

Athens, October 21, 2013

Announcement regarding

- a) the cancellation of own shares and the consequent decrease of the share capital**
- b) the approval of the capital increase and the issuance of gratis shares**

TERNA ENERGY S.A. (hereinafter "Company") informs the investors that the Extra-Ordinary General Meeting of the Company's shareholders, held on July 25, 2013, decided about the restructuring of the Company's Share Capital in two, successive stages, as follows:

1) Decrease of the Company's share capital by the amount of one million two hundred sixty two thousand seven hundred and twenty one euro (1,262,721 €) by canceling four million two hundred nine thousand and seventy (4,209,070) treasury shares, with a nominal value of thirty cents of a euro (0.30 €) each and amendment of the relevant paragraph 1 of article 5 of the Articles of Association of the Company. Out of the total of the 4,209,070 shares to be cancelled, 3,280,000 shares have been acquired, on 5/4/2013 as a result of a partial execution of the Extraordinary General Assembly of the Shareholders decision, dated October 9th, 2012, by the affiliated company GEK TERNA SA, on April 5, 2013, for the purpose of their cancellation and the decrease of the share capital and the remaining 929.070 shares have been acquired in the period as of January 27, 2012 until September 24, 2012 accomplishing the decisions of the General Meetings held on May 12, 2010 and May 24, 2012 and the relevant decisions of the Board of Directors held on June 22, 2010 and May 25, 2012.

As a result of the decrease, the Company's share capital amounts to thirty one million five hundred and thirty three thousand euro (31,533,000 €) and is divided into one hundred and five million one hundred ten thousand (105,110,000) common registered voting shares, with a nominal value of thirty cents of a euro (0.30 €) each.

2) Increase of the Share Capital of the Company by the amount of one million two hundred sixty one thousand three hundred and twenty euros (1,261,320 €) with capitalization of part of the special share premium reserve with the issuance of four million two hundred four thousand and four hundred (4,204,400) new common registered voting shares with a nominal value of 0.30 € each, which will be distributed gratis to Company Shareholders at a ratio of 1 new share towards 25 existing shares.

Following the above increase, the Share Capital of the Company amounts to a total of thirty two million seven hundred and ninety four thousand three hundred and twenty euro (32,794,320 €) divided into one hundred and nine million three hundred fourteen thousand and four hundred (109,314,400) common registered voting shares, with a nominal value of thirty cents of the euro (0.30 €) each.

On October 14, 2013, Decision K2-5570 of the Minister of Development and Competitiveness was filed with the Sociétés Anonymes Register, approving the decrease of the share capital and the amendment of article 5 par. 1 of the Company's Articles of Association.

The Athens Exchange, (ATHEX) during its session on October 18, 2013, was informed about the abovementioned decrease by the cancellation of the Company's treasury shares and approved the listing for trading on the Athens Stock Exchange of the above mentioned gratis shares.

Following the above, and according to the Company's Board of Directors' decision:

1) On Thursday October 24, 2013, the trading in the Athens Stock Exchange of four million two hundred nine thousand and seventy (4.209.070) common registered shares shall cease and such shares shall be cancelled.

2) Thursday October 24, 2013 is set as the ex-rights date for participation in the above share capital increase with distribution of gratis shares. As of the same day, the Company's shares will be traded without the right to participate in the aforementioned increase, and the starting price for the Company's shares in the Athens Stock Exchange will be determined according to the Athens Exchange Regulation and Resolution no. 26 of the Board of Directors of the Athens Stock Exchange, as in force,

The beneficiaries of the new shares shall be the Shareholders registered in the records of the Dematerialized Securities System by Tuesday October 29, 2013 (record date) .

Friday November 1, 2013 is set as the starting date for the trading of the 4.204.400 new gratis registered shares in the Athens Stock Exchange. On this same starting trading date, the new shares will be credited to the accounts of the beneficiaries, as these have been determined as above, which are kept in the Dematerialized Securities System.

For more details, Shareholders may contact the Company's Shareholders Services & Corporate Announcements Department, during business days and hours (Contact person: Mrs M. Theotokatou, tel. +30 210 6968429).