

**INVITATION FOR EXPRESSION OF INTEREST FOR THE PROVISION OF SPECIALISED  
TECHNICAL SERVICES TO THE HELLENIC REPUBLIC IN RELATION TO THE OFFSHORE  
NATURAL GAS STORAGE FACILITY IN NORTHERN GREECE**

October 12, 2011

**1. Introduction**

- 1.1 Pursuant to the decision 175/12.05.2011 of the Inter-ministerial Committee for Asset Restructuring and Privatisations (the "**ICARP**") and according to the provisions of Law N. 3985/2011 "Medium Term Fiscal Strategy 2012-2015" (Government Gazette nr. A' 151/2011), it has been decided to consider the possibility and alternative ways of exploitation of the HR's rights over the offshore depleted gas field "South Kavala" via its conversion to a natural gas storage facility (the "**Project**" or the "**Facility**").
- 1.2 In the context described above, the HR is seeking to appoint a leading specialized consulting firm to act as its technical adviser (the "**Technical Adviser**"), in order to assist the HR and its other professional advisers in connection to the Project.

**2. Scope of the Work to be assigned**

The HR aims at the monetisation of its rights over the offshore depleted gas field of the area of South Kavala via its usage, development and commercial exploitation as a natural gas storage facility (referred to as the "**Monetisation**"). In this context, the proposed scope of work of the Technical Adviser is expected to include the provision of technical expert professional services to the HR and its other professional advisers from a technical, commercial and financial point of view in relation to the Project, including, but not limited, to the following:

- 2.1 Review and assessment of the overall technical and compliance documents and requirements of the Facility and in particular (Preparatory Phase):
- 2.1.1 Review and assess the proposed Facility from a technical perspective including the front-end engineering design of the Facility (if required), the major equipment components/proposed technology in accordance with standard international industry best practices.
  - 2.1.2 Review and assess the current status of the depleted gas reservoir and determine the suitability for its conversion to a storage facility, both from a geological, geomechanical and geographical perspective.
  - 2.1.3 Measure and provide the operating parameters (e.g. rate of injection and withdrawal of working gas, amount of cushion gas to maintain required level of pressure) for the efficient performance of the Facility, determine, assess and provide maintenance requirements and costs, manpower staffing estimates and systems requirements as well as evaluate the associated technical risks for the Facility.
  - 2.1.4 Review from a technical perspective all major existing surface and subsurface facilities, gas connection interfaces and all related infrastructure already in place (e.g. platform, wells, machinery and equipment) including the supply and/or disposal (as appropriate) of necessary fuel, water, electric power and waste. In addition, the Technical Adviser will review and assess the adequacy of the Facility's design and connection infrastructure proposed for the import/export of natural gas as well as the adequacy of storage for the proposed Facility.
  - 2.1.5 Review and assess all relevant contracts and other documentation regarding the Project from a technical perspective. The overall compatibility of contract terms and conditions with the design objectives, operating parameters and industry best practices should be assessed.
  - 2.1.6 To the extent necessary, evaluate the technical risks and provide the necessary technical and operational information associated with the Project in relation to its connection to the

