

UA gas market update & development of new routes

Annual Shippers' Meeting

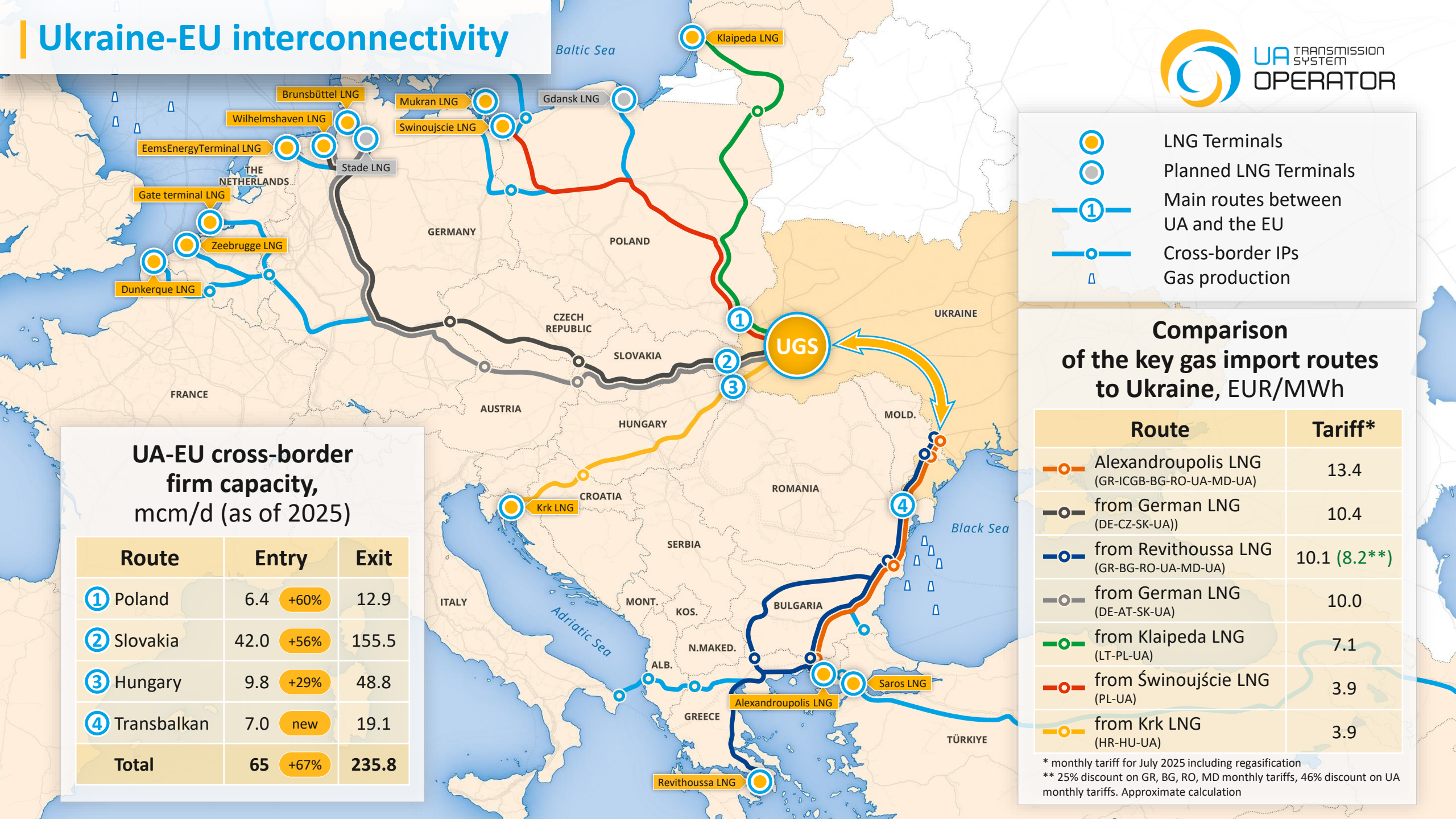
Vienna
June 10, 2025



Vladyslav Medvediev

Acting General Director
of GTSOU

Ukraine-EU interconnectivity



- LNG Terminals
- Planned LNG Terminals
- Main routes between UA and the EU
- Cross-border IPs
- Gas production

