

PRESS RELEASE

EuroAsia Interconnector concludes strategic alliance agreement with Elia Grid

NICOSIA/BRUSSELS, December 11, 2017 - The EuroAsia Interconnector, the official EU project developer of the 2,000MW electricity interconnector between Israel, Cyprus Crete - Attica, Greece and Europe, has concluded a strategic alliance agreement with Elia Grid International (EGI), subsidiary of the Belgium's Elia Group, for the development and implementation of the EuroAsia Interconnector.

The EuroAsia Interconnector is a leading European Project of Common Interest (PCI) labelled as an EU "electricity highway" connecting the national electricity grids of Israel, Cyprus and Crete-Attica, Greece through a 1,518km subsea HVDC cable.

The European Commission, with the support of the Cyprus Government and in agreement of the Greek Government, has appointed EuroAsia Interconnector Limited as the owner Project Promoter of EuroAsia Interconnector.

The strategic alliance has been inked with Elia Grid International (EGI), a subsidiary of Elia Group - the Belgian-German Transmission System Operator (TSO) - and formalizes a close cooperation for the development and implementation of the EuroAsia Interconnector.

The Elia Group is a driving force behind the development of the European electricity market and the integration of energy generated from renewable sources and operates under the legal entity Elia System Operator, a listed company on the Brussels Euronext Stock Exchange.

The Elia Group is an experienced partner for developing electricity interconnectors and projects at sea and has, amongst others, established a joint venture with its British counterpart for the development, installation and exploitation of the 1,000MW subsea Nemo Link interconnector between the UK and Belgium, which will be operational by 2019.

Recent events related to the EuroAsia interconnector:

The Cyprus and Greece energy regulatory authorities (CERA and RAE) announced on October 10, 2017, that the EuroAsia Interconnector meets the guidelines for trans-European Energy infrastructure, as well as the guideline for cost benefit analysis of ENTSO-E grid development projects.

On Friday, November 3, 2017, the Official Gazette of the Republic of Cyprus published the agreement between the two national regulatory authorities for the Cross-Border Cost Allocation between Cyprus and Crete-Attica, Greece for the Project of Common Interest (PCI) of the European Union, 3.10.2 Interconnection between Kofinou (CY) and Korakia, Crete (EL), and 3.10.3 Internal line between Korakia, Crete and Attica region (EL), with the official EU Project Promoter being the company EuroAsia Interconnector Ltd.

ABOUT ELIA GROUP / ELIA GRID INTERNATIONAL (EGI)

The Elia Group is organised around two electricity transmission system operators (TSOs): Elia in Belgium and 50Hertz, one of the four German transmission system operators, which is active in the north and east of Germany.

With more than 2,100 employees and a transmission grid comprising some 18,400 km of high-voltage connections serving 30 million end users, the Elia Group is one of Europe's top five system Operator.

In addition to its activities as a transmission system operator in Belgium and Germany, the Elia Group offers a range of consultancy and engineering services to third parties all over the world through its subsidiary Elia Grid International (EGI).

As a wholly owned subsidiary, Elia Grid International (EGI) combines the best of both European electricity transmission system operators and embodies the international ambitions of the Elia Group by offering consultancy and engineering services on the international energy market.

ABOUT THE EUROASIA INTERCONNECTOR

The EuroAsia Interconnector, a leading Project of Common Interest (PCI) of the European Union, comprises the electricity interconnection between the grids of Israel, Cyprus and Crete-Attica, Greece (Europe) through a subsea DC cable and with HVDC onshore converter stations at each connection point, with a total capacity of 2000MW. The project is an energy highway bridging the two continents;

with a total length of 1520kms. It creates a reliable alternative route for the transfer of electric energy to and from Europe.

BENEFITS of this large-scale project

EuroAsia Interconnector enjoys high ranking by the European Union, falls within the EU energy policy and contributes to the energy targets:

- Ends the Energy Isolation of Cyprus as an EU member state. Cyprus is the last member of the European Union which remains fully isolated without any electricity or gas interconnections. Ending the energy isolation is an important EU objective.
- EuroAsia Interconnector creates an electricity highway from Israel-Cyprus-Crete-Attica, Greece (Europe) through which the European Union can securely be supplied with electricity produced by the gas reserves in Cyprus and Israel, as well as from the available Renewable Energy Sources, contributing at the same time to the completion of the European Internal market.
- The EuroAsia Interconnector ensures the security of energy supply of the three involved countries and of the EU system altogether, through the integration of the isolated small systems of Cyprus and Crete with the Israeli and European Network and the uninterrupted – multidirectional flow of energy.
- Promotes the substantial development of the Renewable Energy Sources and contributes to the reduction of the CO₂ emissions.
- Offers significant economic and geopolitical benefits to the involved countries.
- Contributes to the target of the European Union for 10% of electricity interconnection between Member States.
- Provides significant socio-economic benefits at the range of 10 billion euros.

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