



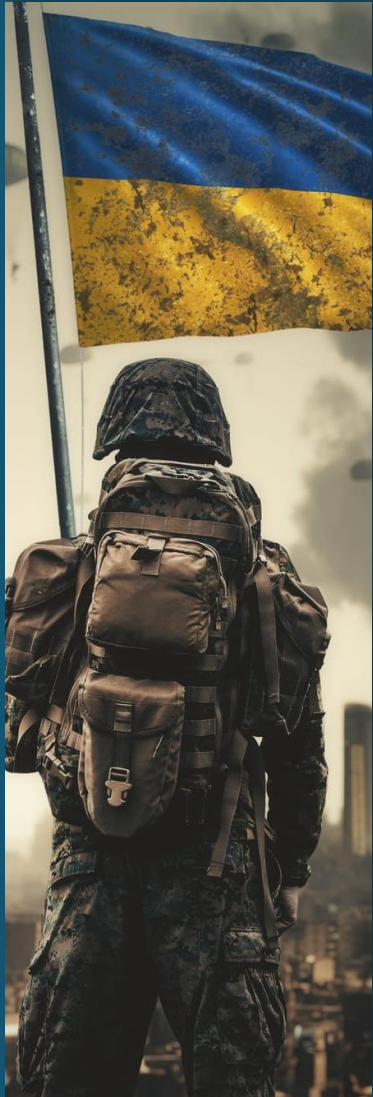
Association  
of Gas Producers  
of Ukraine

# WHAT'S HAPPENING IN UKRAINE'S GAS PRODUCTION SECTOR

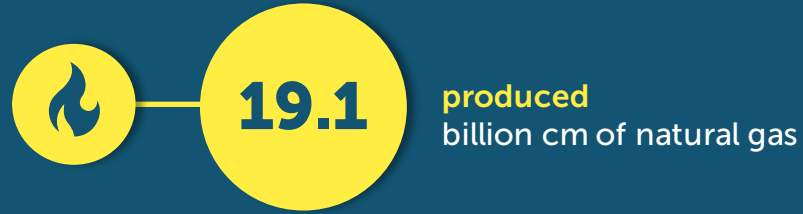
16<sup>th</sup> of May, 2025



# THREE YEARS OF FULL-SCALE WAR HAVE NOT BROKEN UKRAINE'S GAS PRODUCERS



During 2024 year Ukraine:



- ⦿ Despite the war, Ukraine's gas production has been growing for two consecutive years - both in output and in the number of new wells
- ⦿ 82% of total production is ensured by state leaders Ukrgasvydobuvannya and Ukrnafta
- ⦿ Since August 2024, independent companies have also contributed to the growth
- ⦿ Production development and energy security remain a shared priority of the government and business

# RUSSIA'S 2025 ATTACKS HAVE SERIOUSLY AFFECTED UKRAINE'S GAS BALANCE



On January 1, 2025, the more than **50-year-long history** of Russian gas transit through Ukraine officially **came to an end**



This gave Russia the freedom to launch a **new wave of energy terror** - massive attacks targeting **gas production facilities**



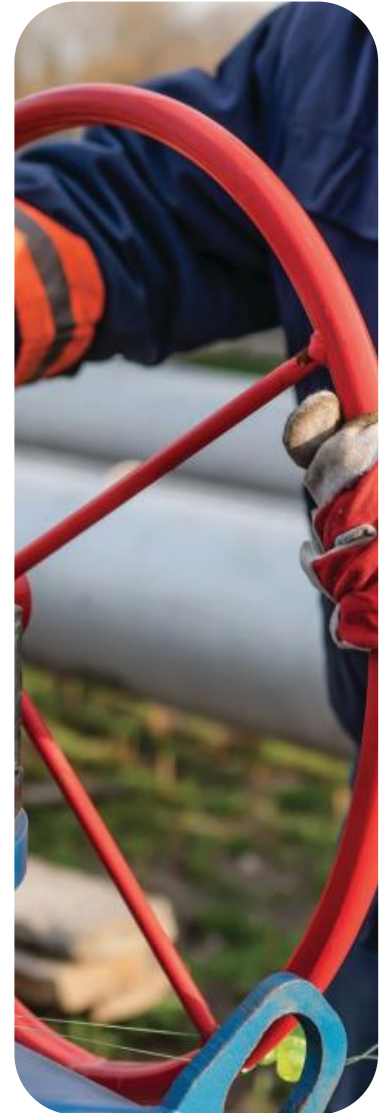
**Ukrainian gas has been the core of winter coverage**, and for the past two seasons, the country coped independently. But due to recent attacks, the state is now **forced to import gas from the EU**



Since the beginning of the year, **1.5 bcm of gas has been contracted**: **800 mcm** was urgently imported during the winter, **400 mcm** to arrive for winter season and **300 mcm** of LNG purchased via Poland's ORLEN

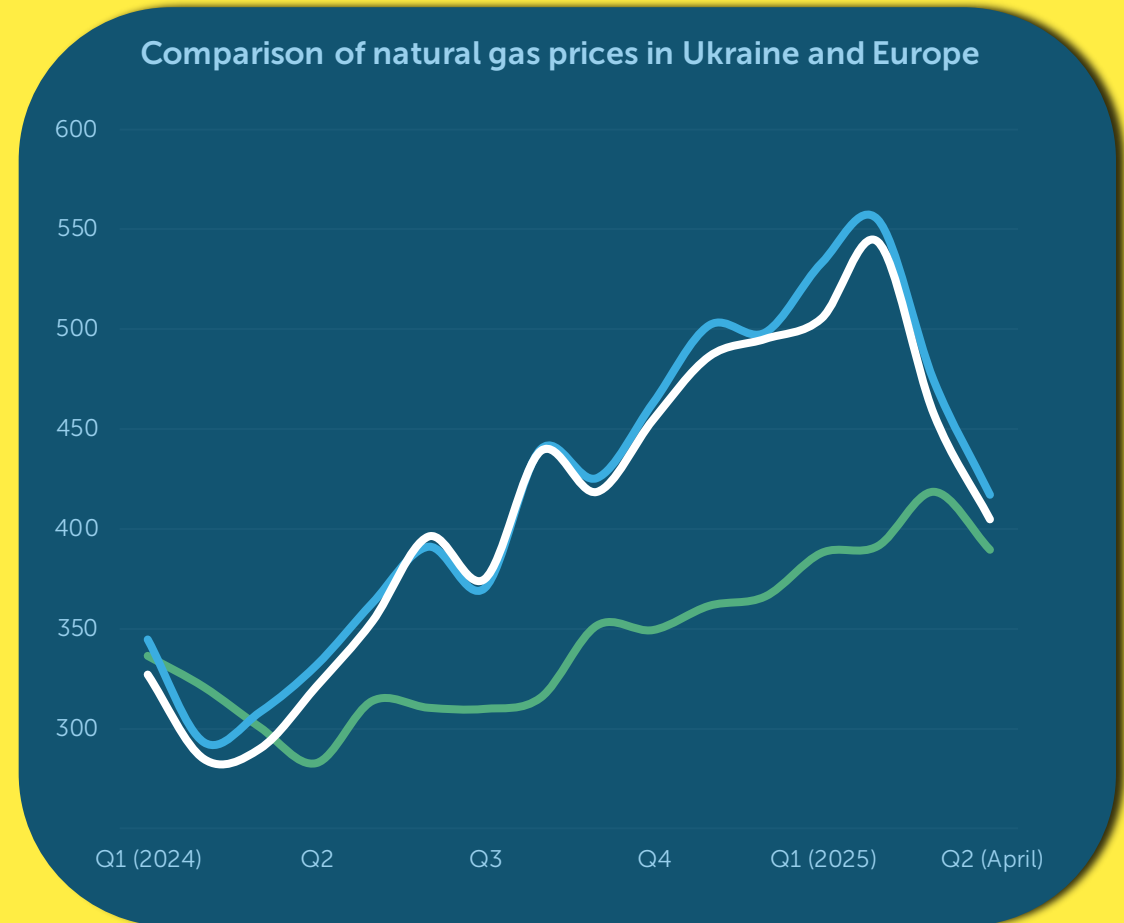





In addition, with government support, Naftogaz was able to secure funding to buy nearly **1 bcm of additional gas**



# NEW GAS TRENDS: OPPORTUNITIES FOR EUROPEAN TRADERS

- Ukraine is preparing for the heating season, with growing demand and the rapid development of distributed gas generation
- Ukrnafta's resource will be allocated to the regulated sector (PSO)
- The country is ready to buy gas at European market prices. It's rising in Ukraine amid imports and nearing western derivatives
- Supplying gas to Ukraine is convenient and profitable - it can be stored in UGS for up to three years without customs clearance at favorable rates



-  Royalty benchmark in Ukraine based on domestic indicators
-  TTF Spot
-  LNG price in the EU



# UKRAINE KEEPS DOMESTIC RESOURCE DEVELOPMENT IN FOCUS

- ◉ To attract new investors, the government is launching two PSA tenders - for the Mezhyhirska and Svichanska blocks in Western Ukraine
- ◉ The tenders will be officially announced soon, followed by a three-month application period
- ◉ Additionally, the Oleska block has been transferred to Ukrnafta for development



## Mezhyhirska PSA

Acreage: 1 516 sq. km

Location: Lviv, Ivano-Frankivsk, and Chernivtsi regions



## Svichanska PSA

Acreage: 1 083 sq. km

Location: Lviv, Ivano-Frankivsk, and Chernivtsi regions



## Oleska PSA

Acreage: 6 500 sq. km

Location: Lviv and Ivano-Frankivsk regions





Association  
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# ONE VOICE OF THE INDUSTRY

10

enterprise and  
groups



92%

natural gas  
production



4%

consolidated budget  
tax revenues

