

PRESS RELEASE

EuroAsia Interconnector remains resolute to its commitments and timeframes for implementation of electricity link

- In the final stage of capital increase and financial closure for entire project
 - EIA approved in Cyprus and relevant process underway in Greece

NICOSIA, December 12, 2018 – EuroAsia Interconnector Limited, the project promoter of the flagship European Project of Common Interest (PCI) connecting the electricity grids of Israel, Cyprus, Crete and Attica in Greece with the European system, remains committed to the timeframes specified for the timely implementation of the project.

The EuroAsia Interconnector electricity link provides substantial social and economic benefits to the citizens of the involved countries, ends the energy isolation of Cyprus (the last isolated European Union member state) and Greece's largest island – Crete, and ensures the security of supply, while creating an alternative electricity corridor connecting the East Mediterranean to Europe.

In 2022/2023 Cyprus and Crete will connect to the European electricity grid

The project promoter is proceeding to the construction of the first phase of the project (Stage1 1,000MW) and in particular the Cyprus-Crete and Crete-Attica segments as approved by the National Regulatory Authorities of Cyprus and Greece as well as the European Commission, in full compliance with the provisions of the TEN E Regulation for trans-European energy networks (Regulation EC 347/2013) and in parallel with the facilitation process initiated by the European Commission. The programmed commissioning dates for the first two segments of the interconnector are:

- PCI 3.10.3-Internal line between Korakia, Crete (GR) and Attica region (GR) - June 2022
- PCI 3.10.2 - Interconnection between Kofinou (CY) and Korakia, Crete (GR) - December 2023

Share capital increase and financial closure for the entire project

The project promoter is faithfully adhering to the EuroAsia Interconnector electricity link's financing plan as approved by the energy National Regulatory Authorities of Cyprus and Greece pursuant to their joint Cross-Border Cost Allocation decision issued on October 10, 2017. It is in the final stage of concluding these actions in collaboration with strategic investors, through a capital increase and bond issue to safeguard the capital and financial closure for the construction of the entire Cyprus-Crete-Attica interconnector, with a total development and construction cost of EUR 2.758 billion.

EuroAsia Interconnector is collaborating with multilateral financial institutions, including the European Investment Bank, for each of the Cyprus-Crete and Crete-Attica interconnector segments in line with their respective implementation schedules.

Co-funding from the "Connecting Europe Facility" and financing facilities

It is noteworthy that the EuroAsia Interconnector, as an EU Project of Common Interest, is eligible to receive grants of up to 50% of the total construction cost (including the Crete-Attica link) from the "Connecting Europe Facility" (CEF) and additional facilities from the European Investment Bank (EIB) and other EU institutions. Within this framework, the EuroAsia Interconnector Limited has prepared the necessary application for submission to the Innovations and Networks Executive Agency (INEA) and this is one of the critical stages for the progress of the project.

Approval of environmental impact assessment in Cyprus – Securing environmental approval from the competent Greek authorities underway

As regards licensing, these are at an advanced stage. The approval of the Environmental Impact Assessment (EIA) from Cyprus was ratified on December 11, 2017, while the relevant documentation for acquiring the environmental approval from the Greek competent authorities have been submitted, a process which is currently underway.

Completion of EU co-financed technical planning studies

Faithfully adhering to the agreements, at the EuroAsia Interconnector Limited we are executing the pre-works studies, such as civil works studies, offshore geophysical and geotechnical studies, FEED, etc., alongside activities critical for the infrastructure's uniform interoperability after commissioning of the EuroAsia Interconnector electricity link. It must be noted that 50% funding in the form of grants from the Connecting Europe Facility (CEF) has been secured by the project promoter for the abovementioned actions.

Construction selection procurement process – Pres-selection phase completed

The first phase of the procurement process for selection of the manufacturers/construction of the project, which commenced in April 2018 in compliance with the European Commission's public procurement Directive 2014/25/EU and considering the results of the FEED and other relevant studies performed, has been completed with the pre-selection of candidates that satisfied the predetermined criteria.

Specifically, the pre-selection stage has been completed and the candidates have been informed about the results. Pre-ITT documents submission meetings with the successful candidates are being held in early December at the EuroAsia Corporate Headquarters in Cyprus and the results of these meetings will be incorporated in the final Invitations to Tender documents including all technical, commercial and legal requirements to be issued.

Particularly promising and indicative of the significance of the geopolitical gravity of the project is the fact that the procurement processes have drawn the interest of all major European manufacturers with proven global experience in this field, the participation of whom reinforces the multilateral efforts for successful implementation of the project.

The unhindered implementation of the agreements on our part and the warm interest of the participants in all stages of the above processes, not only reiterate the EuroAsia Interconnector Limited's firm commitment to the timely implementation of the project, but also give us the motivation to continue with an unimpeded pace to strive towards the final outcome for the benefit of the citizens of Greece, Cyprus and Israel.

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For further information:

The EuroAsia Interconnector as a Project of Common Interest (PCI)

<https://www.euroasia-interconnector.com/at-glance/the-big-picture/euroasia-eu-status/>