January 2011 (update)

Description of alternative measures to be adopted by the Hellenic Republic for the further liberalisation of the Greek wholesale electricity generation market, including lignite-fired generation

1. The Hellenic Republic is evaluating various measures for the further liberalisation of the Greek wholesale electricity generation market, including lignite-fired generation, as alternatives to the measures set out in the Commission's August 2009 Decision.[1] The aim is to increase competition in the Greek wholesale electricity market through environmentally-sustainable power generation to the benefit of the consumer and achieve the 20-20-20 objective. On that basis, 40% of the lignite-fired electricity generating capacity of the Public Power Corporation S.A. ("PPC") (in the Greek interconnected market) would come under the control of third parties (i.e., entities not affiliated with PPC) in perpetuity, using a capacity release program comprised of a combination of structural measures and transitory measures.

2. The alternative measures have been developed to be consistent with the Hellenic Republic's plan concerning the decommissioning of some of PPC's existing lignite fired power generation plants (Annex I), and its preference to grant third parties access to electricity generated from lignite extracted from the deposits that are currently available for exploitation, in line with the Hellenic Republic's broader environmental and energy policies so as to achieve the 20-20-20 objective. Eighteen plants have decommissioning dates in or before 2020, and four plants have such dates beyond 2020. New lignite-fired plants may be authorised. To this end, the alternative measures include structural measures relating to (1) generating capacity that the decommissioning plan envisages will stay in use after 2020 and (2) new generation capacity to be built, and transitory measures relating to plants that will be decommissioned no later than 2020 according to the decommissioning plan.

3. More specifically, by 1 January 2012 or within nine calendar months from the date of adoption of a formal decision by the European Commission reviewing its August 2009 Decision (whichever event occurs later), 900MW in total (i.e., 457 MW through structural measures, and 443 MW through transitory measures) of lignite generation capacity will be made available to third parties. Progressively, and no later than 1 January 2015, additional lignite-fired electricity generating capacity will be released in staged incremental amounts, so that by 2015 it will have reached 40% of PPC's currently projected lignite generation in that year.

A. Swap Of Drawing Rights Agreements

4. The Hellenic Republic intends to achieve the capacity release through Drawing Rights Agreements ("DRAs"), relating to a representative portfolio of lignite-fired generation plants.

[1] Commission Decision of 4 August 2009 Establishing the specific measures to correct the anti-competitive effects of the infringement identified in the Commission Decision of 5 March 2008 on the granting or maintaining in force by the Hellenic Republic of rights in favour of the Public Power Corporation S.A. for extraction of lignite.

5. In the first instance, the Hellenic Republic intends to implement the DRAs in the form of swaps. The capacity and energy available under the DRAs will be provided for a total amount of 457 MW, through DRAs based on the portfolio of lignite-fired generation plants with decommissioning dates beyond 2020 and reflecting the characteristics of that portfolio. It will initiate one or more tenders in the first half of 2011, and will report to the Commission by 30 June 2011 regarding the progress of the tender(s). If the Commission considers that it is unlikely that swaps representing 457 MW of generation capacity will be implemented by 1 January 2012, the tender process will be repeated, and commercial operation of these DRAs will be delayed until 1 January 2013.

6. In this case of delay of commercial operation of the DRAs until 1 January 2013, to ensure that capacity is released no later than 1 January 2012 in any event, 457MW will be sold to third parties by PPC in the form of transitory drawing rights ("TDRs") to come into effect on 1 January 2012 and remain in force until 2020. The TDRs will relate to plants that are scheduled for decommissioning no later than 2020. Further details concerning the TDRs are set out in Section C, below.

7. Buyers of the DRAs must be approved by the Commission. In order to be approved, a buyer must:
   (a) be independent of and unconnected to PPC;
   (b) have the financial resources, proven expertise and incentive to maintain the capacity made available as a viable and active competitive force in the market; and
   (c) neither be likely to create, in the light of the information available to the Commission, prima facie competition concerns nor give rise to a risk that the implementation of this framework will be delayed, and must, in particular, reasonably be expected to obtain all necessary approvals from the relevant regulatory authorities to be eligible to use the rights awarded through the tender process.

8. The Term Sheets in Annex II set forth in greater detail the terms and conditions of the sale and purchase of electric capacity, energy generated and lignite fuel supply through multi-plant (or "portfolio") DRAs. The Term Sheet, in particular, clarify that the variable cost of generating electricity to be paid by the buyer when it draws electricity includes CO2 emission costs. These Term Sheets are not contractual documents to be signed by buyers, who will contract DRAs supplemented by any additional agreements required. However, for the avoidance of doubt, the rights conferred on the buyer pursuant to any definitive DRA shall be no less favourable than those set out in the applicable Term Sheet.

9. The DRAs will be allocated through an open competitive tendering process. A total capacity of 457 MW will be made available under the DRAs tendered in 2011 and, if necessary, 2012, through DRAs relating to capacity drawn from the portfolio of lignite-fired power plants with decommissioning dates beyond 2020 and reflecting the characteristics of those plants. The plants to which DRAs will relate in any event are identified in paragraph 11 below.

10. The Hellenic Republic intends that the DRAs will have initial terms of fifteen years or the average life of the plants included in the portfolio, as defined by the decommissioning dates, whichever period is shorter. The purchaser shall retain the exclusive and irrevocable option to extend the DRA beyond that initial term on the same conditions for rolling incremental five year terms, subject to the possibility of pro-rata reductions of the capacity

covered by the DRA if one or more of the plants in the portfolio are decommissioned during the course of a five year term.

11. The Hellenic Republic's intention is that the following plants will be the subject of the DRAs discussed above. The 457 MW capacity will be drawn from the following portfolio of plants:
    (a) Agios Dimitrios 5; net capacity 342MW, planned decommissioning date = c.2040
    (b) Meliti; net capacity 289MW, planned decommissioning date = c.2040
    (c) Megalopoli 3; total capacity 255MW, planned decommissioning date=2025;
    (d) Megalopoli 4; total capacity 256MW, planned decommissioning date=2025.

    PPC shall have the discretion to determine the capacity drawn from time to time from each plant within the portfolio.

12. In addition to the structural DRAs described above, third parties will be offered (in line with paragraph 10 above) rights equivalent to 40% of the total new lignite capacity to be built. The 40% can be part of an individual plant or of the several plants built. This can include the case where the new build plant is controlled by an independent third party.

B. Fall-back Measures

13. The Hellenic Republic commits to submit a report to the Commission by 30 June 2011 on the process of sales for the swap of DRAs. If the Commission considers that the DRAs are not likely to be implemented by 1 January 2012 through the swap arrangements pursued by the Hellenic Republic, then the tender for structural measures will be repeated and commercial operation of this structural measure will be delayed until 1 January 2013. Within such circumstances, as provided in paragraph 6, 457MW will be sold to third parties by PPC in the form of TDRs to come into effect on 1 January 2012 and remain in force until the end of 2020.

14. In any event, if the DRAs relating to a total capacity of 457 MW are not implemented by 1 January 2012 through the swap arrangements pursued by the Hellenic Republic, PPC will enter into TDRs for the remaining balance of the 457 MW capacity with third parties by 1 April 2012. Any such TDR will remain in force until the end of 2020. In the event that, by 1 January 2013, swaps for the same capacity as TDRs that may have been entered into by 1 April 2012 are agreed, the total capacity made available under TDRs from 2013 will be reduced commensurately, as explained below.

15. In case some or all of the swaps agreements intended by the Hellenic Republic have not been concluded by PPC, or are not likely to be concluded in time for implementation by 1 January 2013, the Hellenic Republic, in order to achieve the objective of ensuring that 40% of PPC's lignite-fired generation capacity is released under long-term arrangements, at its sole discretion, will implement one or both of the following alternative measures, to take effect as of 1 January 2013:

    (a) One-way (rather than swap) DRAs. If the Hellenic Republic decides to make DRAs available to third parties to ensure that 40% of PPC's lignite-fired generation capacity is released under long-term arrangements, such rights will be made available so that they are in commercial operation by 1st January 2013. They will be competitively tendered, and the relevant provisions of Section A above apply.

(b) Sale or swap of lignite-fired electricity generation plants as listed under paragraph 11. If the Hellenic Republic decides to implement either a sale or a swap of a lignite-fired electricity plant (and related assets and facilities) to ensure that 40% of PPC's lignite-fired generation capacity is released under long-term arrangements, it will do so through a tender procedure with a view to such arrangements being commercially effective by 1st January 2013.

16. Paragraph 7 above will apply mutatis mutandis in case the Hellenic Republic implements one or more of the fall-back options identified in Paragraph 15(a) and (b).

C. Transitory measures

17. The Hellenic Republic intends to implement transitory measures, in the form of TDRs, to ensure that at least 443 MW of lignite-fired generation capacity is available to third parties effective 1 January 2012 and the rest of the capacity necessary to sustain the 40% threshold of existing lignite capacity is available to third parties in lots pursuant to paragraph 18. Such TDRs will be allocated through open competitive tender process(-es). In the first instance, such TDRs will be offered as the Greek leg of swaps. However, if the Hellenic Republic considers that swaps relating to any or all of the lots set out in Paragraph 18 will not be agreed, such TDRs will be granted as one-way drawing rights (with no impact on either the timing of commercial operation or capacities granted).

