

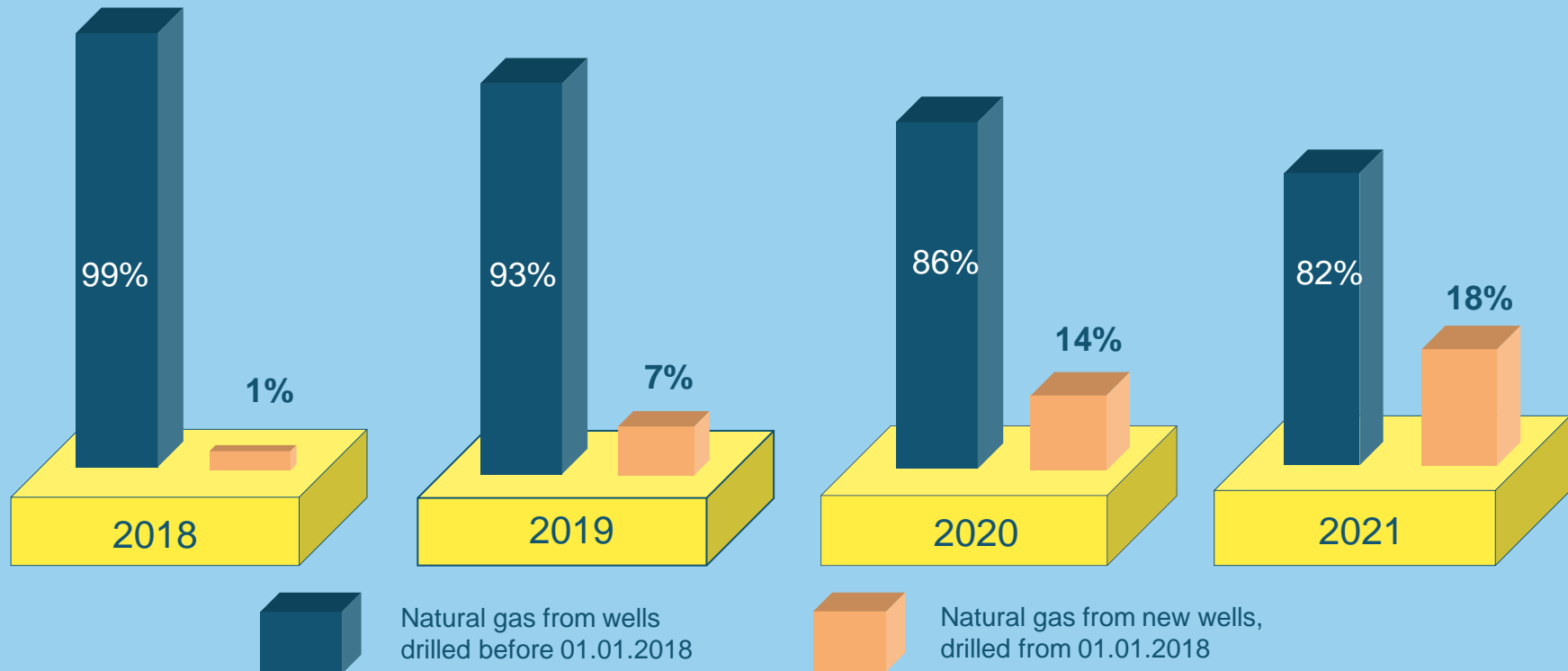


Association  
of Gas Producers  
of Ukraine

# STRENGTHENING OIL AND GAS SECTOR OF UKRAINE

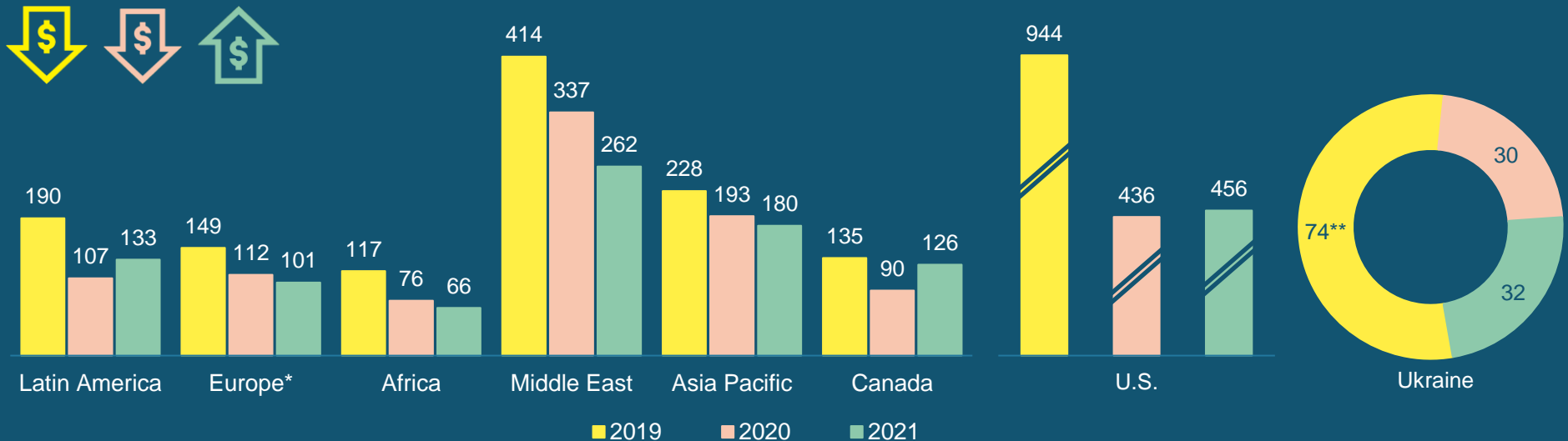
Kyiv,  
November 2021

# RESULTS OF INCENTIVE RENT INTRODUCTION IN UKRAINE



# THE NUMBER OF ACTIVE DRILLING RIGS DIRECTLY DEPENDS ON THE PRICE ON THE MARKET

The number of active drilling rigs in the world during 2019-2021\*



- Oil and gas crisis has started during 2019-2020 years and still continues. But stable growth goes along with stable participation conditions only.
- However, despite unpredictability of COVID-19 in future, it's hard to foresee upcoming tendencies on the market, even for professional analytical agencies.
- In 2020, the world has witnessed unprecedentedly sharp drop in drilling rigs. Hopefully, in the first half of 2022 prices may harden, and subsoil users would actively invest.

Note: \*January-October for 2021; \*\*including Ukraine since May 2019; \*\*\*average number according to Baker Hughes data for 8 months