Comparison of the key gas import routes to Ukraine, EUR/MWh

| Route | Tariff* |
|--|--------------|
| Alexandroupolis LNG (GR-ICGB-BG-RO-UA-MD-UA) | 13.4 |
| from German LNG (DE-CZ-SK-UA)) | 10.4 |
| from Revithoussa LNG (GR-BG-RO-UA-MD-UA) | 10.1 (8.2**) |
| from German LNG (DE-AT-SK-UA) | 10.0 |
| from Klaipeda LNG (LT-PL-UA) | 7.1 |
| from Świnoujście LNG (PL-UA) | 3.9 |
| from Krk LNG (HR-HU-UA) | 3.9 |

* monthly tariff for July 2025 including regasification
 ** 25% discount on GR, BG, RO, MD monthly tariffs, 46% discount on UA monthly tariffs. Approximate calculation

UA-EU cross-border firm capacity, mcm/d (as of 2025)

| Route | Entry | Exit |
|--------------|--|--------------|
| Poland | 6.4 +60% | 12.9 |
| Slovakia | 42.0 +56% | 155.5 |
| Hungary | 9.8 +29% | 48.8 |
| Transbalkan | 7.0 new | 19.1 |
| Total | 65 +67% | 235.8 |

Development of new firm capacities (PL)

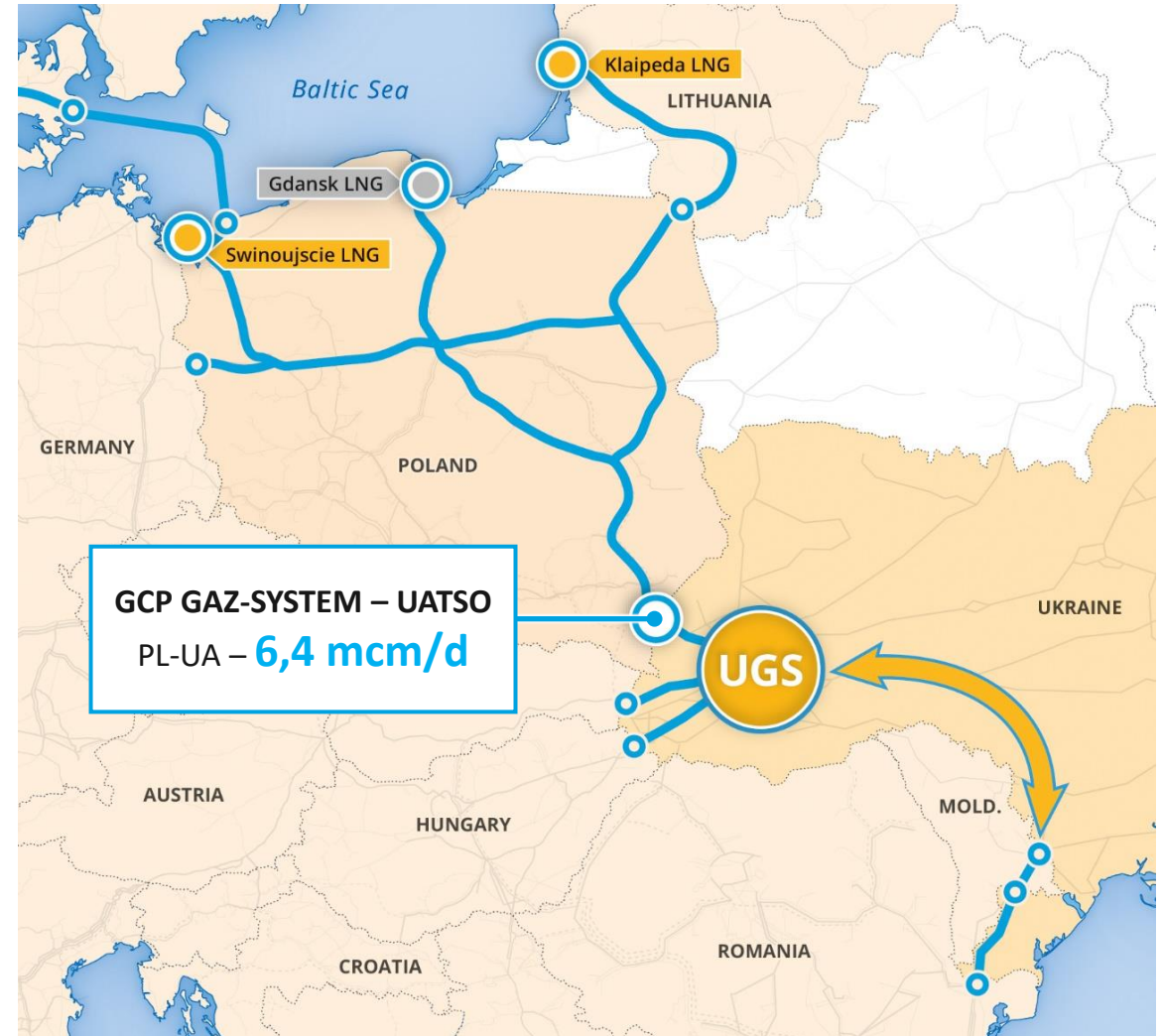
PL-UA IP opens access to new sources of gas:

- Norwegian gas production through Baltic pipe
- LNG from all around the world through Polish, Lithuanian and German LNG terminals

Significant progress in the development of cross-border capacity between the Ukrainian and Polish systems was reached during 2024 and in 2025

In December 2024 TSOs agreed to offer **5,15 mcm/d** in PL-UA direction as firm capacity for Jan-Sep 2025 in **Q, M, DA, WD** products, while additional **1,25 mcm/d** is being offered as **DA and WD** products

In May 2025 GTSOU and GAZ-SYSTEM agreed to prolong offering firm capacity in PL-UA direction in the amount of **6.4 mcm/d** (at 20°C) till **October 2026** (5,15 mcm/d in PL-UA direction will be offered in Y, Q, M, DA, WD products, while another 1,25 mcm/d will continue be offered as DA and WD products)



Development of firm capacities (TBP)

Transbalkan pipeline opens access to different sources of gas:

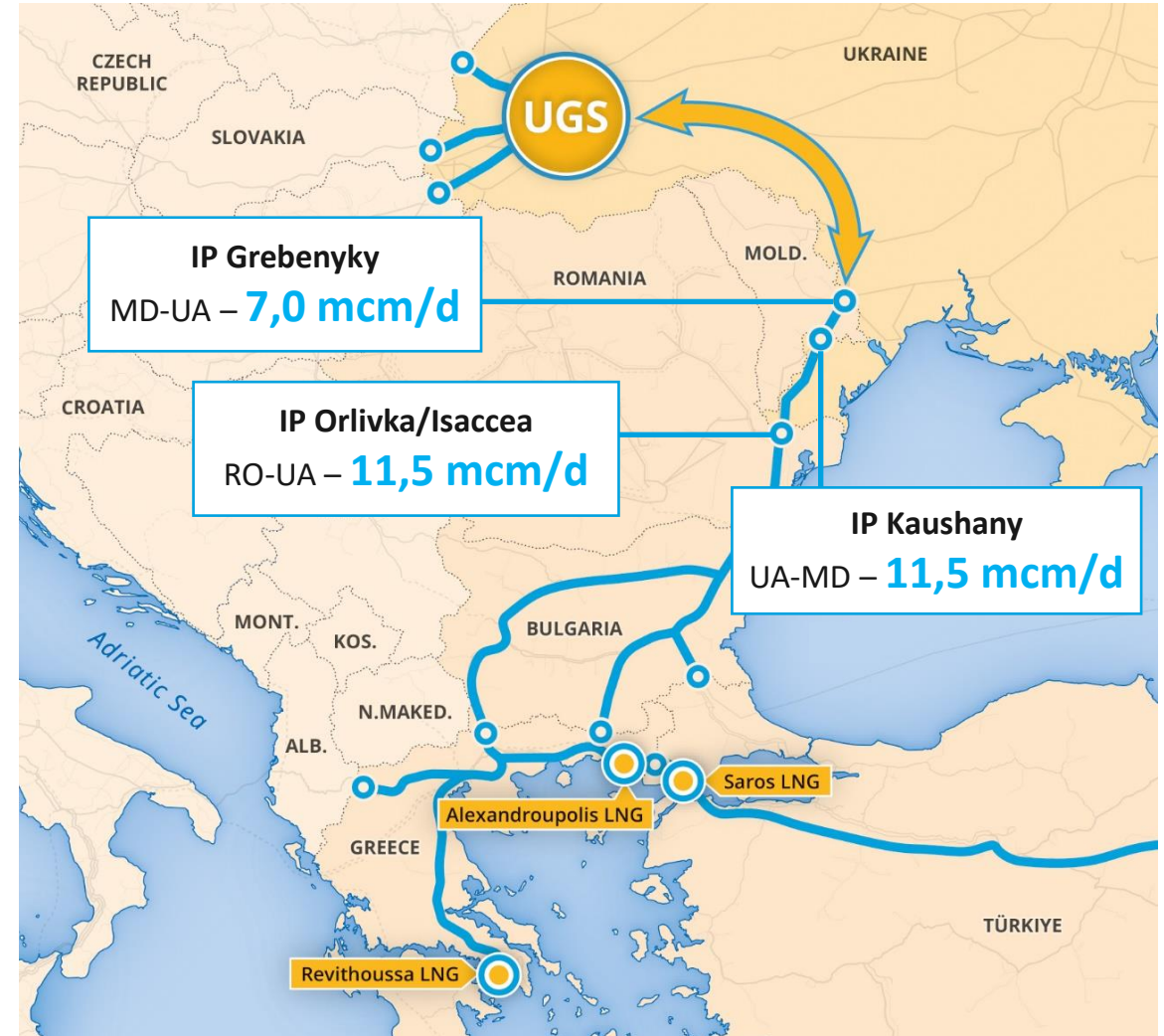
- LNG from all around the world through Greek and Turkish LNG terminals
- Romanian and potentially Bulgarian offshore production
- Azeri gas from TAP
- Mix of gases from BG VTP

Gas TSOs along the TBP joined their efforts to make the route an attractive and viable option for network users

In December 2024 TSOs agreed to increase this capacity to **7 mcm/d from 1 January 2025**

Within the **Vertical Corridor initiative** the involved TSOs are working on **further development** of the firm capacity in South-North direction. GTSOU and VMTG are considering the technical possibility of **increasing** firm capacity at IP Grebenyky in MD-UA direction to **11.5 mcm/d already in 2025**

Main remaining obstacle to high utilization of the Transbalkan pipeline is high tariffs along the route

