



Association
of Gas Producers
of Ukraine

UKRAINE'S GAS PRODUCTION OPPORTUNITY ENCOURAGING INVESTMENT



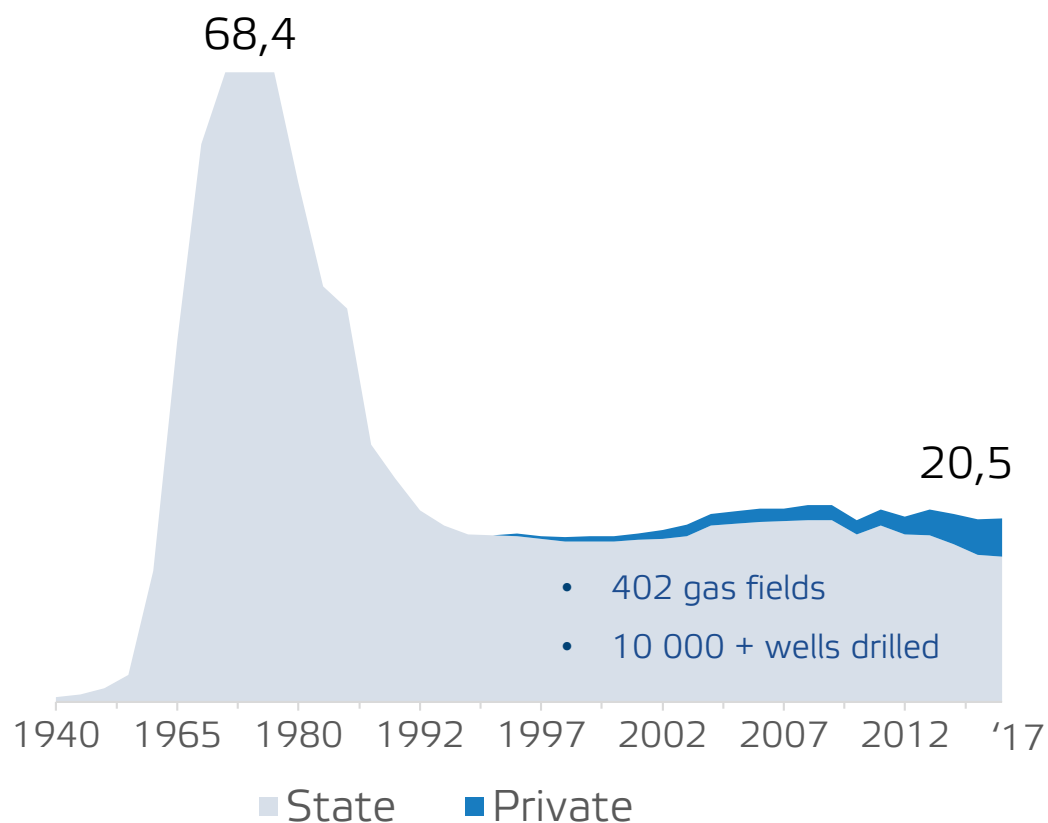
October
2018



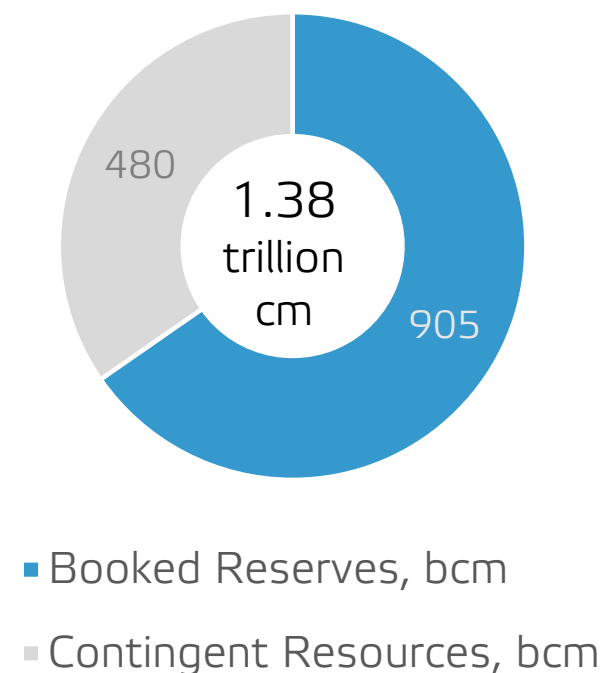


GAS-RICH COUNTRY WITH OVER 80 YEARS LONG EXPLORATION AND PRODUCTION LEGACY

