Storage System Operator of Ukraine: success story

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Storage System Operator of Ukraine. Overview

12
UKRAINIAN UGSs*

THIRD-LARGEST
OVER THE WORLD
AFTER USA AND RUSSIA

30.95 BCM
TOTAL STORAGE CAPACITY

80%
OF STORAGE CAPACITY CLOSE TO EU

*excluding Glibovske UGS which is not under administration of SSOU
Unbundling of gas transportation activities as an important stage in the implementation of the Third Energy Package

**JANUARY 2019**
- Ukrtransgaz: Transportation + gas storing
- 0.000047 bcm Gas reserves non-residents
- 7 Non-resident customers
- Limited commercial function

**JANUARY 2020**

**UNBUNDLING**

Ukraine's compliance with the requirements of the Third Energy Package proved its intentions for integration to EU gas market and, accordingly, developed the business interest of international players

**SEPTEMBER 2021**
- 2 independent operators – SSOU & GTSOU
- 3.3 bcm Gas reserves non-residents
- 107 Non-resident customers
- Customer’s front-office, i-platform, new services
In 2019-2021, interest in Ukrainian UGSs is growing rapidly

Structure of UGSs filling by categories of customers, bcm

<table>
<thead>
<tr>
<th>Year</th>
<th>Residents</th>
<th>Non-residents</th>
<th>Maximum filling level of Ukrainian UGSs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>19.3</td>
<td>21.8</td>
<td>28.3</td>
</tr>
<tr>
<td>2020</td>
<td>18.3</td>
<td>10</td>
<td>28.3</td>
</tr>
<tr>
<td>2021</td>
<td>14.7</td>
<td>18.0</td>
<td>30.95</td>
</tr>
</tbody>
</table>

- **62%** of non-resident companies gas stocks was sold on the Ukrainian market last year (Oct.2020 - Sept.2021)

- Foreign traders choose Ukrainian UGSs for long-term gas storage: more than **28%** of gas reserves are stored for over one year
Number of Ukrainian UGSs customers increase rapidly

January 2020
- 651 clients
- 14 countries
- 47 NONRESIDENTS
- 604 RESIDENTS

September 2021
- 948 clients
- 26 countries
- 107 NONRESIDENTS
- 841 RESIDENTS
Services of the Storage System Operator of Ukraine

**Customs warehouse + short haul**
- Storing of natural gas for up to 1095 days without VAT and customs duties
- Fast automated customs clearance
- Access to UGSs at reduced transportation rates

**Exchange trading with customs-cleared gas in UGSs**
- Acceleration of trade operations up to 30 minutes
- Stocks' liquidity increase
- Transparency and reliability of trade operations

**Monitoring of pledged gas**
- Favorable loan terms
- Guaranteed preservation of collateral
- Greater opportunities for borrowers
Strategic opportunities provided by Ukrainian UGSs to the world

**Gas sales on the Ukrainian domestic market**

62% of non-resident companies gas stocks has been sold on the Ukrainian market since Oct. 2020

**Seasonal storing of gas with further re-export**

0.5 bcm of non-resident gas has been re-exported since Oct. 2020

**Gas storing up to three years**

28% of gas stocks are stored by non-residents for over one year

**Transportation of LNG with further storing in Ukraine**

Variation of gas sources is strengthening of Europe's energy security
Ukrainian UGSs – Storing Gas For Your Safety