

WE STORE ENERGY
FOR YOUR SAFETY



**STORAGE SYSTEM
OPERATOR OF UKRAINE**

FOREWORD

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Head
Storage System Operator of Ukraine



Dear friends!

Ukrainian underground gas storage facilities offer multiple strategic opportunities for the whole Europe and even for the whole world. Being the largest on the European continent and the third largest in the world, they are an integral part of the energy independence of Ukraine. In recent years Ukrainian UGS have become a key element of the EU energy balance.

Gas traders from around the world choose our facilities to store their reserves due to: proximity of our subways to the border with EU, favorable conditions and competitive tariffs for gas storage and transportation, offered by the Storage System Operator of Ukraine. Therefore, 2020 was a record year not only in terms of pumping volumes for the last 10 years – 28.3 bcm of gas, but also because a third of these reserves have been created by foreign customers.

We were recognized as a reliable business partner, and Ukraine strengthened its profile on the European gas market. And over one hundred non-residents are our clients.

Next – only go forward! We ensure reliable and sustainable operation of Ukrainian underground storage facilities in all conditions and circumstances and continue improving business processes. Our customers can be certain that the Storage System Operator of Ukraine will continue to serve its customers in a high-quality and professional manner, under equal conditions and applying transparent rules.

We are grateful to our partners for being trusted with gas storage. We highly appreciate the credit our customers gave to us and look forward to further fruitful cooperation. Furthermore, we continue to establish the necessary conditions for this. We act in partnership to gain the best results.



STORAGE SYSTEM OPERATOR OF UKRAINE TODAY

The Storage System Operator of Ukraine operates the domestic underground gas storage system. The total capacity of all Ukrainian mainland gas storage facilities is 30.95 bcm and is the largest in Europe.

On January 1, 2020 the company started operating as an independent Storage System Operator after completion of one of the largest reforms in the gas industry of Ukraine – the separation of gas transmission activities.

Today, the SSO of Ukraine is a full-fledged member of the world gas market and an essential component of energy systems of both our state and Europe in general.

Customers from Europe, Asia and North America store their gas reserves in Ukraine, and the list of companies and countries that use gas storage services in Ukraine is constantly growing.

The Storage System Operator of Ukraine has a sound and reliable technological base.

The goal of the SSO of Ukraine to become a customer-oriented operator on the European market by 2025. Accordingly, we pay much attention to improving our customer service system. The Operator regularly expands the number of services to increase customer comfort and generate additional income.

Strategic goal by 2025 – become a customer-oriented storage system operator in the European market





SSO work analytical panels

KEY INDICATORS OF STORAGE SYSTEM OPERATOR OF UKRAINE

- 30.95**
bcm total capacity of UGS
- 21**
% volume of UGS of Ukraine in total volume of UGS of Europe
- 28.3**
bcm the level of UGS filling at the end of the 2020 injection season, the highest over the past 10 years
- 10**
bcm gas reserves established by foreign companies in 2020, four times higher than in 2019
- 18.8**
bcm UGS average filling level in Ukraine at the beginning of the 2012-2021 withdrawal season

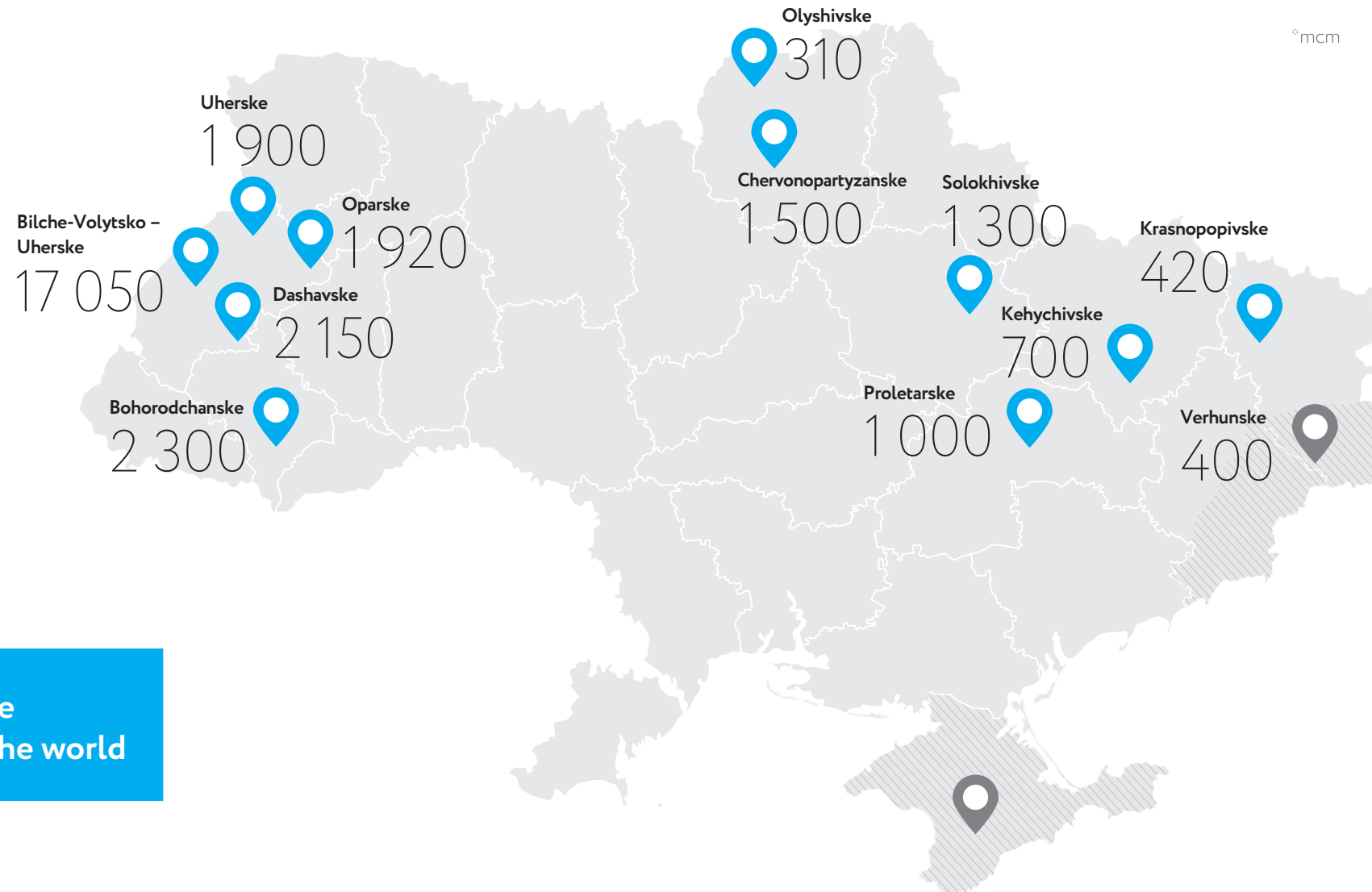
UGS SYSTEM ON THE MAP OF UKRAINE

The SSO of Ukraine operates 12 UGS facilities with total active gas capacity up to 30.95 bcm of natural gas.

The vast majority of UGS facilities are established on the sites of depleted deposits. Two of them – Chervonopartyzanske and Olyshivske (the oldest in Ukraine, founded in 1964) - are based on aqueous layers.

Bilche-Volytsko – Uherske UGS is the largest not only in Ukraine, but in the whole Europe and can hold more than 17 bcm of natural gas.

80% of the UGS facilities are concentrated on the western border of Ukraine. The proximity of UGS facilities to Europe and the convenience of logistics make underground gas storage advantageous for both foreign traders and Ukrainian companies working with cross-border natural gas transmission and storage.