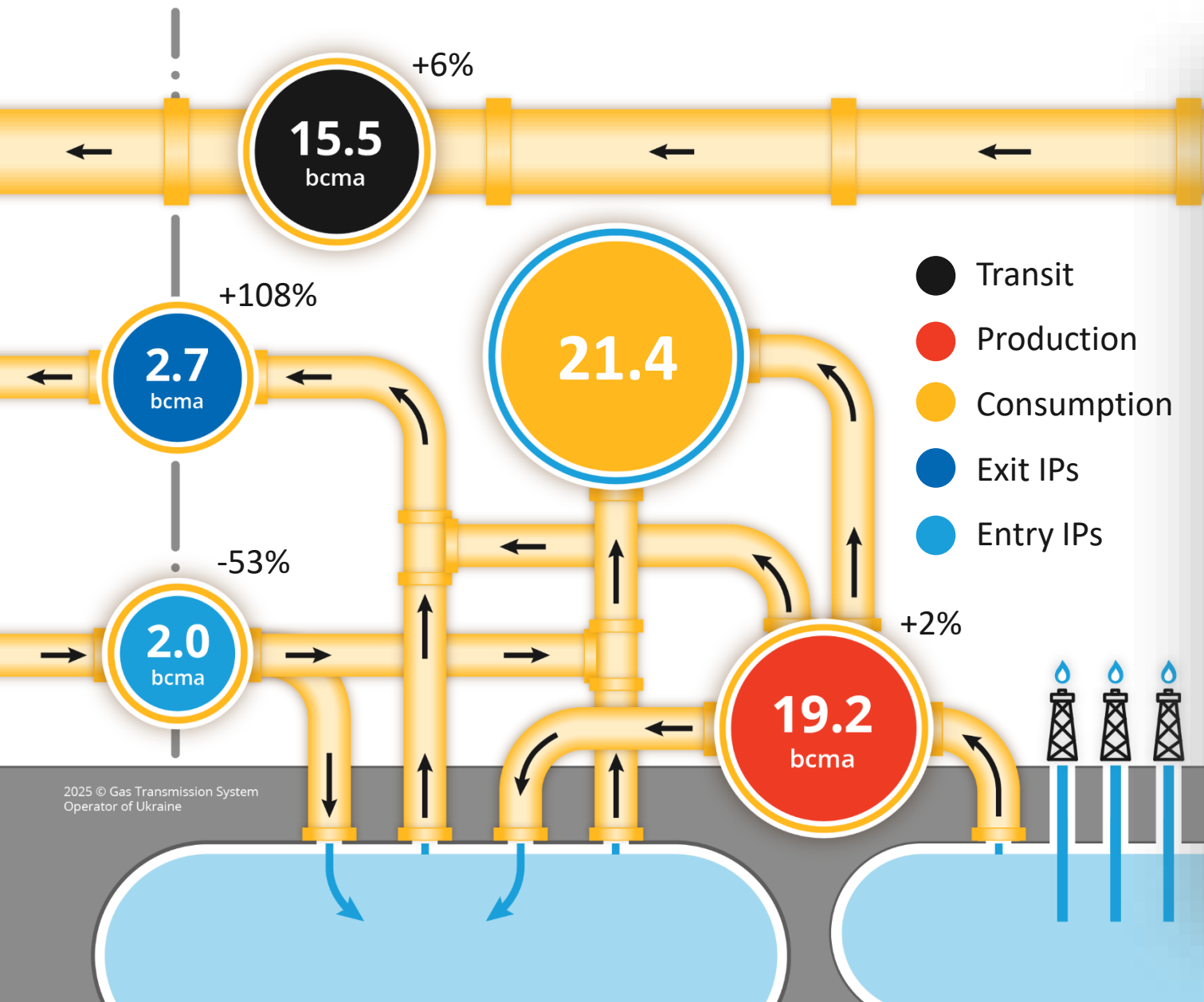




Andrii Prokofiev

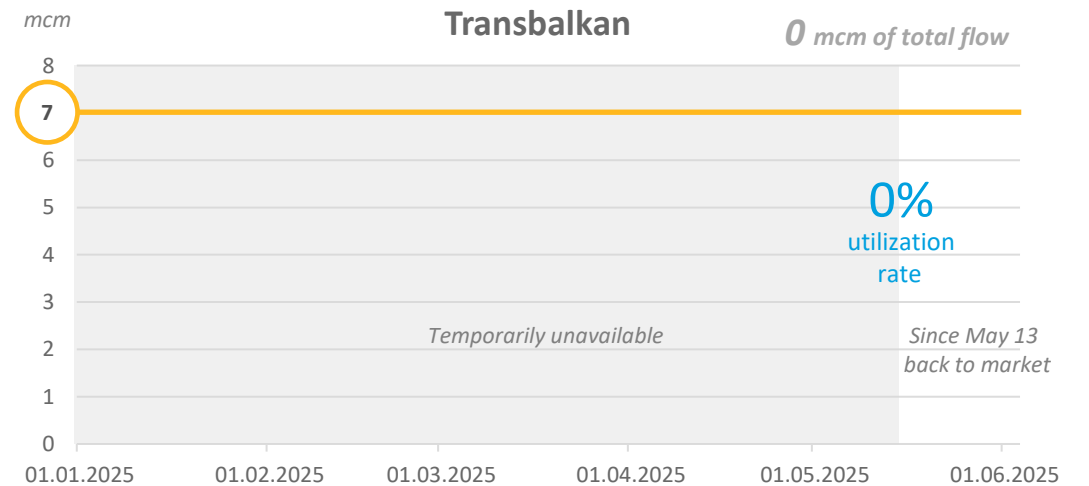