Source: Baker Hughes Rig Count, AGPU



## RESULTS OF SUCCESSFUL E-AUCTIONS SINCE 2019



**25 blocks** have been sold for last 3 years



**4 062 sq. km** total acreage of 25 blocks/fields

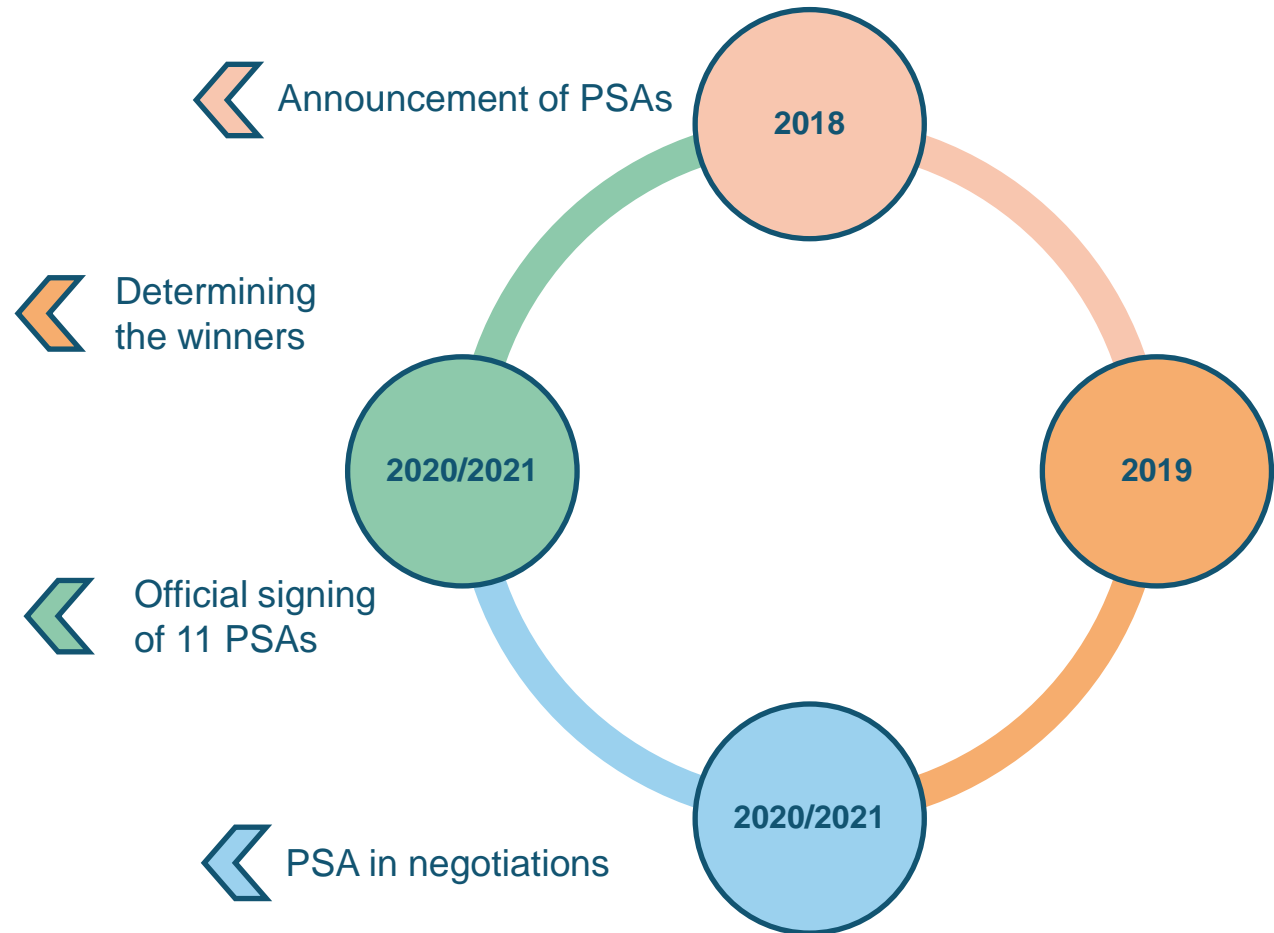


**x2.3** has increased the start price of blocks (from \$17 to \$57 mln)



**39 blocks** can be offered for investor in upcoming e-auctions

# PSA IN UKRAINE IS A LUMINOUS STORY BOTH FOR UKRAINE AND INVESTORS



# DRAFT LAW NO. 4187 CALLED TO SIMPLIFY THE SUBSOIL USE SECTOR EVEN MORE



- ⦿ The draft Law received positive reviews and with an overwhelming majority was voted in first reading
- ⦿ Among the main changes it envisages:
  - Launch of the license circulation market
  - Global changes in terms of deregulation

# A COMPREHENSIVE APPROACH TO THE ORGANIZATION OF PSA TENDERS AND IMPLEMENTATION OF THESE AGREEMENTS HAS BEEN DEVELOPED

- ⦿ Elimination of legislative gaps
- ⦿ Partial deregulation of the sector
- ⦿ Increasing the minimum deadline for applications
- ⦿ Public work of the Interdepartmental Commission
- ⦿ Ensuring a transparent competition for the selection of winners