Ukrainian UGS facilities are the largest in Europe, the third in the world

* including Verhunske UGS in the temporarily occupied territory of Ukraine



GEOGRAPHY OF CUSTOMERS OF UKRAINIAN UGS

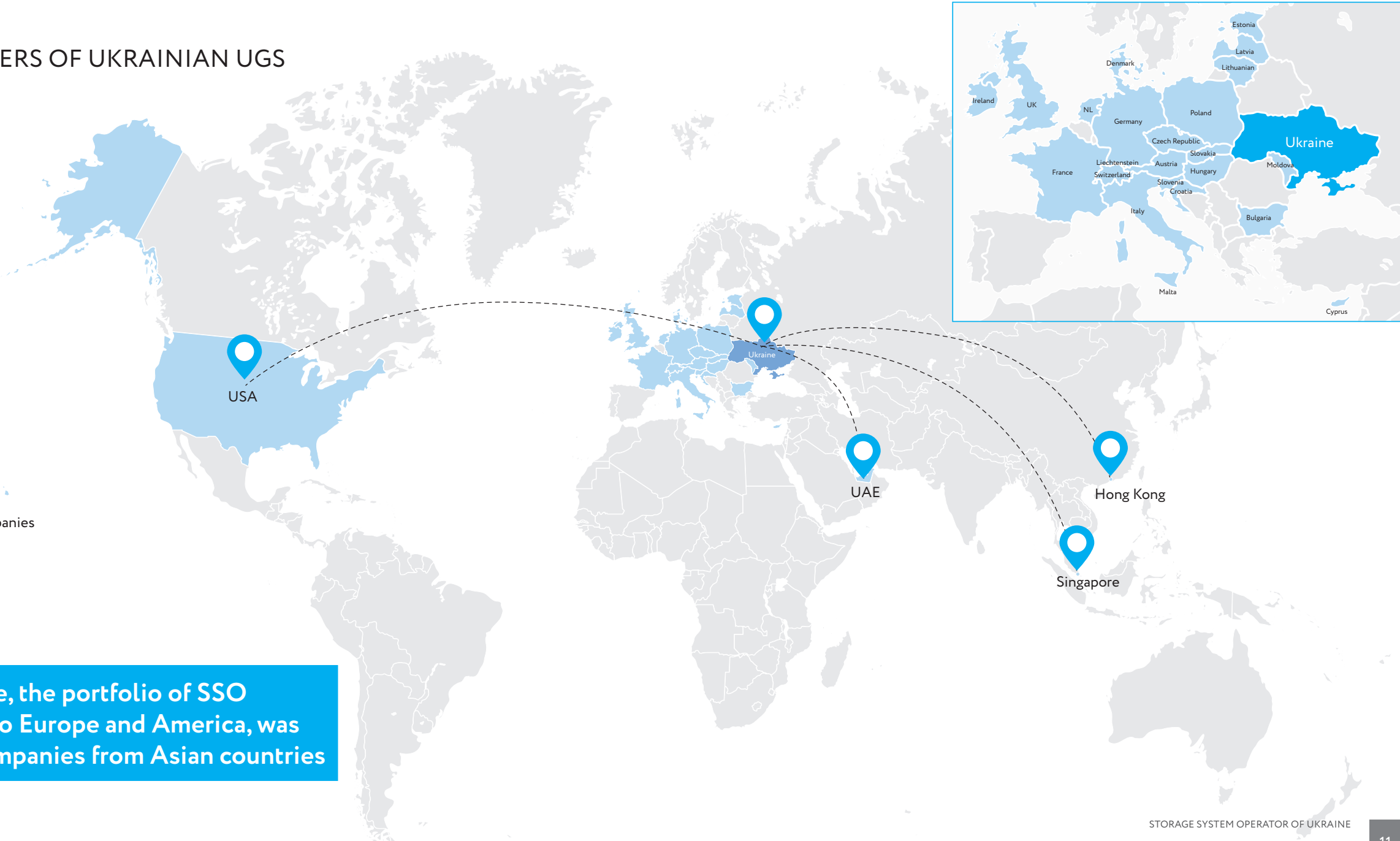
The first foreign customer of Ukrainian UGS facilities was a company from France in 2016. However, the number of customers from abroad has been growing rapidly in recent years.

For example, from January 2020, when the independent UGS Operator of Ukraine started operating, by the middle of 2021 the number of non-resident customers has more than doubled.