18. TDRs will be made available in single or multiple lots according to the following schedule:
(a) 443 MW for commercial operation by 1 April 2012 for delivery until end of 2020;
(b) 300MW for commercial operation by 1 January 2013 for delivery until end of 2020;
(c) 300MW for commercial operation by 1 January 2014 for delivery until end of 2020; and
(d) The balance of MW up to the 40% threshold for commercial operation by 1 January 2015 for delivery up to the end of 2020 where necessary to sustain the 40% threshold of existing lignite capacity.

19. In the event that additional TDRs are entered by 1 January 2012 or 1 April 2012 pursuant to paragraphs 13 and 14, the capacities made available in Paragraphs 18(b) and (c) may be reduced accordingly. In any event, the total capacity made available as DRAs and TDRs by 1 January 2015 will represent 40% of PPC's existing lignite-fired generation capacity.

20. All TDRs may be extended on the same terms and conditions if necessary to comply with the 40% threshold, in particular, if the dates for the decommissioning of PPC's existing lignite-fired power generation plants (Annex I) are postponed.

21. The capacity and energy available under the TDRs will be provided through DRAs relating to multiple plants drawn from the portfolio of the plants listed below. These TDRs will reflect the characteristics of the portfolio. The proposed terms (including the terms and conditions of the sale and purchase of capacity, energy generated and lignite fuel supply) of these short-term TDRs are set out in the Term Sheets included in Annex II. The Term Sheet, in particular, clarify that the variable cost of generating electricity to be paid by the buyer when it draws electricity includes CO2 emission costs. These Term Sheets are not contractual documents to be signed by the buyers, who will sign DRAs

supplemented by any additional agreements required. However, for the avoidance of doubt, the rights conferred on the buyer pursuant to any definitive TDR shall be no less favourable than those set out in the applicable Term Sheet.

22. The Hellenic Republic intends that capacity for the TDR's will be drawn from the following portfolio of plants :
    (a) Agios Dimitrios 1; net capacity 274MW, planned decommissioning date = c.2020
    (b) Agios Dimitrios 2; net capacity 274MW, planned decommissioning date = c.2020
    (c) Agios Dimitrios 3; net capacity 283MW, planned decommissioning date = c.2020
    (d) Agios Dimitrios 4; net capacity 283MW, planned decommissioning date = c.2020
    (e) Amyntiao 1; net capacity 273 MW, planned decommissioning date = c.2020
    (f) Amyntiao 2; net capacity 273 MW, planned decommissioning date = c.2020(g) Kardia 1; net capacity 275 MW, planned decommissioning date = c.2019
    (h) Kardia 2; net capacity 275 MW, planned decommissioning date = c.2020
    (i) Kardia 3; net capacity 280 MW, planned decommissioning date = c.2020
    (j) Kardia 4; net capacity 280 MW, planned decommissioning date = c.2020.

23. Paragraph 7 above will apply mutatis mutandis to all of the TDRs mentioned in paragraphs 6, 13, 14, 17 and 18.

E. Monitoring Provisions

24. In accordance with Paragraph 13, the Hellenic Republic will submit a report to the Commission by 30 June 2011 regarding the progress of the sale of DRAs through swaps. If the tender process for DRAs through swaps is repeated in 2012 the Hellenic Republic will submit a report to the Commission by 30 June 2012 regarding the progress of that tender. In the event that the Hellenic Republic is required to adopt one of the fall-back measures set out in Section B above, it will provide the Commission with a report regarding the measure that it intends to adopt, and the process by which it intends to tender the relevant rights. At a date that is six months after the initiation of any such tender, it will provide the Commission with a report setting out the current status of the relevant tender process.

25. This procedure will be conducted in a transparent manner. A monitoring trustee will closely monitor it, and, inter alia, prepare and submit annual compliance reports to the European Commission pertaining to the progress of the capacity release program and the achievement of the 40% target.

Annex I: Decommissioning Plan

PPC lignite fired generation Plants

Decommissioning Plan

9 December 2010

Unit	Net capacity (MW)	Commissioning date	Old decomm. date	New 20-20-20 decomm. date	New decomm date **no investment**	Comments
AGIOS DIMITRIOS 1	274,0 *	1984	2028	2020	2020	Limited to 32000 running hours 2016-23 due to IPPC constraints (Stack 1: units 1 & 2; stack 2: units 3 & 4)
AGIOS DIMITRIOS 2	274,0 *	1984	2029	2020	2020	
AGIOS DIMITRIOS 3	283,0 *	1985	2030	2020	2020	
AGIOS DIMITRIOS 4	283,0 *	1986	2031	2020	2020	
AGIOS DIMITRIOS 5	342,0	1997	2045	post 2040	2040	Subject to desulph. Invest.
AMYNTAIO 1	273,0 *	1987	2031	2020	2020	Limited to 17500 running hours 2016-23 (single stack)
AMYNTAIO 2	273,0 *	1987	2032	2020	2020	
MELITI	289,0	2003	2048	post 2040	post 2040	
KARDIA 1	275,0 *	1975	2019	2019	2019	Limited to 17500 running hours 2016-23 (4 separate stacks)
KARDIA 2	275,0 *	1975	2020	2020	2020	
KARDIA 3	280,0 *	1980	2025	2020	2020	
KARDIA 4	280,0 *	1981	2026	2020	2020	
PTOLEMAIDA 1	64,0	1959	2013	2010	2010	
PTOLEMAIDA 2	116,0	1962	2013	2011	2011	
PTOLEMAIDA 3	116,0	1965	2013	2014	2014	
PTOLEMAIDA 4	274,0	1973	2017	2015	2015	
LIPTOL 1	30,0	1959	2013	2012	2012	
LIPTOL 2	8,0	1965	2013	2012	2012	
MEGALOPOLI 1	113,0	Kept in reserve for security of supply	2010	2010	2010	
MEGALOPOLI 2	113,0		2010	2010	2010	
MEGALOPOLI 3	255,0	1975	2018	2025	2025	Closure because of lignite resource depletion
MEGALOPOLI 4	256,0	1991	2028	post 2030	2025	

Annex II: Term Sheets

1. Portfolio Backed Swap Drawing Rights Agreement Term Sheet
2. Portfolio Backed Transitory Swap Drawing Rights Agreement Term Sheet
3. Portfolio Backed Drawing Rights Agreement Term Sheet
4. Portfolio Backed Transitory Drawing Rights Agreement Term Sheet

PORTFOLIO BACKED
SWAP
DRAWING RIGHTS AGREEMENT
TERM SHEET for PPC
(Annex II - 1)

DRAFT OF December 22, 2010

NOTE

This document remains subject to modification and completion further to the results of the market test

Contents

PPC SWAP DRAWING RIGHTS PROJECT

SUMMARY OF PRINCIPAL COMMERCIAL TERMS OF THE PORTFOLIO BACKED DRAWING RIGHTS AGREEMENT

This Term Sheet ("Term Sheet") is intended to set forth certain key principles of the Portfolio backed Drawing Rights Agreement ("DRA") between the Public Power Corporation S.A. ("Seller" or "PPC") and future purchasers ("the Buyer") for the sale and purchase of electric Capacity, and Energy generated from lignite fuel. This Term Sheet is not meant to be an exhaustive document and will be replaced by a Definitive Agreement.

This Term Sheet describes the Greek portion of the Swap agreement being sought by PPC through open tender. For a Buyer to qualify for entry into this Agreement it must possess an appropriate investment grade credit rating, all licenses to participate in the Greek electricity market and it must intend to enter into at least one swap arrangement with PPC.

Contact parties

Seller:	Public Power Corporation ("PPC")
Sellers Advisor:	PriceWaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH Contact: Mark Hughes Tel: +44 20 7804 5767 Email: mark.v.hughes@uk.pwc.com Contact: Matthew Young Tel: +44 207 213 1796 Email: matthew.t.young@uk.pwc.com

Specific Terms

1. **Overview:**

1.1 The Public Power Corporation S.A. ("Seller" or "PPC") enters into a contractual agreement for the swap of Drawing Rights backed by a Portfolio of lignite fired generation plants, as defined in Clause 2 below, and in accordance with the overall approach agreed with the European Commission, for a total net sent out capacity of [XXX] MW with a First Delivery Date as defined under Clause 4 below, and a Term as defined under Clause 3 below. The Drawing Rights are to be made available to a Buyer as partial or total compensation for a Swap.

1.2 The Drawing Rights involve PPC granting the Buyer a firm and reliable MW quota from the Portfolio of lignite fired generation plants with characteristics reflecting the Portfolio. PPC will operate the Portfolio (or other plants if necessary), and make the Contract Capacity fully available, supply the plants with fuel and provide Energy and other required services for the Buyer over the contract duration.

