



**HELLENiQ ENERGY**

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**DEN 14**

# The potential of hydrocarbons in Greece and the "Vertical Corridor" transformation

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## Introduction

On April 30th, 2025, as per the Greek Government Gazette, an international call for tenders was announced for hydrocarbon exploration and exploitation. This was the official document “unlocking” the offshore regions South of Crete and South of Peloponnese, transitioning them on February 16th, 2026, from state management to the operational control of Chevron and HELLENiQ ENERGY.

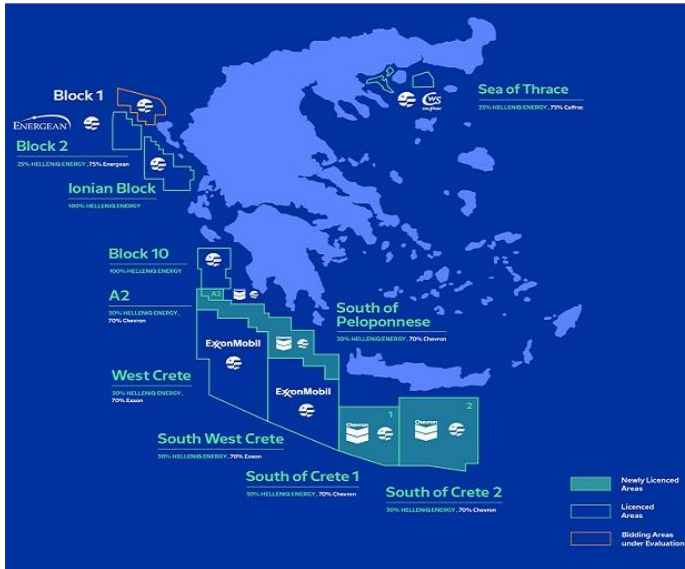


Figure 1 Current state of players in hydrocarbon exploration (February 2026), Source: HEREMA

In a move that redraws the energy map of the Eastern Mediterranean, Chevron and HELLENiQ ENERGY finalized a landmark agreement for natural gas exploration across four massive offshore blocks. The lease, signed Monday, February 16th, 2026, places the country at the heart of Europe’s quest to diversify away from Russian energy.

The partnership is a 70/30 joint venture with Chevron as the operator. Under this structure, Chevron holds the majority stake and operational control, while HELLENiQ ENERGY maintains a 30% interest. Notably, neither HELLENiQ ENERGY, or the Greek Government are expected to provide further material investment during the initial high-risk exploration phase, leveraging Chevron’s

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massive capital and technical expertise instead.

## From Divestment to Development

Chevron’s entry ended a long period of “passive management” by the state agency HEREMA. The blocks—South Crete 1, South Crete 2, South of Peloponnese, and Block A2—had reverted into state control following a series of high-profile departures by previous international players.

Table 1 Previous and Current Players per Block Area

Block Name	Prior Players	Current Consortium	Current Status
South Crete 1 & 2	HEREMA (State)	Chevron (70%) / HELLENiQ (30%)	Lease signed; Seismic survey prep.
South of Peloponnese	HEREMA (State)	Chevron (70%) / HELLENiQ (30%)	Lease signed; Seismic survey prep.
Block A2	HEREMA (State)	Chevron (70%) / HELLENiQ (30%)	Lease signed; Seismic survey prep.

West & SW Crete	TotalEnergies (Exited 2022)	ExxonMobil (70%) / HELLENiQ (30%)	Fast-track seismic; Drilling targets for 2027.
Ionian Block	Repsol (Exited 2021)	HELLENiQ (100%)	Data processing; Search for new partner.
Thracian Sea	Calfrac Well Services	HELLENiQ (25%) / Calfrac (75%)	Long-standing concession; Data re-evaluation.