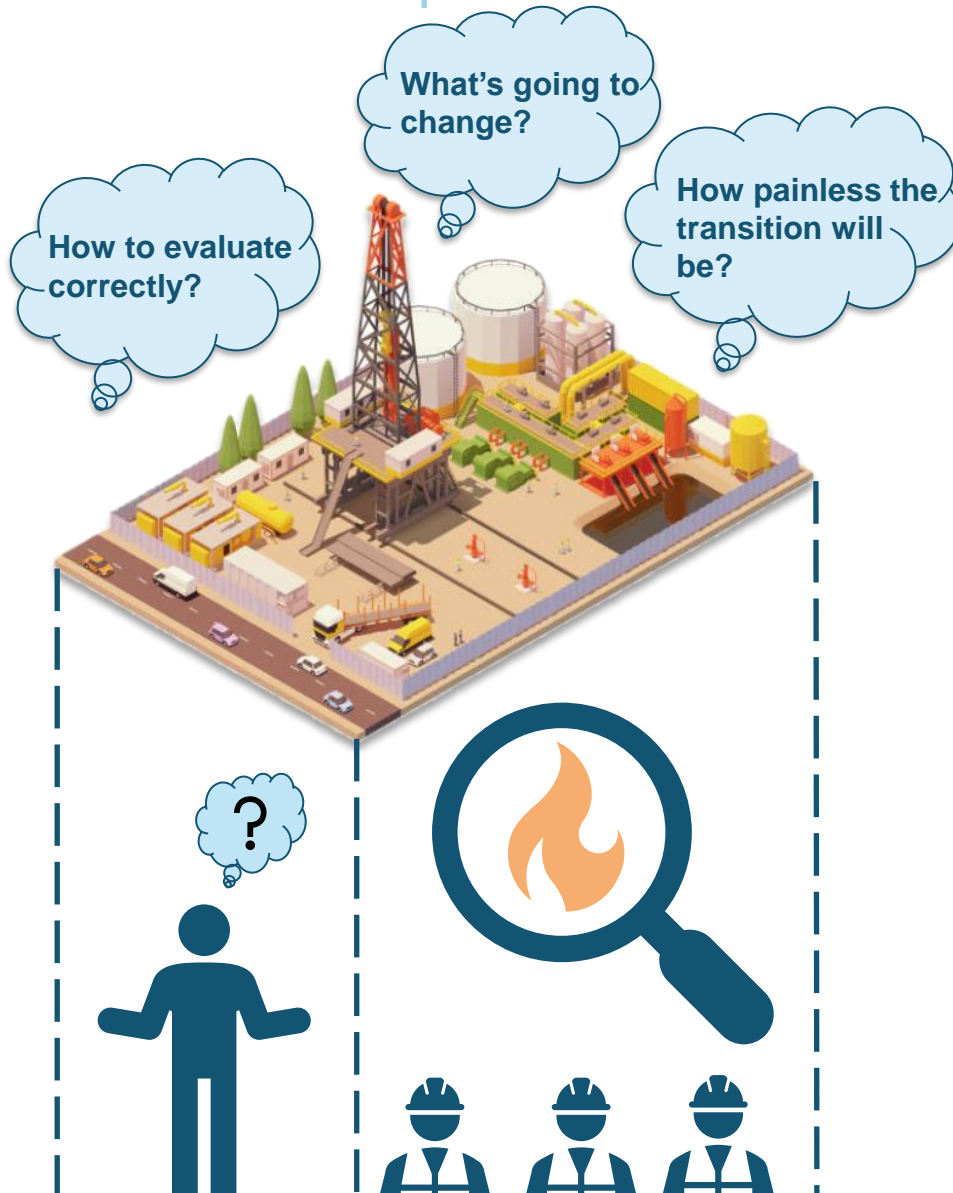
**DRAFT LAW  
NO. 4344  
was approved  
for first reading**







# HOW CAN PRMS AFFECT OIL AND GAS SECTOR OF UKRAINE?



- ⦿ It is nothing but facts, that PRMS is the best solution for Ukraine as for the country, which announced it's desire to develop the industry
- ⦿ But certain issues remain in the transition to the new system, and they need to be solved
- ⦿ For example changes in country's reserves and definition of leading actors in terms of reevaluation of such hydrocarbons
- ⦿ Financing reforms and introduction of reporting standards
- ⦿ Changes in methods of determining the cost of the licenses





# ALL ABOUT OIL&GAS PRODUCTION AND INVESTMENT OPPORTUNITIES IN UKRAINE



**Ukraine Oil & Gas**  
**Industry Guide 2021**  
Embracing investment opportunities



online version

- ⦿ The unique oil and gas industry guide with investment opportunities in Ukraine for the foreign investors
- ⦿ Prepared with joint efforts by the experts of AGPU, Minenergy, Naftogaz Group, Ukrainian Geological Survey, CMS and UkraineInvest

## The document consists of the following information:

- ✓ domestic oil and gas sector
- ✓ legislative, tax and fiscal policies
- ✓ conducted reforms during the last 5 years
- ✓ investment project both onshore and on the Black Sea shelf



## ONE VOICE OF THE INDUSTRY

93%

of natural gas  
production

5%

revenues to the  
state budget

26 thousand  
jobs

