
GREECE ACCEPTS SNAM-LED CONSORTIUM'S OFFER FOR GAS GRID DESFA

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Greece has accepted a 1.1 billion offer from a consortium led by Italys Snam for a majority stake in gas grid operator DESFA, naming it the preferred investor, its privatisation agency said on Thursday (19 April).

DESFA runs a network for transporting gas from the Greek-Bulgarian and Greek-Turkish borders via a 1,459-km pipeline. It also has a liquefied gas terminal facility on an islet off Athens.

Strategically-placed, Greece could represent an important crossroads for the diversification of supplies and new natural gas routes in Europe, the consortium said.

It anticipated the transaction would be finalised in the second half of 2018 after securing approvals, including antitrust clearance.

With our partners Enagas and Fluxys we have built a strong European industrial consortium with the aim of further developing DESFA, the Greek market, the Energy Union and the entire energy system of Mediterranean Europe, Snams Chief Executive Marco Alvera said in a statement.

The sale of a majority stake in DESFA is mandated under Greeces latest international financial bailout, worth up to €86 billion.

It was forced to re-launch the sale process for 66% stake in DESFA last year after a previous 1.1 billion offer with Azerbaijan's SOCAR fell through in 2016.

A consortium of Snam, Spains Enagas Internacional and Belgiums Fluxys and another consortium of Spains Regasificadora del Noroeste, Romanias Transgaz and the European Bank for Reconstruction and Development (EBRD) bid for DESFA in February.

Athens had requested both suitors to improve their bids and after unsealing their new offers on Monday, it asked the Snam-led consortium, the highest bidder, to further improve its offer.

Discussions have started with Greek and international banks to secure financing for the acquisition, the consortium said.

Greece welcomed the consortiums offer, saying it exceeded Socars bid in the previous tender.

The Greek state is selling a 31% stake in DESFA and Hellenic Petroleum, Greeces biggest oil refiner and the other shareholder in the operator, 35 percent.

The privatisation agency's board and the board of Hellenic Petroleum met on Thursday and accepted Snam's offer. Hellenic will seek shareholders' approval for the sale on 14 May, Hellenic said in a statement.

Alantra and Alpha Bank acted as financial advisers for Greece. Lazard advised Snam on the sale.

Kaynak/Source: