

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 a consortium of GEK-Terna and natural gas transmission system operator DESFA and Energean Oil & Gas as a sole bidder have qualified, announced Greek privatization fund TAIPED. Following the signing of confidentiality agreements, the two qualifiers will be granted access to the tender's virtual data room, where financial and technical data will be uploaded for due diligence procedures. Binding offers are not expected to be submitted no sooner than late 2021, while the final stage of this tender will most likely take place in early 2022. 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. According to estimates, underground gas storage facility will cost about 240 million euros and will provide annual transmission capacity of 360 million cubic meters, with a potential to be doubled. Greece has launched a balancing platform for natural gas in 2018 and is currently planning its development into an organized gas market envisioning the country's establishment as a regional commercial gas hub. New gas entry points, besides Trans-Adriatic (TAP) pipeline, will be needed to secure sufficient gas quantities and flexibility during this transition, and the role played by the Kavala underground storage during this stage will be vital.