1.3 PPC will be paid for making the Contract Capacity available to the Buyer through an Availability Payment. The Contract Capacity over the course of each year for the duration of the contract is set to provide [indicatively 90]% of the attributable MW in the Portfolio in Peak months, [indicatively 80]% of the attributable MW in the Portfolio in Shoulder months and [indicatively 70]% of the attributable MW in off-peak months. The attributable MW from the Portfolio adjusts so as to reflect potential availability differences through planned and forced outages. The shape of Contract Capacity is set out in Exhibit B.

1.4 The Availability Payments will be calculated according to the Availability Payment formulae, as defined in Clause 7 below.

1.5 PPC will be paid for the fuel and variable operating costs incurred in starting generation for the Portfolio of plants, and in bringing them into synchronisation and energy production through Energy Payments, which, *inter alia*, translate the cost of lignite into a price for electricity at a set of pre-determined heat rates. Other variable operations and maintenance costs will also be recovered in the charge for delivered energy per megawatt hours ("MWh"). These Energy Payments will be calculated according to the Energy Payments formulae, as defined in Clause 8 below.

2. **Definitions**	**Seller –** Public Power Corporation ("PPC"). **Buyer** – [The Buyer]. **Drawing Rights** – refers to the entire contractual arrangement encompassing the Buyer's rights to access and draw on the Contract Capacity subject to the contracted operating characteristics of a typical plant in the Portfolio ("COCs") and at contract prices agreed in the DRA. **Contract Capacity –** means the MW quota. **Contract Prices –** refers to both the price paid for the Contract Capacity, and the price paid for net sent out MWh of energy exercised by the Buyer. **Contract Start Date –** means the date of signature of the DRA. **Contract Year –** means each 365 day (366 days in a leap year) increment of the Term of the DRA, as defined in Clause 3 below, beginning at the Commercial Operation Date. **Contracted Operating Characteristics of a typical Plant in the Portfolio (COCs)–** means the technical parameters that affect the operation and exercise of these Drawing Rights as illustrated in Exhibit A, which reflect the weighted average characteristics of the Portfolio of plants. **Delivery Point** – means [relevant definition for point on the High Voltage Transmission System]. **Energy** – means the amount of electricity over which the Buyer exercises its rights in a given period of time and measured in MWh. Energy within the Contract Capacity is firm. It is not subject to interruption as a consequence of outages at the generation production units either planned or un-planned. **Commercial Operation Date / Initial Delivery Date** – means the date at which commercial operation commences according to the contract. **Portfolio** – means the portfolio of plants forming the basis of the drawing right. The Portfolio is comprised of the following plants: i. Agios Dimitrios 5 (with net capacity 342 MW and planned decommissioning date of c. 2040); ii. Meliti (with net capacity 289 MW and planned decommissioning date of c. 2040); iii. Megalopoli 3 (with net capacity 255 MW and planned decommissioning date of c. 2025); and iv. Megalopoli 4 (with net capacity 256 MW and planned decommissioning date of c. 2025). **Rate Schedule** – means the schedules of rates and contract

		prices that are agreed between the Seller and the Buyer. **System Operator (SO)** – means the organization responsible for the coordination of the generation and transmission of electricity within a specific jurisdiction. In Greece, this term refers to the Hellenic Transmission System Operator ("HTSO"). **Heat Rate** – Specified profile of Heat Rates (MWh/GJ) from Minimum Generation (Min Gen) to Maximum Generation (Max Gen), that profile being reflective of the characteristics of the Portfolio, as reasonably adjusted from time to time, *inter alia*, to reflect the degradation of Heat Rates between overhauls, the degradation of Heat Rates due to FGD investments that may occur in the future, or other substantial technical changes in the plants of the Portfolio.
3. **Term of DRA**	3.1	The duration of the DRA will be for 15 years or the average lifetime of the Portfolio, as defined by the decommissioning dates, whichever period is shorter. Subject to Clause 13 below, the Buyer shall retain the exclusive and irrevocable option to extend the Drawing Rights beyond that initial period, under the same conditions, and for rolling incremental periods of 5 years up to the end of the average life of the Portfolio.
	3.2	If, in order to meet regulatory obligations, investments not foreseen at the time that the DRAs are determined need to be made in order to allow continued plant operation, PPC is obliged to investigate the costs of such investments and present them to the Buyer. The Buyer may either contribute its relevant proportion of such costs or terminate its Drawing Rights.
	3.3	If, at the time that the DRA is being determined, investments are required in order to meet regulatory obligations, PPC has an obligation to inform the Buyer of the need for (and anticipated quantum of) such investments. The Buyer has an obligation to pay the relevant proportion (equivalent to the Contract Capacity subject to the Buyer's Drawing Rights in the Portfolio) of such costs, as they arise, or to reflect such costs in the amount paid for availability during the life of the DRA.
4. **First Delivery Date**	4.1	The First Delivery Date for first commercial deliveries of Capacity and Energy from the Seller to the Buyer will be [1st January 2012].
5. **Product: Purchase, Sale and Delivery of Capacity and Energy:**	5.1	The Seller will provide Capacity and Energy to the Buyer based upon agreed COCs, as defined above in Clause 2.
	5.2	**Energy**: The Buyer may require that the Seller makes

		Energy available in any hour up to the Contract Capacity (where both Energy and Contract Capacity are measured in MWh) and for as many hours as the Buyer requires, recognising relevant operating conditions and COCs.
		5.3 **Contract Capacity**: The Contract Capacity will be made available to the Buyer from [1st January 2012] for each day of each year for the Term of the DRA, as defined in Clause 3 above.
6. **Contracted Prices:**		6.1 Payment(s) to the Seller will be made up of 2 components: 6.1.1 Availability Payment: Covers fixed payments made according to the profile of the Contract Capacity for each hour within the Contract Capacity. 6.1.2 Energy Payment: Covers variable fuel and operating costs, as further described in Clause 8 below.
7. **Availability Payment**		7.1 The Availability Payment in any settlement period is linked to a fixed payment per hour within the Contract Capacity. 7.1.1 Availability Payment for settlement period (HAPx) = BAC * Cx, 7.1.2 where: 7.1.2.1 BAC: Base Availability Credit (€/MW); and 7.1.2.2 Cx : Capacity (MW) in the Contract Capacity. 7.2 The Base Availability Credit is an amount bid in the successful Buyer's financial proposal, measured in Euros per MWh available in the Contract Capacity. Base Availability Credit addresses Seller's costs in keeping the plants available (including plant-related operational costs regarding the functions of accounting, finance, HR, IT and regulatory compliance).
8. **Energy Payment**		8.1 Energy Payment for settlement period (HEPx) = (FSCx + VOMx + WCx + CCx + OVx) * DNEOx, 8.2 where: 8.2.1 FSC: Fuel Supply cost (lignite and lignite supply costs plus all additives, such as LFO etc.); 8.2.2 VOMx: Variable Operating and Maintenance costs (including, among others, ash removal and deposit); 8.2.3 WCx: Water Charge cost; 8.2.4 CCx: Carbon cost; 8.2.5 OVx: Other Variable costs explicitly incurred to comply with regulatory obligations; and 8.2.6 DNEO: Net Electrical Output in MWh, as instructed by the Buyer.

	8.3	The VOMx and WCx charges components will be set in Euro per MWh calculated as weighted averages from the Portfolio and indexed forward on the basis of relevant indices and predetermined efficiencies.
	8.4	From 1st January 2013 the CCx carbon cost will be set in Euro per MWh according to the prevailing CO_2 EUA prices and the carbon content of the energy delivered. Before 2013 the CCx price will be set at zero. There may be payments between the Buyer and the Seller depending on the amount of the EUAs allocated by the Greek National Allocation Plan to the plants in the Portfolio forming the basis of this Drawing Right and the proportion of that Portfolio represented by this Drawing Right. If there is a deficit of EUAs compared to the total amount of EUAs needed to produce electricity from the Portfolio on an annual basis, the Buyer will pay to the Seller the cost of covering the deficit of EUAs from the Market. If there is a surplus of EUAs, the Seller will pay to the Buyer the benefit of such allowances at relevant market prices. In both scenarios, the adjustment will reflect the proportion of the Portfolio represented by this Drawing Right.
	8.5	The Fuel Charge will be based on the Lignite Supply Arrangement Price in €/GJ (Low Heating Value - LHV) and at pre-determined heat rates calculated as weighted averages reflecting PPC's lignite mining costs in supplying the Portfolio in that year and the heat rates of the plants in the Portfolio and expressed in Euro per MWh, or, following agreement with the Buyer, as a Base Price indexed forward annually.
9. **HTSO and Grid Code Interfaces**	9.1	The Seller will retain responsibility for daily SO interfaces and transmission operation / Grid Code.
10. **Scheduling of Deliveries:**	10.1	The Buyer will submit planning and operational instructions to the Seller in an agreed format and via an agreed communication method, and in a way that both preserves the Buyer's rights, and meets the organisational needs of the Greek electricity wholesale market, as currently managed by the HTSO.
11. **Quantity, Metering & Settlement:**	11.1	The Seller shall be responsible for making arrangements for metering that meets the agreed standards, and for the settlement of payments with the appropriate SO.
12. **Operating Procedures: (in DRA or separate)**	12.1	The operational relationship between the Buyer and the Seller will be governed by the terms of an Operating Agreement.

13. **Exit Clause**	13.1	If, by the end of the initial 15-year term of the DRA, and upon request by the Hellenic Republic, the Commission finds that the Seller's obligation to sell the Drawing Rights is no longer required, PPC may exit the DRA.
14. **Reserve Price**	14.1	PPC retains the right not to contract with a Buyer if the Buyer's bid price for the Contract Capacity per MWh (the Base Availability Credit) does not deliver enough income over the life of the [15] year contract duration in net present value terms to cover an appropriate proportion of the un-amortised plant-related fixed costs as approved by an auditor's report, and using a commercially reasonable nominal discount factor of [...%, or whatever is considered commercially reasonable for a European power generation company at the time of negotiations]. The appropriate proportion is calculated in relation to the proportion of total MW in the Portfolio that is subject to the Buyer's bid.

DRAFT TERM SHEET

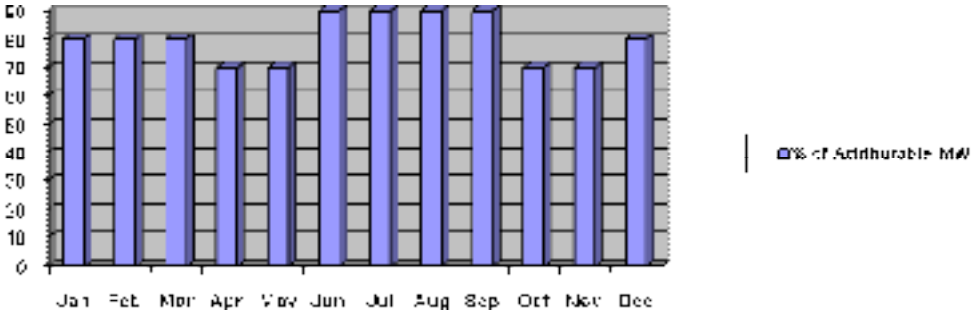
EXHIBIT A

Illustrative Contracted Operating Characteristics (COCs)

Specified operating characteristics:

- Minimum run time (hours)
- Minimum off time (hours)
- Maximum number of starts over agreement term [or per year during term of agreement]
- Dispatch ramp rates (MW/min)
- Time required for each type of start-up (hours/unit) - hot, warm, cold

Exhibit B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PORTFOLIO BACKED
TRANSITORY
SWAP
DRAWING RIGHTS AGREEMENT TERM SHEET for PPC
(Annex II - 2)

DRAFT OF December 22, 2010

NOTE

This document remains subject to modification and completion further to the results of the market test

Contents

PPC SWAP DRAWING RIGHTS PROJECT

SUMMARY OF PRINCIPAL COMMERCIAL TERMS OF THE PORTFOLIO BACKED TRANSITORY DRAWING RIGHTS AGREEMENT

This Term Sheet ("Term Sheet") is intended to set forth certain key principles of the Portfolio backed Drawing Rights Agreement ("DRA") between the Public Power Corporation S.A. ("Seller" or "PPC") and future purchasers ("the Buyer") for the sale and purchase of electric Capacity, and Energy generated from lignite fuel. This Term Sheet is not meant to be an exhaustive document and will be replaced by a Definitive Agreement.

This Term Sheet describes the Greek portion of the transitory Swap agreement being sought by PPC through open tender. For a Buyer to qualify for entry into this Agreement it must possess an appropriate investment grade credit rating, all licenses to participate in the Greek electricity market and it must intend to enter into at least one transitory swap arrangement with PPC.

Contact parties

Seller:	Public Power Corporation ("PPC")
Sellers Advisor:	PriceWaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH Contact: Mark Hughes Tel: +44 20 7804 5767 Email: mark.v.hughes@uk.pwc.com Contact: Matthew Young Tel: +44 207 213 1796 Email: matthew.t.young@uk.pwc.com

Specific Terms

1. **Overview:**

1.1 The Public Power Corporation S.A. ("Seller" or "PPC") is seeking interested parties to enter into contractual agreement for the swap of Drawing Rights backed by a Portfolio of lignite fired generation plants, as defined in Clause 2 below, and in accordance with the overall approach agreed with the European Commission, with a First Delivery Date as defined under Clause 4 belwo, and a Term as defined under Clause 3 below. The Drawing Rights are to be made available to a Buyer as partial or total compensation for a Swap.

1.2 The Drawing Rights involve PPC granting the Buyer a firm and reliable MW quota from the Portfolio of lignite fired generation plants with characteristics reflecting the Portfolio. PPC will operate the Portfolio (or other plants if necessary), and make the Contract Capacity fully available, supply the plants with fuel and provide Energy and other required services for the Buyer over the contract duration.

1.3 PPC will be paid for making the Contract Capacity available to the Buyer through an Availability Payment. The Contract Capacity over the course of each year for the duration of the contract is set to provide [indicatively 90]% of the attributable MW in the Portfolio in Peak months, [indicatively 75]% of the attributable MW in the Portfolio in Shoulder months and [indicatively 60]% of the attributable MW in off-peak months. The attributable MW from the Portfolio adjusts so as to reflect potential availability differences through planned and forced outages. The shape of Contract Capacity is set out in Exhibit B.

1.4 The Availability Payments will be calculated according to the Availability Payment formulae, as defined in Clause 7 below.

1.5 PPC will be paid for the fuel and variable operating costs incurred in starting generation for the Portfolio of plants, and in bringing them into synchronisation and energy production through Energy Payments, which, *inter alia*, translate the cost of lignite into a price for electricity at a set of pre-determined heat rates. Other variable operations and maintenance costs will also be recovered in the charge for delivered energy per megawatt hours ("MWh."). These Energy Payments will be calculated according to the Energy Payments formulae, as defined in Clause 8 below.

2.	**Definitions**	**Seller –** Public Power Corporation ("PPC").
		
		Buyer – [The Buyer].
		
		Drawing Rights – refers to the entire contractual arrangement encompassing the Buyer's rights to access and draw on the Contract Capacity subject to the contracted operating characteristics of a typical plant in the Portfolio ("COCs") and at contract prices agreed in the DRA.
		
		Contract Capacity – means the MW quota.
		
		Contract Prices – refers to both the price paid for the Contract Capacity, and the price paid for net sent out MWh of energy exercised by the Buyer.
		
		Contract Start Date – means the date of signature of the DRA.
		
		Contract Year – means each 365 day (366 days in a leap year) increment of the Term of the DRA, as defined in Clause 3 below, beginning at the Commercial Operation Date.
		
		Contracted Operating Characteristics of a typical plant in the Portfolio (COCs) – means the technical parameters that affect the operation and exercise of these Drawing Rights as illustrated in Exhibit A, which reflect the weighted average characteristics of the Portfolio of plants.
		
		Delivery Point – means [relevant definition for point on the High Voltage Transmission System].
		
		Energy – means the amount of electricity over which the Buyer exercises its rights in a given period of time and measured in MWh. Energy within the Contract Capacity is firm. It is not subject to interruption as a consequence of outages at the generation production units either planned or un-planned.
		
		Commercial Operation Date / Initial Delivery Date – means the date at which commercial operation commences according to the contract.
		
		Portfolio – means the portfolio of plants forming the basis of the drawing right. The Portfolio is comprised of the following plants:
		
		a) Agios Dimitrios 1; net capacity 274 MW, planned decommissioning date = c.2020;
		b) Agios Dimitrios 2; net capacity 274 MW, planned decommissioning date = c.2020;
		c) Agios Dimitrios 3; net capacity 283 MW, planned decommissioning date = c.2020;
		d) Agios Dimitrios 4; net capacity 283 MW, planned decommissioning date = c.2020;
		e) Amyntaio 1; net capacity 273 MW, planned decommissioning date = c.2020;
		f) Amyntaio 2; net capacity 273 MW, planned

			decommissioning date = c.2020;
			g) Kardia 1; net capacity 275 MW, planned decommissioning date = c.2019;
			h) Kardia 2; net capacity 275 MW, planned decommissioning date = c.2020;
			i) Kardia 3; net capacity 280 MW, planned decommissioning date = c.2020; and
			j) Kardia 4; net capacity 280 MW, planned decommissioning date = c.2020.
			
			Rate Schedule – means the schedules of rates and contract prices that are agreed between the Seller and the Buyer.
			
			System Operator (SO) – means the organization responsible for the coordination of the generation and transmission of electricity within a specific jurisdiction. In Greece, this term refers to the Hellenic Transmission System Operator ("HTSO").
			
			Heat Rate – Specified profile of Heat Rates (MWh/GJ) from Minimum Generation (Min Gen) to Maximum Generation (Max Gen), that profile being reflective of the characteristics of the Portfolio, as reasonably adjusted from time to time, *inter alia,* to reflect the degradation of Heat Rates between overhauls, the degradation of Heat Rates due to FGD investments that may occur in the future, or other substantial technical changes in the plants of the Portfolio.

