ISSN: 2241-4851

GLOBAL & REGIONAL FOCUS NOTES

EU and Greece's Evolving Natural Gas Landscape
Latest Key Agreements and Strategic Developments

- Greece signs 20-year LNG deal with Venture Global, strengthening its role in Europe's energy diversification
- New LNG flows through Alexandroupolis and the Vertical Corridor position Greece as a key regional hub
- Agreement aligns with EU's 2026 Russian gas ban and Greece's leadership in supply-origin certification
- Expanding infrastructure and offshore exploration cement long-term importance of Greece's role in energy network

1. Introduction

Greece is strengthening its role as a key player in Europe's changing energy map through a new long-term liquified natural gas supply deal between Atlantic–See LNG Trade and Venture Global. Although the agreement will have only a limited effect on Greece's own gas market in the short term, it marks an important step toward building the country's position as a regional energy hub. By linking Southeastern Europe more closely to reliable US gas supplies, the deal supports the EU's efforts to move away from Russian energy and enhances long-term energy security. Together with Greece's growing infrastructure and new offshore exploration projects, this development highlights the country's growing importance in Europe's future energy mix.

2. Strategic Significance of the Atlantic–See LNG Trade–Venture Global Agreement

The long-term LNG supply agreement between Atlantic–See LNG Trade and Venture Global marks a meaningful step in strengthening Greece's regional energy role, even though its immediate domestic impact will be limited. The contracted 0.5 mtpa (million tonnes per annum) — equivalent to roughly 0.7 bcm (billion cubic metres) per year — covers only 10–12% of Greece's annual gas demand. As such, the agreement does not materially shift domestic pricing or near-term supply dynamics, nor can it replace more than

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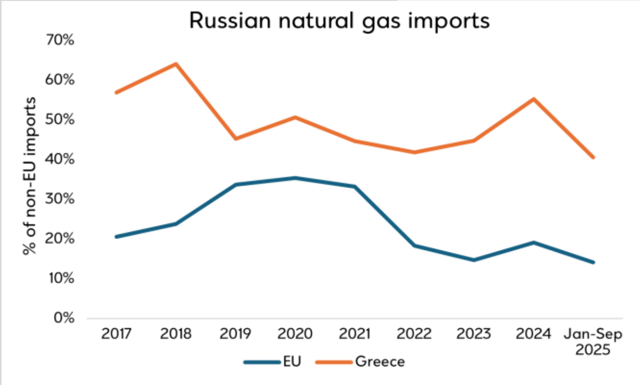
November 2025

a small portion of the 3.4 mtpa of Russian gas imported in 2024. A larger substitution effect would require activating the option to expand volumes to 1.5 mtpa.

Where the deal matters most is in regional integration. A significant share of these LNG volumes is expected to flow northwards via the Alexandroupolis FSRU and the Vertical Gas Corridor toward Bulgaria, Romania, and Ukraine. This strengthens Greece's position as a regional trading and transit hub, while the 20-year commitment from a US supplier enhances energy security by reducing exposure to Russian flows and short-term market volatility. Industrial and power producers — including Metlen and Public Power Corp — are also likely to benefit from the greater predictability and liquidity this long-term supply brings to the wholesale market. In parallel, steady throughput supports the business case for both existing and new regasification assets such as Alexandroupolis, Corinth, and Volos.

Figure 1: Since 2022, Greece has made limited progress in reducing dependency on Russian gas



Source: Eurostat, Eurobank Research

3. Why Contract Deliveries Begin in 2030

LNG sales agreements for new liquefaction projects typically include multi-year lead times to support project financing, with long-term buyer commitments enabling final investment decisions. Supply under the agreement starts in 2030 and is likely to be tied to Venture Global liquefaction projects that are still under construction and expected to become operational around 2029–2030. This timing also aligns well with the expansion of Greece's gas infrastructure, including enhanced regasification capacity and ongoing upgrades to the Vertical Gas Corridor. At the same conference where the LNG deal was signed, Greece, Bulgaria, Romania, Republic of Moldova and Ukraine signed joint letter requesting regulatory approval for two new routes along the corridor.

A 2030 start date also provides commercial flexibility. It allows both sides to gauge Europe's evolving gas demand profile after the recent supply shock, reducing the risk of committing to excessive volumes too early in the decade. Strategically, it positions Greece to consolidate its role as a regional hub precisely when Europe's diversification away from Russian gas will be reaching an advanced stage.

4. Indicative Pricing Structure and Market Context

Although pricing terms have not been disclosed, the agreement could follow the structure that is typical practice, followed by Venture Global's other long-term contracts, which link prices to Henry Hub and add liquefaction and shipping fees. Based on current Henry Hub levels of approximately $3–4/MMBtu, indicative delivered prices to Greece would be in the range of €28–35/MWh before regasification and marketing margins. This is broadly aligned with current European spot prices.

While Russian pipeline gas historically landed at slightly lower cost, averaging €20–25/MWh, the political acceptability of those flows has evaporated. In this context, the strategic value of a long-term, index-linked U.S. supply source lies not in achieving the lowest marginal price but in ensuring predictable, geopolitically insulated energy security.