Today the services of the Storage System Operator are used by

- about 1 000 clients
- over 100 of them are foreign companies
- from 27 countries of the world

In 2021, for the first time, the portfolio of SSO customers, in addition to Europe and America, was complemented with companies from Asian countries





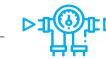
SERVICES OF SSO OF UKRAINE

Basic services

Storage (injection, withdrawal)



Administration of natural gas transfers



Customs warehouse



Customs warehouse + short-haul



Supplementary services



Pledged gas monitoring (inc, gas in CW)



Exchange natural gas trading in UGS (both cleared and uncleared gas)

STORAGE (INJECTION, WITHDRAWAL)

Service packages of the Storage System Operator of Ukraine:

Annual capacity

Annual capacity is a package service rendered for a period of 1 year, which provides the customer with a guaranteed access to the injection capacity (during basic injection season) and withdrawal capacity (during basic withdrawal season), the most advantageous tariffs and opportunity to use working volume on the firm basis during the whole period of the order.

Individual monthly services

Individual services on a monthly basis provide SSO customers with an access to the individual working volume on the firm basis and injection and withdrawal capacities on the interruptible basis during one gas month (regardless of the base season).

Individual day-ahead services

Individual day-ahead services are available only for Customers, to whom annual capacity and/or individual working volume for month have been allocated. In this format of cooperation, the SSO's customers receive individual injection and withdrawal capacities on an interruptible basis.



For more information on service packages of the Storage System Operator please visit our website

NATURAL GAS TRANSFERS ADMINISTRATION (TRADE NOTIFICATIONS)

Free SSO service, which provides customer companies with an access to the virtual gas transmission point in UGS, includes confirmation of trade notifications and accounting of the transfers of natural gas stored in the gas storage facilities.


The service applies, among others, to gas stored in the customs warehouse, and allows for trade notifications for both resident and non-resident companies.

Trade notifications are submitted through the Information Platform (I-platform) and confirmed by the Operator within two hours.

Information Platform

Web application that provides interaction between the Storage System Operator and service customers. Through the I-platform, customers can track their UGS portfolio, submit nomination/renomination, customs declarations, monitor the status of payments for services etc.

Access to the I-platform is granted to each company that enters into a storage agreement with the Storage System Operator. The web application is available 24/7 in Ukrainian and English after registration.



For more details on services please visit our website

CUSTOMS WAREHOUSE

Ukrainian and foreign owners of gas can store it in Ukrainian UGS facilities for 1095 days without taxes and customs duties with trading option on domestic market or re-export it to the EU countries.

11.2
bcm

gas was stored by companies in the «customs warehouse» regime at the beginning of the heating season 2020/2021. This is 40% of the total gas reserves stored in Ukrainian UGS facilities.

CUSTOMS WAREHOUSE + SHORT-HAUL

Short-haul – service introduced by the Gas Transmission System Operator of Ukraine from January 1, 2020 opened to the SSO customers access to UGS facilities at reduced tariffs for transportation between the defined points of entry or exit at the cross-border connections.

The service is available in combination with the gas storage services in the «customs warehouse» regime and is defined as restricted capacities.

4
times
cheaper

Short-haul tariffs are on average 4 times cheaper than standard ones in the case of day-ahead capacity booking.

PLEGGED GAS MONITORING

Owners of gas stored in the UGS facilities can use it as a pledge when obtaining a loan from a bank, and the bank representatives can monitor all transactions with pledged gas. This functionality is available online 24/7 for banking institutions on the I-platform.

Advantages of the service for customers:

- Wider range of potential lenders
- Greater opportunities for borrowers
- Advantageous loan terms
- Guaranteed preservation of the pledge



For more details on SSO services please visit our website



EXCHANGE NATURAL GAS TRADING IN UGS

The SSO grants access to standardized products on exchange for trade in natural gas stored in UGS facilities in Ukraine. Gas trading is available to resident and non-resident companies through the electronic platform on the Ukrainian Energy Exchange.