3.	**Term of DRA**	3.1	The duration of this transitory DRA will be until the end of 2020.
		3.2	If, in order to meet regulatory obligations, investments not foreseen at the time that the DRAs are determined need to be made in order to allow continued plant operation, PPC is obliged to investigate the costs of such investments and present them to the Buyer. The Buyer may either contribute its relevant proportion of such costs or terminate its Drawing Rights.
		3.3	If, at the time that the Drawing Rights Agreement is being determined, investments are required to meet regulatory obligations, PPC has an obligation to inform the Buyer of the need for (and anticipated quantum of) such investments. The Buyer has an obligation to pay the relevant proportion (equivalent to the Contract Capacity subject to the Buyer's Drawing Rights in the Portfolio) of such costs, as they arise, or to reflect such costs in the amount paid for availability during the Term of the DRA.
4.	**First Delivery Date**	4.1	The First Delivery Date for first commercial deliveries of Capacity and Energy from the Seller to the Buyer will be [1st January 2012].
5.	**Product:**	5.1	The Seller will provide Capacity and Energy to the Buyer

Purchase, Sale and Delivery of Capacity and Energy:		based upon agreed COCs, as defined above in Clause 2.
	5.2	**Energy**: The Buyer may require that the Seller makes Energy available in any hour up to the Contract Capacity (where both Energy and the Contract Capacity are measured in MWh) and for as many hours as the Buyer requires, recognising relevant operating conditions and COCs.
	5.3	**Contract Capacity**: The Contract Capacity will be made available to the Buyer from [1st January 2012] for each day of each year for the Term of the DRA, as defined in Clause 3 above.
6. **Contracted Prices:**	6.1	Payment(s) to the Seller will be made up of 2 components:
	6.1.1	Availability Payment: Covers fixed payments made according to the profile of the Contract Capacity for each hour within the Contract Capacity.
	6.1.2	Energy Payment: Covers variable fuel and operating costs, as further described in Clause 8 below.
7. **Availability Payment**	7.1	The Availability Payment in any settlement period is linked to a fixed payment per hour within the Contract Capacity.
	7.1.1	Availability Payment for settlement period (HAPx) = BAC * Cx:
	7.1.2	where:
	7.1.2.1	BAC: Base Availability Credit (€/MW); and
	7.1.2.2	Cx : Capacity (MW) in the Contract Capacity.
	7.2	The Base Availability Credit is the amount bid in the successful Buyer's financial proposal, measured in Euros per MWh available in the Contract Capacity. Base Availability Credit addresses Seller's costs in keeping the plants available (including plant-related operational costs regarding the functions of accounting, finance, HR, IT and regulatory compliance).
8. **Energy Payment**	8.1	Energy payment for settlement period (HEPx) = (FC x + VOMx + WC x + CC x + OV x) * DNEOx:
	8.2	where:
	8.2.1	FSC: Fuel Supply Charge cost (lignite and lignite supply costs plus all additives, such as LFO etc.);
	8.2.2	VOMx: Variable Operating and Maintenance cost (including, among other, ash removal and deposit costs);
	8.2.3	WCx: Water Charge cost;
	8.2.4	CCx: Carbon cost;
	8.2.5	OVx: Other Variable costs explicitly incurred to comply

		with regulatory obligations; and 8.2.6 DNEO: Net Electrical Output in MWh, as instructed by the Buyer. 8.3 The VOMx and WCx charges components will be set in Euro per MWh calculated as weighted averages from the plant Portfolio and indexed forward on the basis of relevant indices and predetermined efficiencies. 8.4 From 1st January 2013 the CCx carbon cost will be set in Euro per MWh according to the prevailing CO_2 EUA prices and the carbon content of the energy delivered. Before 2013 the CCx price will be set at zero. There may be payments between the Buyer and the Seller depending on the amount of the EUAs allocated by the Greek National Allocation Plan to the plants in the Portfolio forming the basis of this Drawing Right and the proportion of that Portfolio represented by this Drawing Right. If there is a deficit of EUAs compared to the total amount of EUAs needed to produce electricity from the Portfolio on an annual basis, the Buyer will pay to the Seller the cost of covering the deficit of EUAs from the Market. If there is a surplus of EUAs, the Seller will pay to the Buyer the benefit of such allowances at relevant market prices. In both scenarios, the adjustment will reflect the proportion of the Portfolio represented by this Drawing Right. 8.5 The Fuel Charge will be based on the Lignite Supply Arrangement Price in €/GJ (Low Heating Value - LHV) and at pre-determined heat rates calculated as weighted averages reflecting PPC's lignite mining costs in supplying the Portfolio in that year and the heat rates of the plants in the Portfolio and expressed in Euro per MWh, or, following agreement with the Buyer, as a Base Price indexed forward annually.
9.	**HTSO and Grid Code Interfaces**	9.1 The Seller will retain responsibility for daily SO interfaces and transmission operation / Grid Code.
10.	**Scheduling of Deliveries:**	10.1 The Buyer will submit planning and operational instructions to the Seller in an agreed format and via an agreed communication method, and in a way that both preserves the Buyer's Rights, and meets the organisational needs of the Greek electricity wholesale market, as currently managed by the HTSO.
11.	**Quantity, Metering & Settlement:**	11.1 The Seller shall be responsible for making arrangements for metering that meets the agreed standards, and for the settlement of payments with the appropriate SO.
12.	**Operating Procedures: (in**	12.1 The operational relationship between the Buyer and the Seller will be governed by the terms of an Operating

DRA or separate)		Agreement.
13. **Reserve Price**		PPC retains the right not to contract with a Buyer if the Buyer's bid price for the Contract Capacity per MWh (the Base Availability Credit) does not deliver enough income by the end of the Term of the DRA as set out in Clause 3.1 in net present value terms to cover an appropriate proportion of the un-amortised plant-related fixed costs as approved by an auditor's report, and using a commercially reasonable nominal discount factor of [....% or whatever is considered commercially reasonable for a European power generation company at the time of negotiations]. The apropriate proportion is calculated in relation to the proportion of total MW in the Portfolio that is subject to the Buyer's bid .
14. **Prolongation**	14.1	In the event that additional MW capacity needs to be made available to the Buyer in order for the 40% ratio to be met, for example, if the decommissioning dates of lignite fired plants of the Seller are postponed, the Buyer may prolong the existing Drawing Rights beyond the initial period and/or beyond the initial amount under the same conditions as the ones provided by this transitory DRA .
	14.2	If, by the end of 2020, and upon request by the Hellenic Republic, the Commission finds that the Seller's obligation to sell the Drawing Rights is no longer required, this prolongation opportunity will cease to exist.

DRAFT TERM SHEET

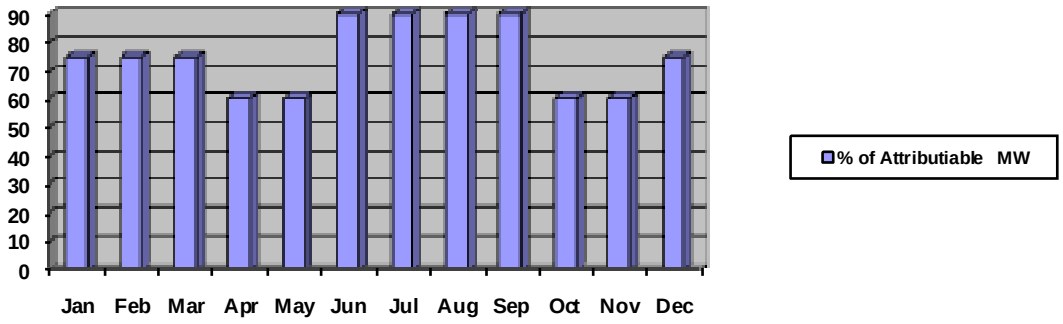
EXHIBIT A

Illustrative Contracted Operating Characteristics (COCs)

Specified operating characteristics:

- Minimum run time (hours)
- Minimum off time (hours)
- Maximum number of starts over agreement term [or per year during term of agreement]
- Dispatch ramp rates (MW/min)
- Time required for each type of start-up (hours/unit) - hot, warm, cold

Exhibit B


90
80
70
60
50
40
30
20
10
0
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
% of Attributiable MW

PORTFOLIO BACKED
DRAWING RIGHTS AGREEMENT
TERM SHEET for PPC
(Annex II - 3)

DRAFT OF December 22, 2010

NOTE

This document remains subject to modification and completion further to the results of the market test

Contents

PPC DRAWING RIGHTS PROJECT

SUMMARY OF PRINCIPAL COMMERCIAL TERMS OF THE PORTFOLIO BACKED DRAWING RIGHTS AGREEMENT

This Term Sheet ("Term Sheet") is intended to set forth certain key principles of the Portfolio backed Drawing Rights Agreement ("DRA") between the Public Power Corporation S.A. ("Seller" or "PPC") and future purchasers ("the Buyer") for the sale and purchase of electric Capacity, and Energy generated from lignite fuel. This Term Sheet is not meant to be an exhaustive document and will be replaced by a Definitive Agreement.

This Term Sheet describes the characteristics of the agreement being sought by PPC in its sale of Drawing Rights. For a Buyer to qualify for entry into this Agreement it must possess an appropriate investment grade credit rating and all licenses to participate in the Greek electricity market.