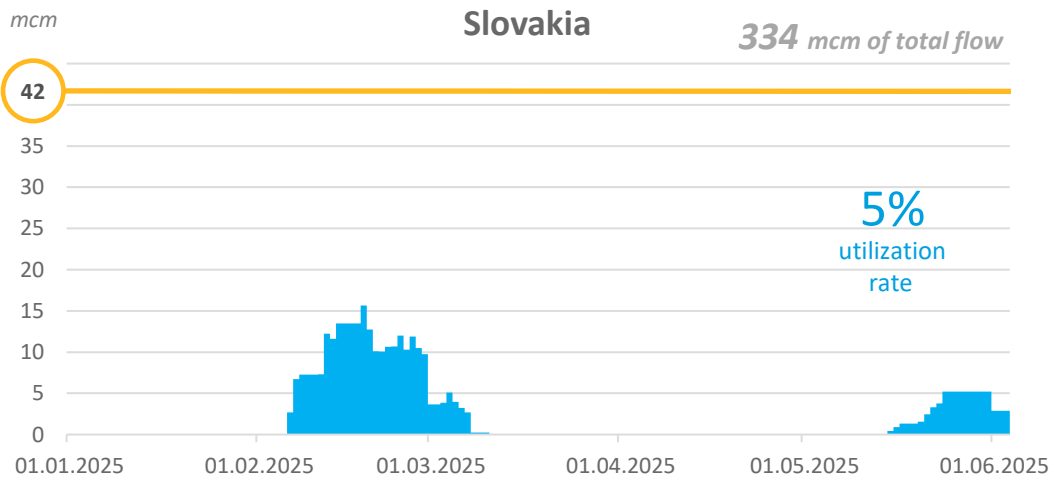
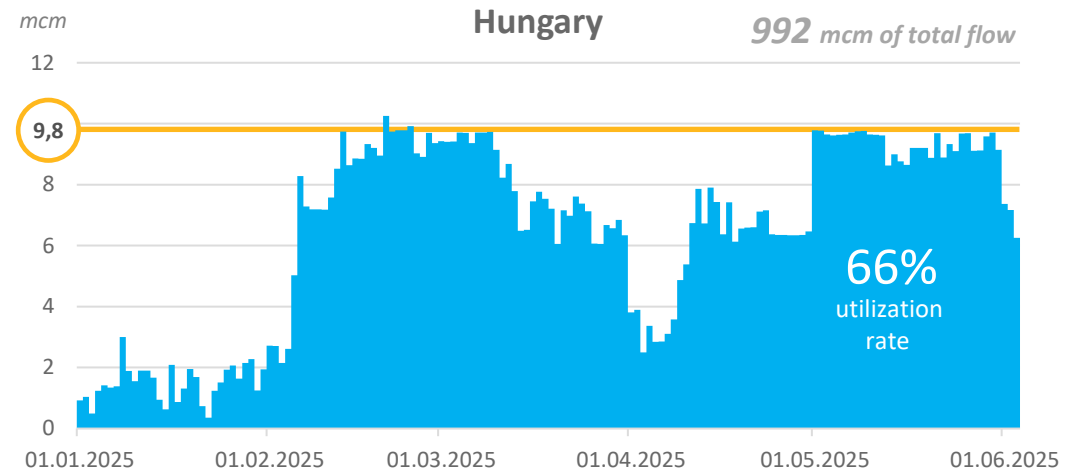