5. Regasification - Transportation Charges

The agreement does not yet specify the regasification or transmission charges applicable to volumes destined for Greece's regional partners. These commercial terms will be determined separately through agreements between Atlantic–See LNG Trade and the relevant infrastructure operators: Gastrade for regasification at the Alexandroupolis FSRU and DESFA for pipeline transport through Greece's national network. Tariffs for onward transmission through other countries (e.g. Bulgaria, Romania) will likewise be agreed at a later stage, based on the energy corridors that will be used and negotiations among countries.

6. Greece - Ukraine short-term agreement

The Atlantic–See LNG Trade–Venture Global agreement is an "umbrella" agreement, implying that interim agreements will follow, concerning the period 2026-2029. In this context, on 16 November, Greece (DEPA Commercial) and Ukraine (Naftogaz) signed a declaration of intent for the supply of natural gas to the Ukrainian market for the winter period, from December 2025 to March 2026, marking another substantial step in strengthening energy cooperation in the region and the EU's energy security. The future agreement provides for the transport of LNG from the United States via the Route 1 natural gas corridor, jointly made available by the Transmission System Operators (TSOs) of Greece (DESFA), Bulgaria (Bulgartransgaz), Romania (Transgaz), Moldova (VestMoldTransgaz) and Ukraine (GTSOU). The agreement was signed in the presence of Greece's prime minister, Kyriakos Mitsotakis, Ukraine's president, Volodymyr Zelensky, and US Ambassador to Greece Kimberly Guilfoyle.

7. EU Policy Reshaping: Ending Dependency on Russian Energy

Recent EU policy decisions aim at ending its dependency on Russian energy by stopping the import of Russian gas and oil and phasing out Russian nuclear energy. Although Russian natural gas imports have fallen sharply from 150 bcm in 2021 to 52 bcm in 2024, Russia still accounted for 14.1% of EU gas imports in the first nine months of 2025. The legislative proposal aims at revising the REPowerEU plan.

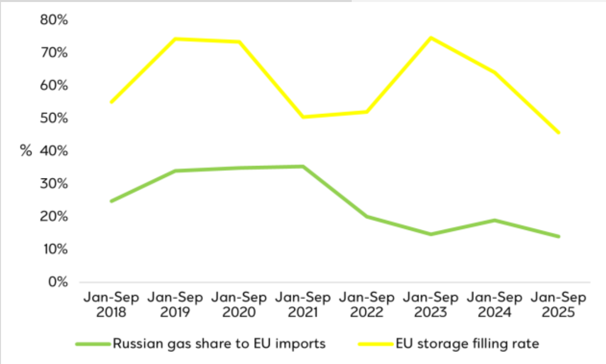
On 20 October 2025, the EU Council approved a ban on Russian gas imports beginning on 1 January 2026, with transition periods for existing contracts. Greece, through a proposal by the Ministry of Environment and Energy, played a central role in designing the gas-origin certification mechanism that underpins the ban. Specifically, exporters of non-Russian gas entering the EU must provide proof of origin five days prior to entry, while Russian gas under transitional arrangements requires one month's advance certification. The Greek proposal was preferred over the Commission's suggestion that importers in the EU countries would be responsible for providing proof of non-Russian origin. Among other things, the new rules explicitly target indirect Russian exports routed through Turkey via the TurkStream pipeline.

The next steps in the legislative process are negotiations between the EU Council and the European Parliament with a view to finalising the new EU regulation. The revised EU strategy for disengagement from Russian energy will form an important backdrop to Greece's emerging role in regional gas supply.

8. Acceleration of Offshore Exploration Activity

Greece is also advancing its offshore natural gas exploration agenda through a series of recent agreements. On 6 November 2025, ExxonMobil agreed to take a 60% stake in the Energean–Helleniq Energy joint venture responsible for exploration in "Block 2" in the northern Ionian Sea. Earlier, on 24 October 2025, the Greek government signed four additional hydrocarbon exploration and exploitation agreements for four blocks south of the Peloponnese and Crete. A Chevron–Helleniq Energy consortium was selected as the preferred investor for all four blocks. One of them — South of Crete 2 — partially overlaps with the maritime zone claimed in the Libya–Turkey maritime agreement. Therefore, Chevron's future operations, with the blessings of the US government, implicitly affirm Greece's sovereign rights in the region.

Figure 2: Signs of weak linkages between official Russian gas imports and EU reserves



Source: Eurostat, AGSI Platform, Eurobank Research

The timeline for offshore gas development is long, typically ranging from five to twelve years between the launch of the exploration phase and first production. Regional examples highlight this variability. Cyprus's Aphrodite field entered appraisal in 2013 and, owing mainly to geopolitical and commercial delays, is now expected to start production in 2027 — around fourteen years after the start of the evaluation phase. By contrast, the Kronos field, also offshore Cyprus, is moving more quickly and is likewise expected to begin producing in 2027, only eight years after the start of its appraisal. These timelines underscore that while the Eastern Mediterranean continues to emerge as an important prospective source of gas for Europe, the contribution of newly-licensed-for-exploration Greek blocks remains a medium- to long-term supply prospect. Furthermore, Cyprus's natural gas production is currently projected to start by the time EU's full ban on Russian gas, including long-term contracts, will almost be in place.

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