Contact parties

Seller:	Public Power Corporation ("PPC")
Sellers Advisor:	PriceWaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH Contact: Mark Hughes Tel: +44 20 7804 5767 Email: mark.v.hughes@uk.pwc.com Contact: Matthew Young Tel: +44 207 213 1796 Email: matthew.t.young@uk.pwc.com

Specific Terms

1. **Overview:**

1.1 The Public Power Corporation S.A. ("Seller" or "PPC") is enters into a contractual agreement for the Drawing Rights backed by a Portfolio of lignite fired generation plants, as defined in Clause 2 below, and in accordance with the overall approach agreed with the European Commission, for a total net sent out capacity of [XXX] MW with a First Delivery Date as defined under Clause 4 below, and a Term as defined under Clause 3 below.

1.2 The Drawing Rights involve PPC granting the Buyer a firm and reliable MW quota from the Portfolio of lignite fired generation plants with characteristics reflecting the Portfolio. PPC will operate the Portfolio of plants (or other plants if necessary) and make the Contract Capacity fully available, supply the plants with fuel and provide Energy and other required services for the Buyer over the contract duration.

1.3 PPC will be paid for making the Contract Capacity available to the Buyer through an Availability Payment. The Contract Capacity over the course of each year for the duration of the contract is set to provide [indicatively 90]% of the attributable MW in the Portfolio in Peak months, [indicatively 80]% of the attributable MW in the Portfolio in Shoulder months and [indicatively 70]% of the attributable MW in off-peak months. The attributable MW from the Portfolio adjusts so as to reflect potential availability differences through planned and forced outages. The shape of so as to reflect is set out in Exhibit B.

1.4 The Availability Payments will be calculated according to the Availability Payment formulae, as defined in Clause 7.

1.5 PPC will be paid for the fuel and variable operating costs incurred in starting generation for the Portfolio of plants, and in bringing them into synchronisation and energy production through Energy Payments, which, *inter alia*, translate the cost of lignite into a price for electricity at a set of pre-determined heat rates. Other variable operations and maintenance costs will also be recovered in the charge for delivered energy per megawatt hours ("MWh."). These Energy Payments will be calculated according to the Energy Payments formulae, as defined in Clause 8 below.

2.	Definitions	**Seller –** Public Power Corporation ("PPC") **Buyer** – [The Buyer] **Drawing Rights** – refers to the entire contractual arrangement encompassing the Buyer's rights to access and draw on the Contract Capacity subject to the contracted operating characteristics of a typical plant in the Portfolio ("COCs") and at contract prices agreed in the DRA. **Contract Capacity –** means the MW quota. **Contract Prices –** refers to both the price paid for the Contract Capacity, and the price paid for net sent out MWh of energy exercised by the Buyer. **Contract Start Date –** means the date of signature of the DRA. **Contract Year –** means each 365 day (366 days in a leap year) increment of the Term of the DRA, as defined in Clause 3 below, beginning at the Commercial Operation Date. **Contracted Operating Characteristics of a typical plant in the Portfolio (COCs) –** means the technical parameters that affect the operation and exercise of these Drawing Rights as illustrated in Exhibit A, which reflect the weighted average characteristics of the Portfolio of plants. **Delivery Point** – means [relevant definition for point on the High Voltage Transmission System]. **Energy** – means the amount of electricity over which the Buyer exercises its rights in a given period of time and measured in MWh. Energy within the Contract Capacity is firm. It is not subject to interruption as a consequence of outages at the generation production units either planned or un-planned. **Commercial Operation Date / Initial Delivery Date** – means the date at which commercial operation commences according to the contract. **Portfolio** – means the portfolio of plants forming the basis of the drawing right. The Portfolio is comprised of the following plants: i. Agios Dimitrios 5 (with net capacity 342 MW and planned decommissioning date of c. 2040); ii. Meliti (with net capacity 289 MW and planned decommissioning date of c. 2040); iii. Megalopoli 3 (with net capacity 255 MW and planned decommissioning date of c. 2025); and iv. Megalopoli 4 (with net capacity 256 MW and planned decommissioning date of c. 2025). **Rate Schedule** – means the schedules of rates and contract prices that are agreed between the Seller and the Buyer. **System Operator (SO)** – means the organization responsible for

		the coordination of the generation and transmission of electricity within a specific jurisdiction. In Greece, this term refers to the Hellenic Transmission System Operator ("HTSO"). **Heat Rate** – Specified profile of Heat Rates (MWh/GJ) from Minimum Generation (Min Gen) to Maximum Generation (Max Gen), that profile being reflective of the characteristics of the Portfolio of plants, as reasonably adjusted from time to time, *inter alia*, to reflect the degradation of Heat Rates between overhauls, or the degradation of Heat Rates due to FGD investments that may occur in the future, or other substantial technical changes in the plants of the Portfolio.
3. **Term of DRA**	3.1	The duration of the DRA will be for 15 years or the average lifetime of the Portfolio, as defined by the decommissioning dates, whichever period is shorter. Subject to Clause 13 below, the Buyer shall retain the exclusive and irrevocable option to extend the Drawing Rights beyond that initial period, under the same conditions, and for rolling incremental periods of 5 years up to the end of the average life of the Portfolio.
	3.2	If, in order to meet regulatory obligations, investments not foreseen at the time that the DRAs are determined need to be made in order to allow continued plant operation, PPC is obliged to investigate the costs of such investments and present them to the Buyer. The Buyer may either contribute its relevant proportion of such costs or terminate its Drawing Rights.
	3.3	If, at the time that the DRA is being determined, investments are required in order to meet regulatory obligations, PPC has an obligation to inform the Buyer of the need for (and anticipated quantum of) such investments. The Buyer has an obligation to pay the relevant proportion (equivalent to the Contract Capacity subject to the Buyer's Drawing Rights in the Portfolio) of such costs, as they arise, or to reflect such costs in the amount paid for availability during the Term of the DRA.
4. **First Delivery Date**	4.1	The First Delivery Date for first commercial deliveries of Capacity and Energy from the Seller to the Buyer will be [1st January 2012].
5. **Product: Purchase, Sale and Delivery of Capacity and Energy:**	5.1	The Seller will provide Capacity and Energy to the Buyer based upon agreed COCs, as defined above in Clause 2.
	5.2	**Energy**: The Buyer may require that the Seller makes Energy available in any hour up to the Contract Capacity (where both Energy and the Contract Capacity are measured in MWh) and for as many hours as the Buyer requires, recognising relevant operating conditions and

		COCs.
		5.3 **Contract Capacity**: The Contract Capacity will be made available to the Buyer from [1st January 2012] for each day of each year for the Term of the DRA, as defined in Clause 3 above.
6.	**Contracted Prices:**	6.1 Payment(s) to the Seller will be made up of 2 components: 6.1.1 Availability Payment: Covers fixed payments made according to the profile of the Contract Capacity for each hour within the Contract Capacity. 6.1.2 Energy Payment: Covers variable fuel and operating costs, as further described in Clause 8 below.
7.	**Availability Payment**	7.1 The Availability Payment in any settlement period is linked to a fixed payment per hour within the Contract Capacity. 7.1.1 Availability Payment for settlement period (HAPx) = BAC * Cx, 7.1.2 where: 7.1.2.1 BAC: Base Availability Credit (€/MW); and 7.1.2.2 Cx: Capacity (MW) in the Contract Capacity. 7.2 The Base Availability Credit is the amount bid in the successful Buyer's financial proposal, measured in Euros per MWh available in the Contract Capacity. Base Availability Credit addresses Seller's costs in keeping the plants available (including plant-related operational costs regarding the functions of accounting, finance, HR, IT and regulatory compliance).
8.	**Energy Payment**	8.1 Energy Payment for settlement period (HEPx) = (FC x + VOMx + WC x + CC x + OV x) * DNEOx, 8.2 where: 8.2.1 FSC: Fuel Supply Charge cost (lignite and lignite supply costs plus all additives, such as LFO etc.); 8.2.2 VOMx: Variable Operating and Maintenance cost (including, among others, ash removal and deposit costs); 8.2.3 WCx: Water Charge cost; 8.2.4 CCx: Carbon cost; 8.2.5 OVx: Other Variable costs explicitly incurred to comply with regulatory obligations; and 8.2.6 DNEO: Net Electrical Output in MWh, as instructed by the Buyer. 8.3 The VOMx and WCx charges components will be set in Euro per MWh calculated as weighted averages from the plant Portfolio and indexed forward on the basis of relevant