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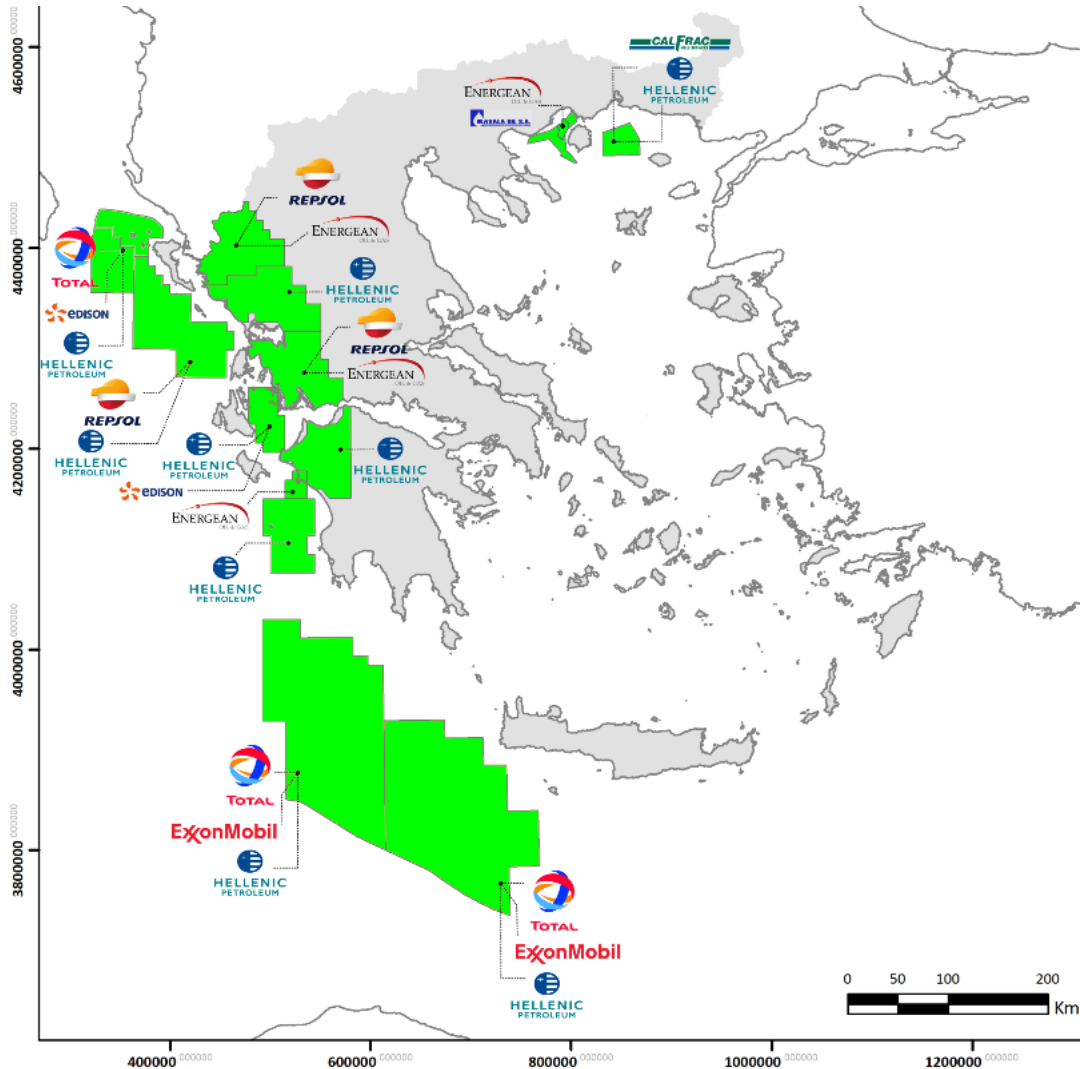


Figure 2 Prior state of players in hydrocarbon exploration (2020), Source: HEREMA

Spanish oil giant **Repsol**, previously a cornerstone of Greek exploration. Between 2021 and 2022, as part of a global strategic shift toward renewables, Repsol abandoned its portfolio in the country. This included interests in the Ionian Sea and onshore blocks (Ioannina and Etoloakarnania), where it had partnered with Energean.

Major service providers such as **Calfrac Well Services** have also operated in the region. Earlier deepwater efforts were hindered by commercial challenges and the absence of operators willing to undertake drilling at depths exceeding 3,000 m.

Following the exit of **TotalEnergies** in 2022, Greece shifted to “strategic discipline,” repackaging concessions to attract a deepwater specialist such as **Chevron**. Meanwhile, exploration west and southwest of Crete continues under a consortium led by **ExxonMobil**.

Between 2014 and 2025, contractual minimum exploration spending across Greek offshore blocks totaled about €36 mil. Actual expenditures exceeded €176 mil, including roughly €111 mil for seismic acquisition, processing, and reprocessing.

## Lease Scope and Financial Terms

The new concession—approved under fast-track procedures in just 11 months, compared with roughly 22 months historically—covers 46,189  $km^2$ . This nearly doubles Greece’s offshore exploration acreage to about 94,094  $km^2$ .

Preliminary geological assessments suggest that a single structure south of Crete could contain up to 280 billion  $m^3$  of natural gas—enough to meet Greece’s domestic demand for roughly 5 decades at current consumption levels. Block A2 alone could generate an estimated €790 mil in potential value.

Upon operational commencement, the Greek state is expected to capture approximately 40% of project value through royalties, taxes, and bonuses.

3 *Table 2 Expected Income per category from the Lease, Source: HEREMA*

Corporate Tax	20%	Fixed by Law
Municipal Tax	5%	
Royalties	4-15% (percentage depends on the output)	Biddable items in line with previous tenders
Signature Bonus	3,45 mil€	
Surface Fees	700,000 €/km <sup>2</sup> (up to 35 mil€ lifelong)	
First Production Bonus	5.5 mil€	
Production Bonus (Based on the production)	49.2 mil€ (max)	
Training Fees	1.2 mil€ (up to 25.3 mil€)	

Estimated Estate Benefit	38-41%	Negotiated items in line and slightly improved
Bank Guaranteed Minimum Expenditure 1 <sup>st</sup> Phase	14.475 mil€	
Bank Guaranteed Minimum Expenditure 3 <sup>rd</sup> Phase	24 mil€	
Bank Guaranteed Minimum Expenditure 2 <sup>nd</sup> Phase	100 mil€	

## The 10 Year Exploration Program Outlook

The new exploration program spans up to 10 years:

- Phase 1: 2D seismic surveys beginning in 2026, lasting up to 3 years
- Phase 2: 3D seismic surveys lasting up to 2 years
- Phase 3: At least 1 exploratory well/block, followed by commercial viability assessment

The revised schedule shortens the exploration timeline to 7 years from the previous 8, while Block A2 will begin 3D seismic survey immediately during Phase 1.

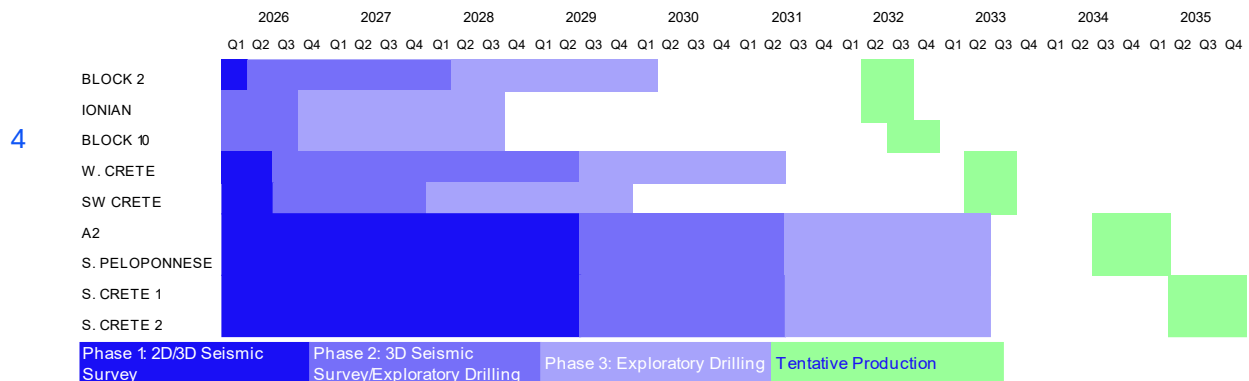


Figure 3 10-year exploratory outlook, Source: HEREMA

If the exploration process yields positive results, production could potentially begin between 2032 and 2035.

## Strategic Implications

The agreement could significantly boost government revenues, economic output, and long-term energy security. It may also provide the missing domestic supply source for the Vertical Corridor, a pipeline system designed to transport gas from Greece northward through Bulgaria, Romania, Hungary, and Ukraine.

Currently, the corridor is designed to primarily distribute imported LNG, including U.S. cargoes. A major domestic discovery would transform Greece from a transit state into a producing hub.

Such a development could lower regional gas prices and strengthen supply security. With the EU aiming to eliminate Russian gas imports by 2027, Greek reserves could help fill an estimated regional supply gap of roughly 15 billion  $m^3$ / year.

For a country that emerged from a sovereign debt crisis only a decade ago, the partnership with Chevron represents more than an energy deal, but a strategic shift toward energy independence and geopolitical influence. Greece would move from serving as a gateway for foreign energy to becoming a supplier to Europe.

To sustain investor confidence, authorities will need to adhere to the exploration outlook, ensuring regulatory stability and a predictable investment environment. At the same time, to ensure alignment with the EU taxonomy, the development of any hydrocarbon resources should incorporate robust ESG practices, meaningful participation of the local workforce, and stringent health and safety standards in line with international industry norms. Such safeguards are likely to be critical not only for operational success but also for maintaining social license and long-term project viability.

### Sources

1. <https://search.et.gr/el/fek/?fekId=780786>
2. <https://www.helleniqenergy.gr/en/media/regulatory-announcements/signing-offshore-concession-agreements-hydrocarbon-exploration-and>