

Greek privatization fund TAIPED said, following the latest deadline extension by the Regulatory Authority for Energy (RAE), that the final, binding, round of a tender for the construction of underground gas storage at almost depleted South Kavala gas field in the Aegean Sea will not be held until the early summer.

Prior to the latest deadline extension, the binding round was delayed by several months as a result of a disagreement between RAE and natural gas transmission system operator DESFA over supplementary investments that would enable the country's network to cater to the needs of the storage facility.

The framework proposal set by RAE is deemed unsatisfactory and if nothing changes it is very likely that the tender will fail, which threatens to leave Greece as Europe's only country without a single underground gas storage facility.

Last April, TAIPED announced that a consortium of GEK-Terna and natural gas transmission system operator DESFA and Energean Oil & Gas as a sole bidder, have qualified for the second, binding round of a tender for the development and operation of underground gas storage in the depleted natural gas field South Kavala.

Natural gas field South Kavala is located in the southwestern part of the Prinos-Kavala basin, in 52 meters of water depth in the North Aegean Sea, about 6 kilometers off the west coast of Thassos. The duration of the concession agreement will be up to 50 years. The conversion of the natural gas field South Kavala into an underground gas storage will be carried out by the concessionaire within a binding period to be determined in the concession agreement.