		indices and predetermined efficiencies.
	8.4	From 1st January 2013 the CCx carbon cost will be set in Euro per MWh according to the prevailing CO2 EUA prices and the carbon content of the energy delivered. Before 2013 the CCx price will be set at zero. There may be payments between the Buyer and the Seller depending on the amount of the EUAs allocated by the Greek National Allocation Plan to the plants in the Portfolio forming the basis of this Drawing Right and the proportion of that Portfolio represented by this Drawing Right. If there is a deficit of EUAs compared to the total amount of EUAs needed to produce electricity from the Portfolio on an annual basis, the Buyer will pay to the Seller the cost of covering the deficit of EUAs from the Market. If there is a surplus of EUAs, the Seller will pay to the Buyer the benefit of such allowances at relevant market prices. In both scenarios, the adjustment will reflect the proportion of the Portfolio represented by this Drawing Right. The Fuel Charge will be based on the Lignite Supply Arrangement Price in €/GJ (Low Heating Value - LHV) and at pre-determined heat rates calculated as weighted averages reflecting PPC's lignite mining costs in supplying the Portfolio in that year and the heat rates of the plants in the Portfolio and expressed in Euro per MWh, or, following agreement with the Buyer, as a Base Price indexed forward annually.
9. **HTSO and Grid Code Interfaces**	9.1	The Seller will retain responsibility for daily SO interfaces and transmission operation / Grid Code.
10. **Scheduling of Deliveries:**	10.1	The Buyer will submit planning and operational instructions to the Seller, in an agreed format and via an agreed communication method, and in a way that both preserves Buyer Rights, and meets the organisational needs of the Greek electricity wholesale market, as currently managed by the HTSO.
11. **Quantity, Metering & Settlement:**	11.1	The Seller shall be responsible for making arrangements for metering that meets the agreed standards, and for the settlement of payments with the appropriate SO.
12. **Operating Procedures: (in DRA or separate)**	12.1	The operational relationship between the Buyer and the Seller will be governed by the terms of an Operating Agreement.
13. **Exit Clause**	13.1	If, by the end of the initial 15-year term of the DRA, and upon request by the Hellenic Republic, the Commission finds that the Seller's obligation to sell the Drawing Rights is

		no longer required, PPC may exit the DRA.
14. **Reserve Price**	14.1	PPC retains the right not to contract with a Buyer if the Buyers bid price for the Contract Capacity per MWh (the Base Availability Credit) does not deliver enough income over the life of the [15] year contract duration in net present value terms to cover an appropriate proportion of the un-amortised plant-related fixed costs as approved by an auditor's report and using a commercially reasonable nominal discount factor of [...% or whatever is considered commercially reasonable for a European power generation company at the time of negotiations]. The appropriate proportion is calculated in relation to the proportion of total MW in the Portfolio that is subject to Buyer's bid.

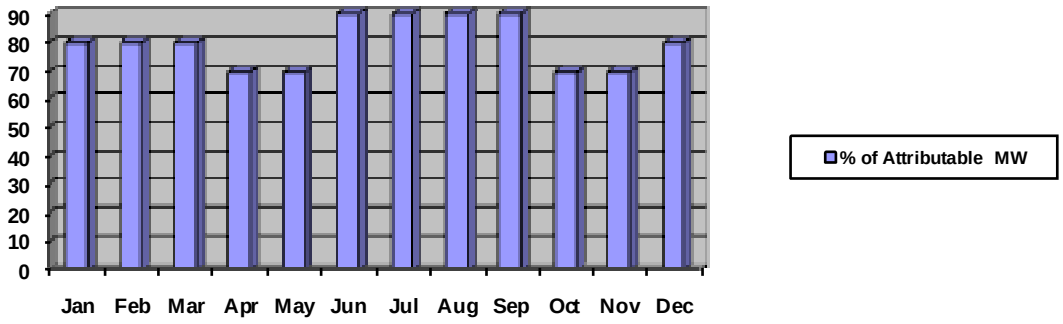
EXHIBIT A

Illustrative Contracted Operating Characteristics (COCs)

Specified operating characteristics:

- Minimum run time (hours)
- Minimum off time (hours)
- Maximum number of starts over agreement term [or per year during term of agreement]
- Dispatch ramp rates (MW/min)
- Time required for each type of start-up (hours/unit) - hot, warm, cold

Exhibit B


90
80
70
60
50
40
30
20
10
0
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
% of Attributable MW

PORTFOLIO BACKED
TRANSITORY
DRAWING
RIGHTS AGREEMENT TERM SHEET for PPC
(Annex II - 4)

DRAFT OF December 22, 2010

NOTE

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Contents

PPC DRAWING RIGHTS PROJECT

SUMMARY OF PRINCIPAL COMMERCIAL TERMS OF THE PORTFOLIO BACKED TRANSITORY DRAWING RIGHTS AGREEMENT

This Term Sheet ("Term Sheet") is intended to set forth certain key principles of the Portfolio backed Drawing Rights Agreement between the Public Power Corporation S.A. ("Seller" or "PPC") and future purchasers ("the Buyer") for the sale and purchase of electric Capacity, and Energy generated from lignite fuel. This Term Sheet is not meant to be an exhaustive document and will be replaced by a Definitive Agreement.

This Term Sheet describes the characteristics of the agreement being sought by PPC in its sale of Drawing Rights. For a Buyer to qualify for entry into this Agreement it must possess an appropriate investment grade credit rating and all licenses to participate in the Greek electricity market.

Contact parties

Seller:	Public Power Corporation ("PPC")
Sellers Advisor:	PriceWaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH Contact: Mark Hughes Tel: +44 20 7804 5767 Email: mark.v.hughes@uk.pwc.com Contact: Matthew Young Tel: +44 207 213 1796 Email: matthew.t.young@uk.pwc.com

Specific Terms

1. **Overview:**

1.1 The Public Power Corporation S.A. ("Seller" or "PPC") is seeking interested parties to enter into a contractual agreement for the Drawing Rights backed by a Portfolio of lignite fired generation plants, as defined in Clause 2 below, and in accordance with the overall approach agreed with the European Commission, with a First Delivery Date as defined under Clause 4 and a Term as defined under Clause 3.

1.2 The Drawing Rights involve PPC granting the Buyer a firm and reliable Contract Capacity from the Portfolio of lignite fired generation plants with characteristics reflecting the Portfolio. PPC will operate the Portfolio (or other plants if necessary), and make the Contract Capacity fully available, supply the plants with fuel and provide Energy and other required services for the Buyer over the contract duration.

1.3 PPC will be paid for making the Contract Capacity available to the Buyer through an Availability Payment. The Contract Capacity over the course of each year for the duration of the contract is set to provide [indicatively 90]% of the attributable MW in the Portfolio in Peak months, [indicatively 75]% of the attributable MW in the Portfolio in Shoulder months and [indicatively 60]% of the attributable MW in off-peak months. The attributable MW from the Portfolio adjusts so as to reflect potential availability differences through planned and forced outages. The shape of Contract Capacity is set out in Exhibit B.

1.4 The Availability Payments will be calculated according to the Availability Payment formulae, as defined in Clause 7 below.

1.5 PPC will be paid for the fuel and variable operating costs incurred in starting generation for the Portfolio of plants, and in bringing them into synchronisation and energy production through Energy Payments, which, *inter alia,* translate the cost of lignite into a price for electricity at a set of pre-determined heat rates. Other variable operations and maintenance costs will also be recovered in the charge for delivered energy per megawatt hours ("MWh"). These Energy Payments will be calculated according to the energy Payments formulae, as defined in Clause 8 below.

2.	**Definitions**	**Seller –** Public Power Corporation ("PPC").
		
		Buyer – [The Buyer].
		
		Drawing Rights – refers to the entire contractual arrangement encompassing the Buyer's rights to access and draw on the Contract Capacity subject to the contracted operating characteristics of a typical plant in the Portfolio ("COCs") and at contract prices agreed in the DRA.
		
		Contract Capacity – means the MW quota.
		
		Contract Prices – refers to both the price paid for the Contract Capacity capacity, and the price paid for net sent out MWh of energy exercised by the Buyer.
		
		Contract Start Date – means the date of signature of the DRA.
		
		Contract Year – means each 365 day (366 days in a leap year) increment of the Term of the DRA, as defined in Clause 3 below, beginning at the Commercial Operation Date.
		
		Contracted Operating Characteristics of a typical plant in the Portfolio (COCs) – means the technical parameters that affect the operation and exercise of these Drawing Rights as illustrated in Exhibit A, which reflect the weighted average characteristics of the Portfolio.
		
		Delivery Point – means [relevant definition for point on the High Voltage Transmission System].
		
		Energy – means the amount of electricity over which the Buyer exercises its rights in a given period of time and measured in MWh. Energy within the Contract Capacity is firm. It is not subject to interruption as a consequence of outages at the generation production units either planned or un-planned.
		
		Commercial Operation Date / Initial Delivery Date – means the date at which commercial operation commences according to the contract.
		
		Portfolio – means the portfolio of plants forming the basis of the drawing right. The Portfolio is comprised of the following plants:
		
		a) Agios Dimitrios 1; net capacity 274 MW, planned decommissioning date = c.2020;
		b) Agios Dimitrios 2; net capacity 274 MW, planned decommissioning date = c.2020;
		c) Agios Dimitrios 3; net capacity 283 MW, planned decommissioning date = c.2020;
		d) Agios Dimitrios 4; net capacity 283 MW, planned decommissioning date = c.2020;
		e) Amyntaio 1; net capacity 273 MW, planned decommissioning date = c.2020;
		f) Amyntaio 2; net capacity 273 MW, planned

		decommissioning date = c.2020;
		g) Kardia 1; net capacity 275 MW, planned decommissioning date = c.2019;
		h) Kardia 2; net capacity 275 MW, planned decommissioning date = c.2020;
		i) Kardia 3; net capacity 280 MW, planned decommissioning date = c.2020; and
		j) Kardia 4; net capacity 280 MW, planned decommissioning date = c.2020.
		