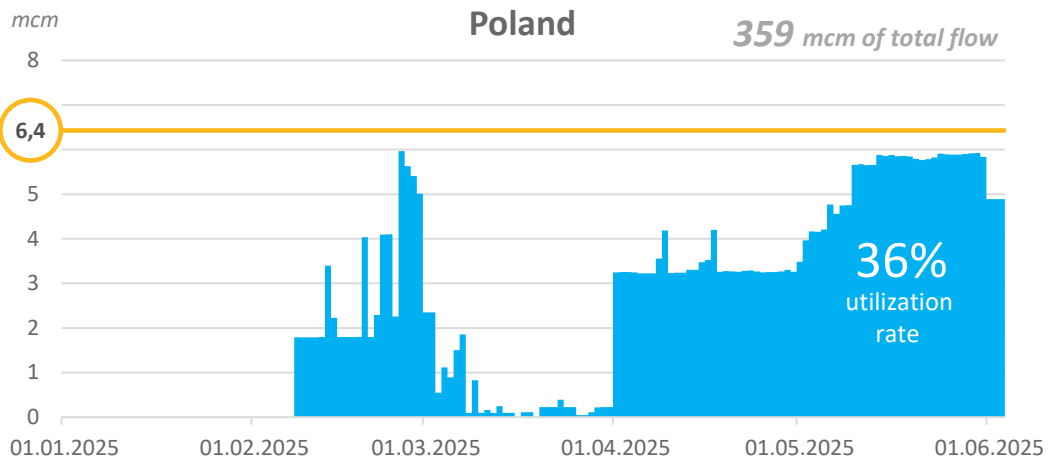
Head of Division of
Cooperation with Clients