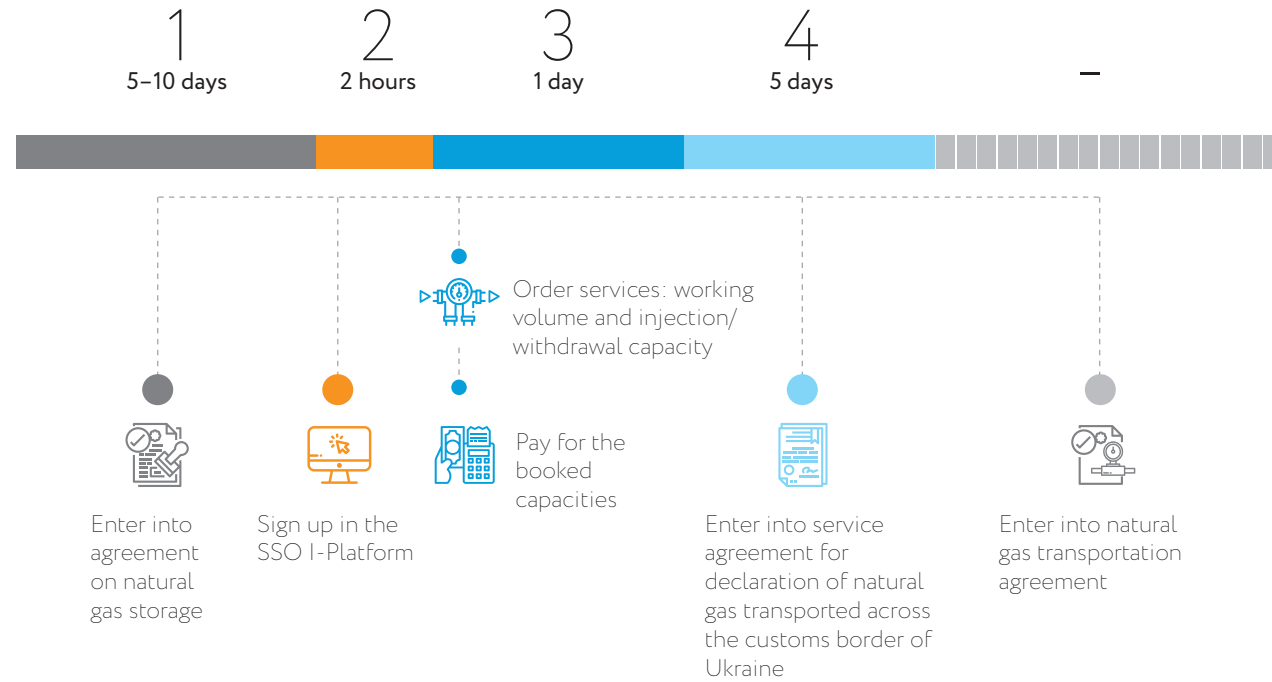
Advantages of the service for customers:

- Speed up the purchase / sale procedure up to 30 minute
- Increase the stocks' liquidity
- Greater transparency and reliability of trade operations



Website of Ukrainian Energy Exchange

HOW TO BECOME OUR CLIENT



TARIFFS

Tariffs for gas storage in Ukrainian UGS, even transported from abroad, remain more advantageous than tariffs for gas storage in

UGS of Europe. Currently, they are formed on the cost plus principle and approved by the Regulator – NKREKP.

Tariffs w/o VAT*

Service	UAH per 1000 m ³ per day
Storage	0.19
Injection	110.16
Withdrawal	63.41

* According to the Tax Code of Ukraine, additional 20% VAT is charged for each service

Coefficients

Period	Coefficient
per month	1.1
day-ahead	1.2

Compared gas storage tariffs in Ukraine and nearby EU countries**

Direction	Short-haul transportation tariff and storage tariff in the «customs warehouse» regime, EUR/MWh			Country	Tariff for storage, EUR/MWh
	Annual	Monthly	Day-ahead		
Ukraine – Poland Poland – Ukraine	1.63	1.72	1.78	Poland	3.1–3.23
Ukraine – Hungary Hungary – Ukraine	1.59	1.68	1.75	Hungary	2.53
Ukraine – Slovakia Slovakia – Ukraine	1.53	1.62	1.69	Slovakia	2.3–2.4
Ukraine – Romania Romania – Ukraine	1.54	1.64	1.70	Romania	2.7

**As of 01 October 2021





UFEOGI

Ukrainian Federation
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and Gas Industry



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If you have any questions about cooperation, please contact
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