		Rate Schedule – means the schedules of rates and contract prices that are agreed between the Seller and the Buyer.
		
		System Operator (SO) – means the organization responsible for coordination of the generation and transmission of electricity within a specific jurisdiction. In Greece, this term refers to the Hellenic Transmission System Operator ("HTSO").
		
		Heat Rate – Specified profile of Heat Rates (MWh/GJ) from Minimum Generation (Min Gen) to Maximum Generation (Max Gen), that profile being reflective of the characteristics of the Portfolio of plants as reasonably adjusted from time to time, *inter alia*, to reflect the degradation of Heat Rates between overhauls, the degradation of Heat Rates due to FGD investments that may happen in the future, or other substantial technical changes in the plants of the Portfolio.

3. **Term of DRA**	3.1	The duration of this transitory DRA will be until the end of 2020.
	3.2	If, in order to meet regulatory obligations, investments not foreseen at the time that the Drawing Rights are determined need to be made in order to allow continued plant operation, PPC is obliged to investigate the costs of such investments, and present them to the Buyer. The Buyer may either contribute its relevant proportion of such costs, or terminate its Drawing Rights.
	3.3	If, at the time that the DRA is being determined, investments are required to meet regulatory obligations, PPC has an obligation to inform the Buyer of the need for (and anticipated quantum of) such investments. The Buyer has an obligation to pay the relevant proportion (equivalent to the Contract Capacity subject to the Buyer's Drawing Rights in the Portfolio) of such costs, as they arise, or to reflect such costs in the amount paid for availability during the Term of the DRA.
4. **First Delivery**	4.1	The First Delivery Date for first commercial deliveries of

	Date	Capacity and Energy from the Seller to the Buyer will be [1st January 2012].
5.	**Product: Purchase, Sale and Delivery of Capacity and Energy:**	5.1 The Seller will provide Capacity and Energy to the Buyer based upon agreed COCs, as defined above in Clause 2. 5.2 **Energy**: The Buyer may require that the Seller makes Energy available in any hour up to the Contract Capacity (where both Energy and the Contract Capacity are measured in MWh), and for as many hours as the Buyer requires, recognising relevant operating conditions and COCs. 5.3 **Capacity**: The Contract Capacity will be made available to the Buyer from [1st January 2012] for each day of each year for the Term of the DRA, as defined in Clause 3 above.
6.	**Contracted Prices:**	6.1 Payments to the Seller will be made up of 2 components: 6.1.1 Availability Payment: Covers fixed payments made according to the profile of the Contract Capacity for each hour within the Contract Capacity. 6.1.2 Energy Payment: Covers variable fuel and operating costs. Further described below.
7.	**Availability Payment**	7.1 The Availability Payment in any settlement period is linked to a fixed payment per hour within the Contract Capacity. 7.1.1 Availability payment for settlement period (HAPx) = BAC * Cx, 7.1.2 where: 7.1.2.1 BAC: Base Availability Credit (€/MW); and 7.1.2.2 Cx : Capacity (MW) in the Contract Capacity. 7.2 The Base Availability Credit is an amount bid in the successful Buyer's financial proposal, measured in Euros per MWh available in the Contract Capacity. Base Availability Credit addresses Seller's costs in keeping the plants available (including plant-related operational costs regarding the functions of accounting, finance, HR, IT and regulatory compliance).
8.	**Energy Payment**	8.1 Energy Payment for settlement period (HEPx) = (FC x + VOMx + WC x + CC x + OV x) * DNEOx, 8.2 where: 8.2.1 FSC: Fuel Supply Charge cost (lignite and lignite supply costs plus all additives, such as LFO etc.); 8.2.2 VOMx: Variable Operating and Maintenance cost

		(including, among other, ash removal and deposit costs); 8.2.3 WCx: Water Charge cost; 8.2.4 CCx: Carbon cost; 8.2.5 OVx: Other Variable costs explicitly incurred to comply with regulatory obligations; and 8.2.6 DNEO: Net Electrical Output in MWh, as instructed by the Buyer. 8.3 The VOMx and WCx charges components will be set in Euro per MWh calculated as weighted averages from the plant Portfolio and indexed forward on the basis of relevant indices and predetermined efficiencies. 8.4 From 1st January 2013 the CCx carbon cost will be set in Euro per MWh according to the prevailing CO_2 EUA prices and the carbon content of the energy delivered. Before 2013 the CCx price will be set at zero. There may be payments between the Buyer and the Seller depending on the amount of the EUAs allocated by the Greek National Allocation Plan to the plants in the Portfolio forming the basis of this Drawing Right and the proportion of that Portfolio represented by this Drawing Right. If there is a deficit of EUAs compared to the total amount of EUAs needed to produce electricity from the Portfolio on an annual basis, the Buyer will pay to the Seller the cost of covering the deficit of EUAs from the Market. If there is a surplus of EUAs, the Seller will pay to the Buyer the benefit of such allowances at relevant market prices. In both scenarios, the adjustment will reflect the proportion of the Portfolio represented by this Drawing Right. 8.5 The Fuel Charge will be based on the Lignite Supply Arrangement Price in €/GJ (Low Heating Value - LHV) and at pre-determined heat rates calculated as weighted averages reflecting PPC's lignite mining costs in supplying the Portfolio in that year and the heat rates of the plants in the Portfolio and expressed in Euro per MWh, or, following agreement with the Buyer, as a Base Price indexed forward annually.
9. **HTSO and Grid Code Interfaces**	9.1	The Seller will retain responsibility for daily SO interfaces and transmission operation / Grid Code.
10. **Scheduling of Deliveries:**	10.1	The Buyer will submit planning and operational instructions to the Seller in an agreed format and via an agreed communication method, and in a way that both preserves Buyer Rights, and meets the organisational needs of the Greek electricity wholesale market as currently managed by

		the HTSO.
11. **Quantity, Metering & Settlement:**	11.1	The Seller shall be responsible for making arrangements for metering that meets the agreed standards, and for the settlement of payments with the appropriate SO.
12. **Operating Procedures: (in DRA or separate)**	12.1	The operational relationship between the Buyer and the Seller will be governed by the terms of an Operating Agreement.
13. **Reserve Price**	13.1	PPC retains the right not to contract with a Buyer if the Buyer's bid price for the Contract Capacity per MW hour (the Basic Availability Credit) does not deliver enough income over the life of the contract duration in net present value terms to cover an appropriate proportion of the un-amortised plant-related fixed costs as approved by an auditor's report, and using a commercially reasonable nominal discount factor of [...% or whatever is considered commercially reasonable for a European power generation company at the time of negotiations]. The appropriate proportion is calculated in relation to the proportion of total MW in the Portfolio that is subject to the Buyer's bid.
14. **Prolongation**	14.1	In the event that additional MW capacity needs to be made available to the Buyer, in order for the 40% ratio to be met, for example, if the decommissioning dates of lignite fired plants of the Seller are postponed, the Buyer may prolong the existing Drawing Rights beyond the initial period and/or beyond the initial amount under the same conditions as the ones provided by this transitory DRA.
	14.2	If by the end of 2020, and upon request by the Hellenic Republic, the Commission finds that the Seller's obligation to sell the Drawing Rights is no longer required, this prolongation opportunity will cease to exist.

DRAFT TERM SHEET

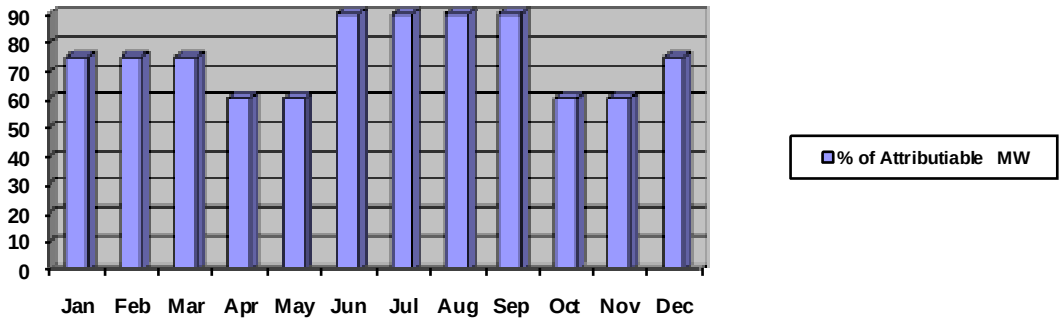
EXHIBIT A

Illustrative Contracted Operating Characteristics (COCs)

Specified operating characteristics:

- Minimum run time (hours)
- Minimum off time (hours)
- Maximum number of starts over agreement term [or per year during term of agreement]
- Dispatch ramp rates (MW/min)
- Time required for each type of start-up (hours/unit) - hot, warm, cold

Exhibit B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