Natural gas production in Ukraine bcm/year



Discovered Reserves and Resources

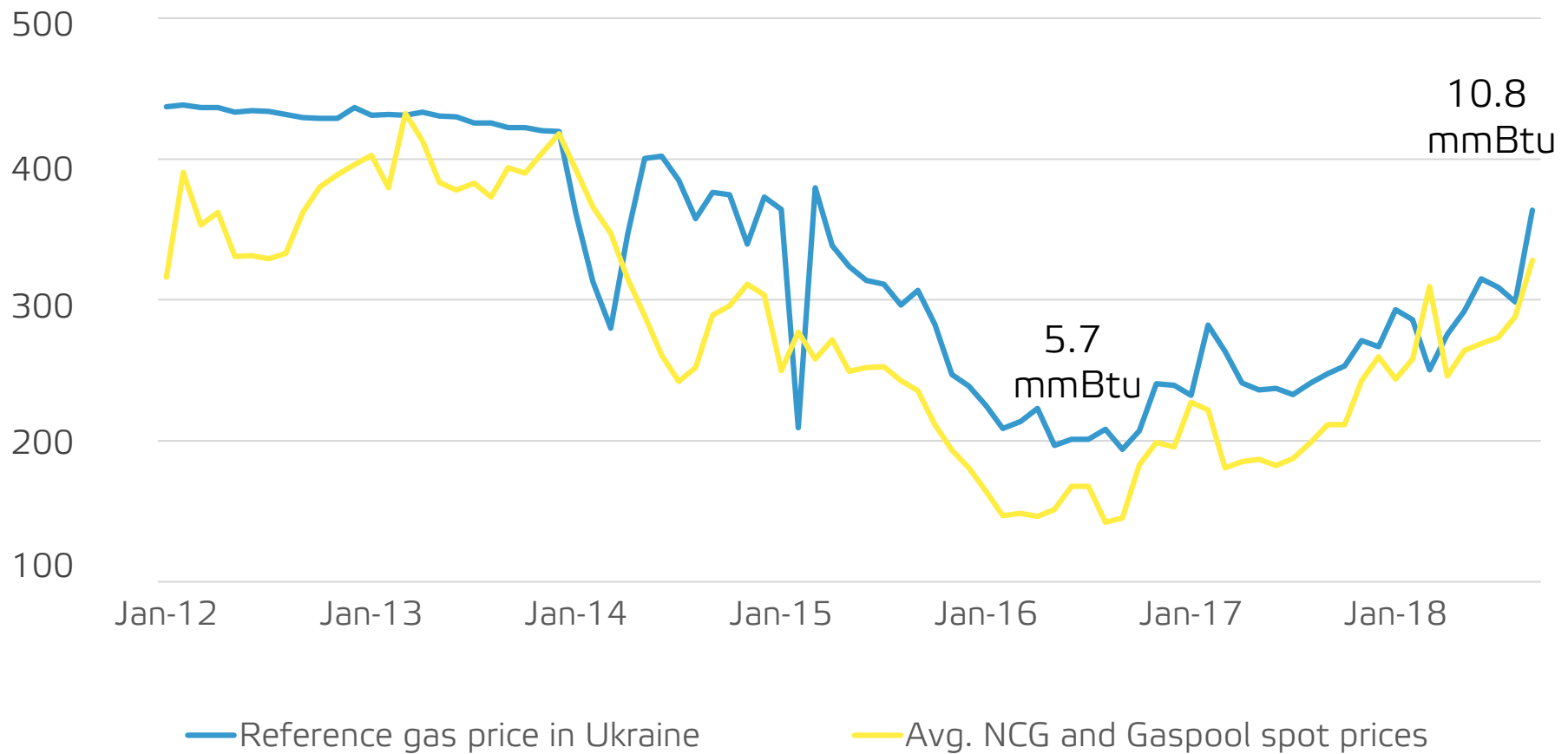




IMPORT PARITY PRICES TRADITIONALLY SECURES FAVORABLE NETBACKS FOR DOMESTIC PRODUCERS

Wholesale gas prices in 2012-2018

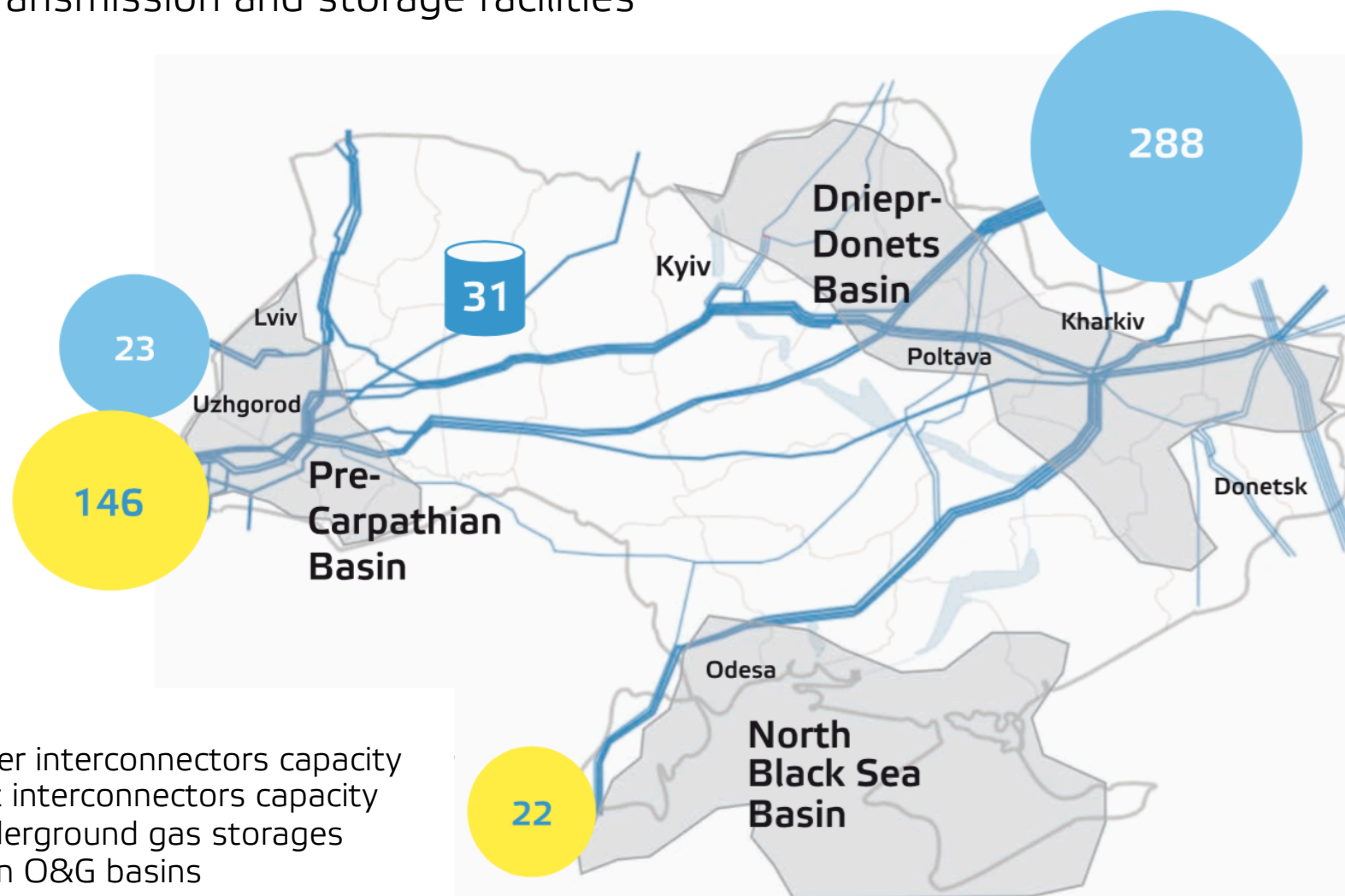