- National Gas Transmission System in terms of both construction (connection infrastructure etc) and operation.
- 2.1.7 Provide an analysis for the impact of the off-shore gas storage facility on the balance between the strategic and trading gas reserves.
  - 2.1.8 Review all applicable permitting and licensing requirements for the construction and operation of the Project. Any omissions, deficiencies and limitations identified during the review should be reported and evaluated as per applicable compliance requirements.
  - 2.1.9 Evaluate compliance with applicable environmental regulations, monitoring and control systems and generally accepted environmental standards including an evaluation of the environmental risks associated to the construction and operation of the Facility.
  - 2.1.10 Review the compliance of the proposed Project with generally recognised industry health, safety and security standards and guidelines.
  - 2.1.11 Prepare a due diligence report (the "**Due Diligence Report**") describing the results of all due diligence tasks, of a technical nature, performed including the items described above.
  - 2.1.12 In collaboration with the HR's financial adviser, assess all financial parameters (e.g. capital expenditure plan) regarding the conversion of the offshore underground geological formation of the area of South Kavala to a natural gas storage facility.
- 2.2 Provide all other support material and proposals, as reasonably requested, for the facilitation of the Governmental approval process or any other approvals that may be deemed necessary for the Monetisation.
- 2.3 Should the HR decide to proceed with the Monetisation, assist, in co-operation with the HR's other professional advisers, in the co-ordination of the process from any preliminary/preparatory phase to the final negotiation and consummation of the selected transaction, including but not limited to the following (Implementation Phase):
- 2.3.1 Assistance in the preparation of all relevant marketing materials/presentations/transaction documents (e.g. Confidential Information Memorandum) based on the Due Diligence Report.
  - 2.3.2 In the event that a tendering process is selected, assistance in the preparation and execution of any such process and in particular, without limitation:
    - Evaluation and compilation of the data room information, site visits and other data gathering.
    - Assistance during the due diligence process by being, inter alia, available and accessible for Q&A sessions with potential investors and by promptly providing feedback to written questions in relation to technical matters.
    - Assistance in reviewing and evaluating the technical, commercial, financial and other related parameters set out in the proposals submitted by potential investors.
    - Assistance in the discussions and negotiations with the potential investors in achieving the optimal Monetisation outcome for the HR.
  - 2.3.3 Perform other technical advisory services as may be required from time to time.

### **3. Necessary Qualifications**

The HR invites interested firms with the capacity to demonstrate a strong international track record and relevant professional expertise in providing services related to this assignment and in particular:

- 3.1 Relevant experience in natural gas storage facilities (in particular offshore) in Europe and internationally.
- 3.2 Proven track record for providing relevant technical services to national authorities and natural gas supply and/or storage companies.
- 3.3 Proposed team composition (and its proposed structure) including relevant experience of the senior members of the team during the last five (5) years.

- 3.4 Robust financial standing proven by annual reports and audited annual (and interim, if any) financial statements, according to I.F.R.S. for the last 3 years.
- 3.5 Initial thoughts on the requirements and deliverables of the assignment, including an indicative timetable for its implementation.
- 3.6 Proposed detailed fee level and structure, including a cap for fees and expenses for the term of the engagement.
- 3.7 Interested firms and the members of the proposed teams must declare in writing that they do not have a conflict of interest. Such declaration as to conflict of interest will be in effect throughout the term of the technical adviser's engagement.

#### **4. Selection Procedure**

- 4.1 The award of the assignment will be made in accordance with the provisions of Law 3049/2002. The selection committee, which will be formed, shall receive and assess all offers that will be validly submitted. The assessment shall take into consideration the abovementioned in par 3 qualifications and requirements, the fee proposal, as well as the criteria mentioned in the paragraph 5 of the article 7 of Law 3049/2002.

The selection committee may require any clarification, addition or adjustment of the submitted offers as deemed necessary. Following the assessment process, up to three (3) candidates may be chosen for negotiation. Should the number of candidates that fulfill the abovementioned prescribed minimum selection criteria is less than three (3), the selection committee may - at its sole discretion - continue the procedure by calling on the candidate(s) that fulfil such criteria.

The negotiation will be made with each candidate successively and subject to the prior unsuccessful negotiation with the previous candidate.

- 4.2 A candidate that does not meet the criteria set hereof will be not allowed to participate in the process.
- 4.3 The HR reserves, at its the fullest exclusive discretion, the right to cancel, suspend, amend or postpone at a later time this procedure, without any prior notice, as well as to terminate any negotiations or discussions at any stage of the process, without incurring any liability whatsoever as against any participant and/or any third party.
- 4.4 Interested firms should submit their offer, together with detailed CVs of the proposed team for the assignment and the other documentation that prove the firm's and the team's experience and expertise, via e-mail at the e-mail address [ssarp@minfin.gr](mailto:ssarp@minfin.gr), marked "**OFFSHORE NATURAL GAS STORAGE FACILITY: INVITATION FOR EXPRESSION OF INTEREST FOR TECHNICAL ADVISER**". Additionally, a hard copy of such offer may also, at the discretion of the interested legal firms, be submitted, in a sealed envelope, at the offices of the SSARP (8 Karageorgi Servias Street, Athens, Postal Code: 101-84, 6th floor). The offers must be submitted no later than **October 20, 2011, 17:00, Athens time**, irrespectively of the way of submission.