Ukrainian gas market in 2024



- **Steady recovery of gas production** (2% growth respectively)
- Cross-border flows (excl.transit of russian gas) **increased on exits** (by 108%), but **decreased on entries** (by 53%)
- **Transit** increased by 6% compared to 2023, but on 1 January 2025 **was stopped after contract expiration**
- System is functioning **without technical issues** despite attacks on energy infrastructure
- Stress-tests, conducted in 2023 and 2024, confirmed that the system is **resilient to shocks and external factors** under zero transit mode, which was **confirmed in real life in 2024/2025 winter season**

Utilization of EU-UA cross-border IPs



— Firm capacity (mcm/day)
 ■ Flow via respective direction (mcm/day)

Super-Bundled product main features

- Access to LNG terminals in Greece (Revithoussa, Alexandroupolis, etc.), TAP
- Duration of product - June-October 2025
- Super-bundled product details

| | |
|------------------------|--|
| Interconnection Points | Sidirokastron/Kulata – Negru Voda /Kardam – Isaccea/Orlivka – Kaushany – Grebenyky |
| Discount | 25% (GR, BG, RO, MD) + 46% (UA) |
| Capacity | <ul style="list-style-type: none">● June-August ≈ 3 mcm/d (1 cargo/month)● September-...≈ 7 mcm/d (2 cargo/month) |
| Specific features | No access to VTPs in GR, BG, RO, MD, tailor-made bundled product for transit to UA |

- **23 June 2025 – auction for July 2025**
 - capacity offered – to be determined after 16 June
 - uniform price auction
 - next auctions – 4th Monday of M-1

