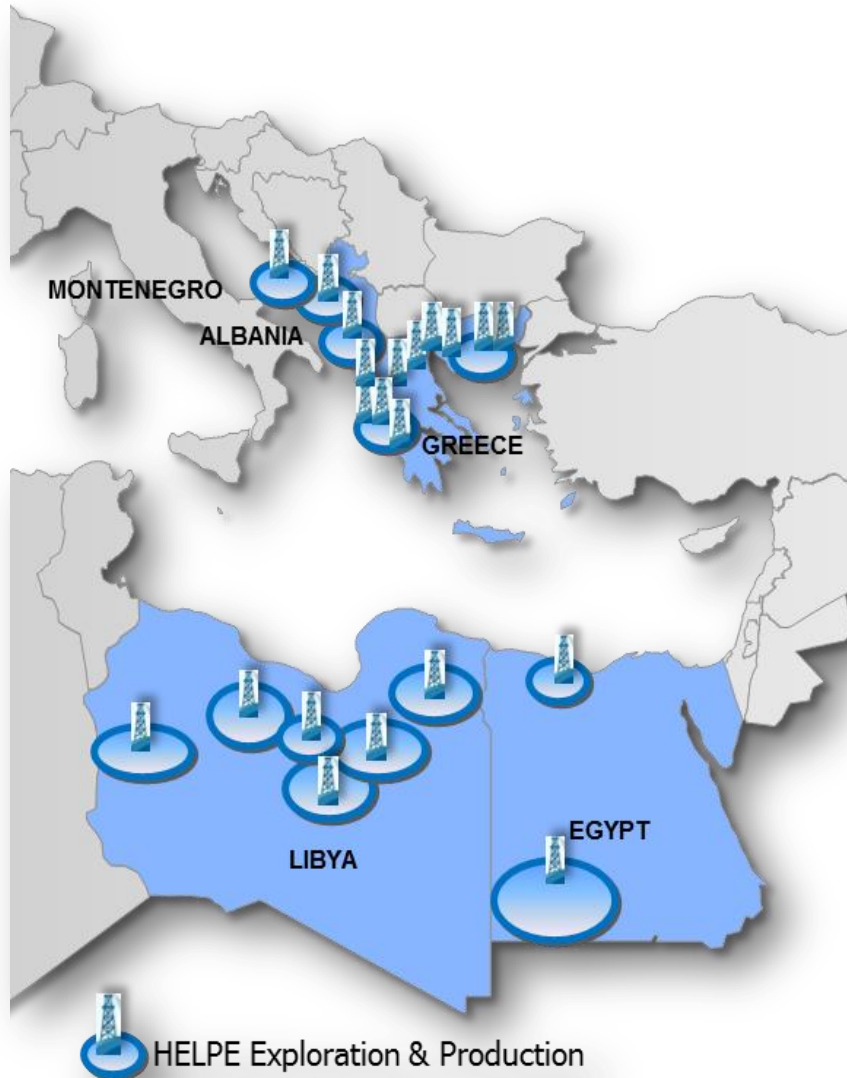
# Activities in Natural Gas and Electricity



Greece is the “energy gate” for Europe

# Hydrocarbon Exploration & Production

## International experience with presence in joint ventures – operator in 29 areas



➤ Exploration in 39 areas (**operator in 29 areas**) in Greece and abroad (**seismic surveys 75.000 km, 110 wells, discovery of almost 200 million barrels**) either independently or participating in international joint ventures.

- **Greece:** 50% West Patraikos (lease area) & 25% Thracian Sea & 26 blocks (1975 – 2007)
- **Albania:** 3 blocks (2000 -2006)
- **Libya:** 6 blocks (2000 – 2009)
- **Egypt:** 2 blocks (2007 – 2015)
- **Montenegro:** 3 blocks (2002 – 2015)

➤ Participation in **17 joint ventures** to submit offers with ExxonMobil, Total, GdFSuez, Statoil, Repsol, Noble, ENEL, OMV, Edison, Woodside, Lukoil, JAPEx, Kuwait Energy etc.

# Current Concessions HELLENIC PETROLEUM SA in Greece