Network user must have

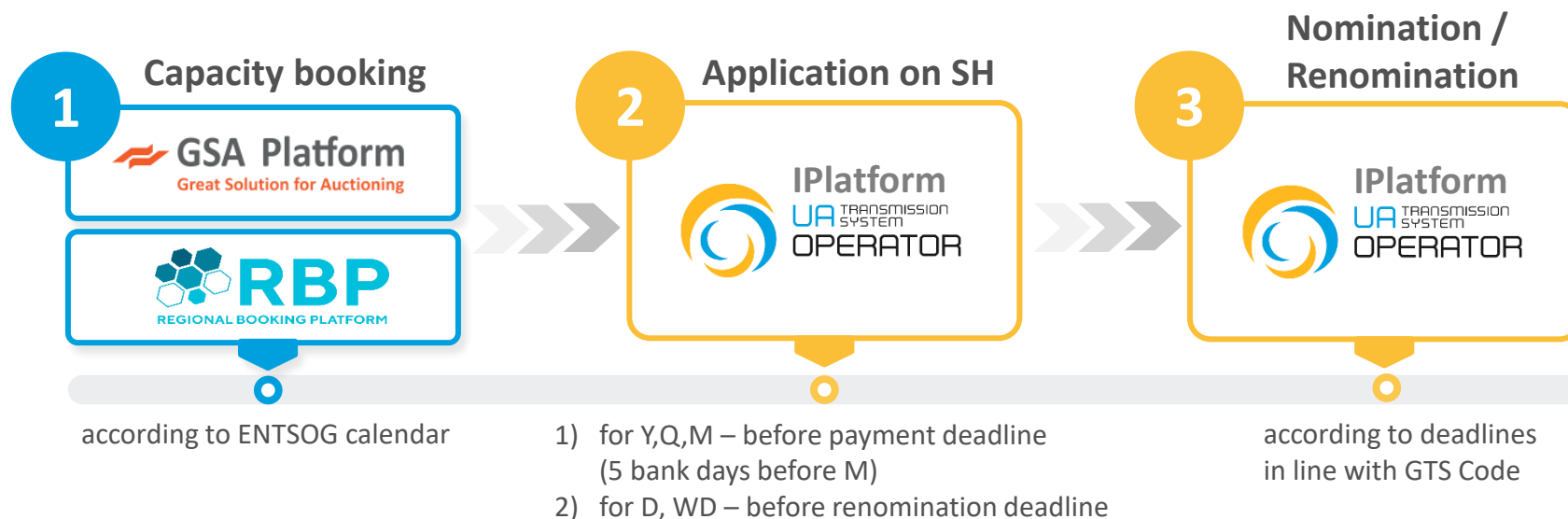
- Transport contracts with all TSOs (DESFA, Bulgartransgaz, TRANSGAZ, Vestmoldtransgaz, GTSOU)
- Title transfer – UA VTP or UA UGS customs warehouse

Next steps

- Resumption of Alexandroupolis LNG Terminal (expected 15 August 2025) and inclusion of ICGB into the product
- Increase of capacity **from 3 to 7 mcm/d**
- Review of discounts to remain competitive

New shorthaul rules under consultations

| | AS IS | NEW RULES |
|------------------|--|--|
| Conditions | nomination at entry & exit points must be equal, allowed customs regimes – transit & customs warehouse, no access to VTP | |
| Type of capacity | capacity with restrictions (lowest priority) | firm / interruptible |
| Booking | implicitly via renomination in IPlatform (FCFS) | standard auction via RBP / GSA |
| Pricing | Tariff × SH coefficient | Tariff × SH coefficient × Period coefficient |
| Products | WD | Y, Q, M, DA, WD |



Potential import gas procurement by GTSOU



| Main terms | Resident of Ukraine | | Non-resident of Ukraine | |
|---------------------------------------|---|--|---|--|
| Title transfer point | UGS | UA VTP | CWR | Border |
| Conditions | custom cleared gas imported after 31.05.25 | custom cleared gas imported after 31.05.25 | non-custom cleared gas | non-custom cleared gas |
| Currency | UAH/1000 m ³ | UAH/1000 m ³ | EUR/1000 m ³ | EUR/MWh |
| Delivery period / Trade notifications | at the seller's choice from 01.06.2025 to 31.10.2025 | flat flow during the month | gas day of title transfer | flat flow during the month |
| Payment | within 5 working days from the date of title transfer | 80% - within 3 working days from the date of title transfer 20% - until D-10 of M+1 | within 5 working days from the date of title transfer | 25% - D-10 of M 25% - D-20 of M 25% - last D of M 25% - until the 10th working day of M+1 |

Thank You!