US\$/thcm, net of VAT





DEVELOPED MID-STREAM INFRASTRUCTURE ALLOWS FOR RAPID COMMERCIALIZATION OF NEW DISCOVERIES

Gas transmission and storage facilities
bcm





UKRAINE HAS THE LARGEST RIG FLEET IN EUROPE

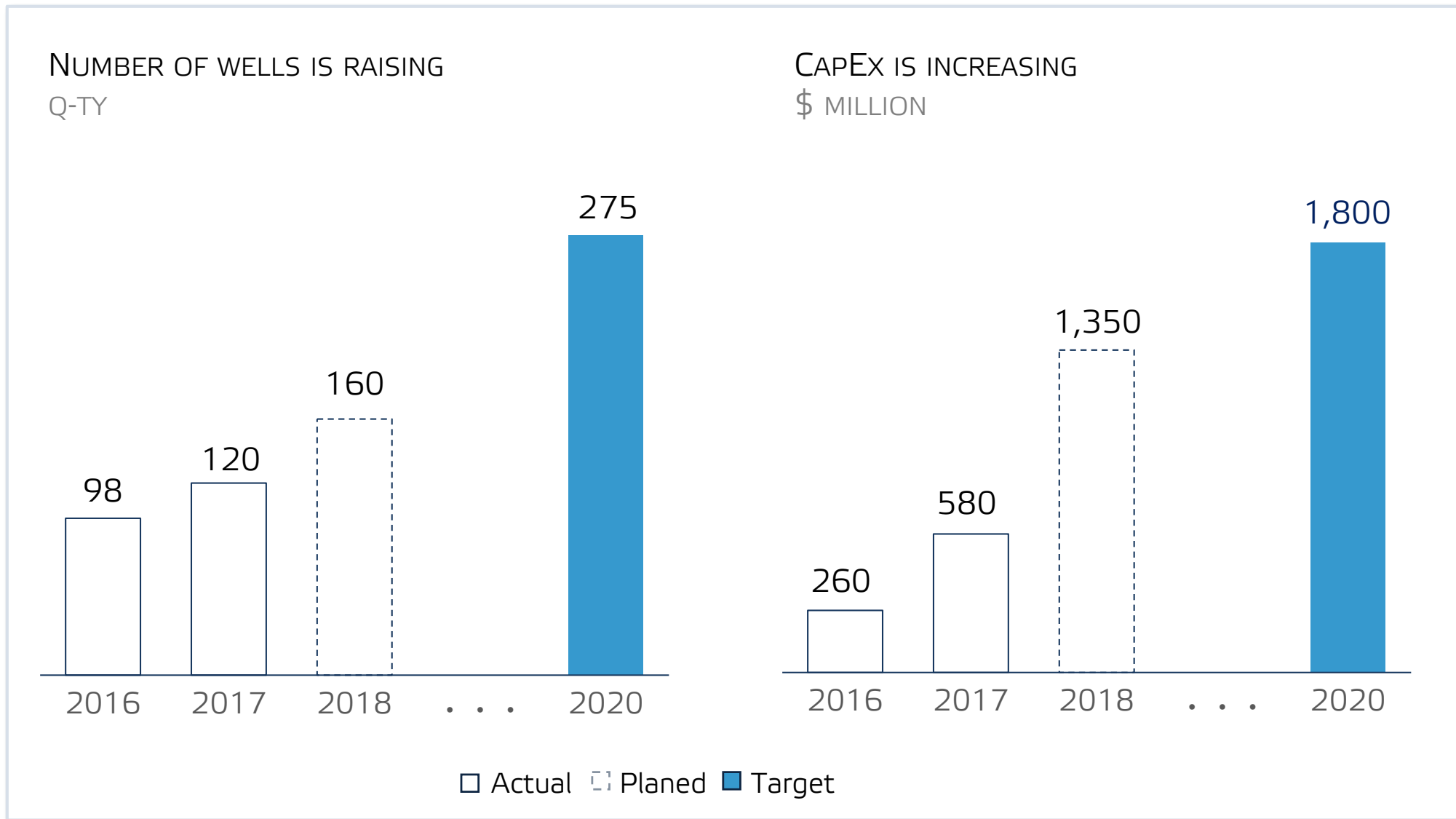
Number of active drilling rigs
onshore units



On top of that:

- Qualified local workforce
- Wide range of oil field services contractors
- Developed supply chain of manufactured goods (tubes, cement, etc.)

THE GROWTH OF INVESTMENT AND TECHNOLOGY APPLICATION ARE CRITICAL TO RUMP UP PRODUCTION

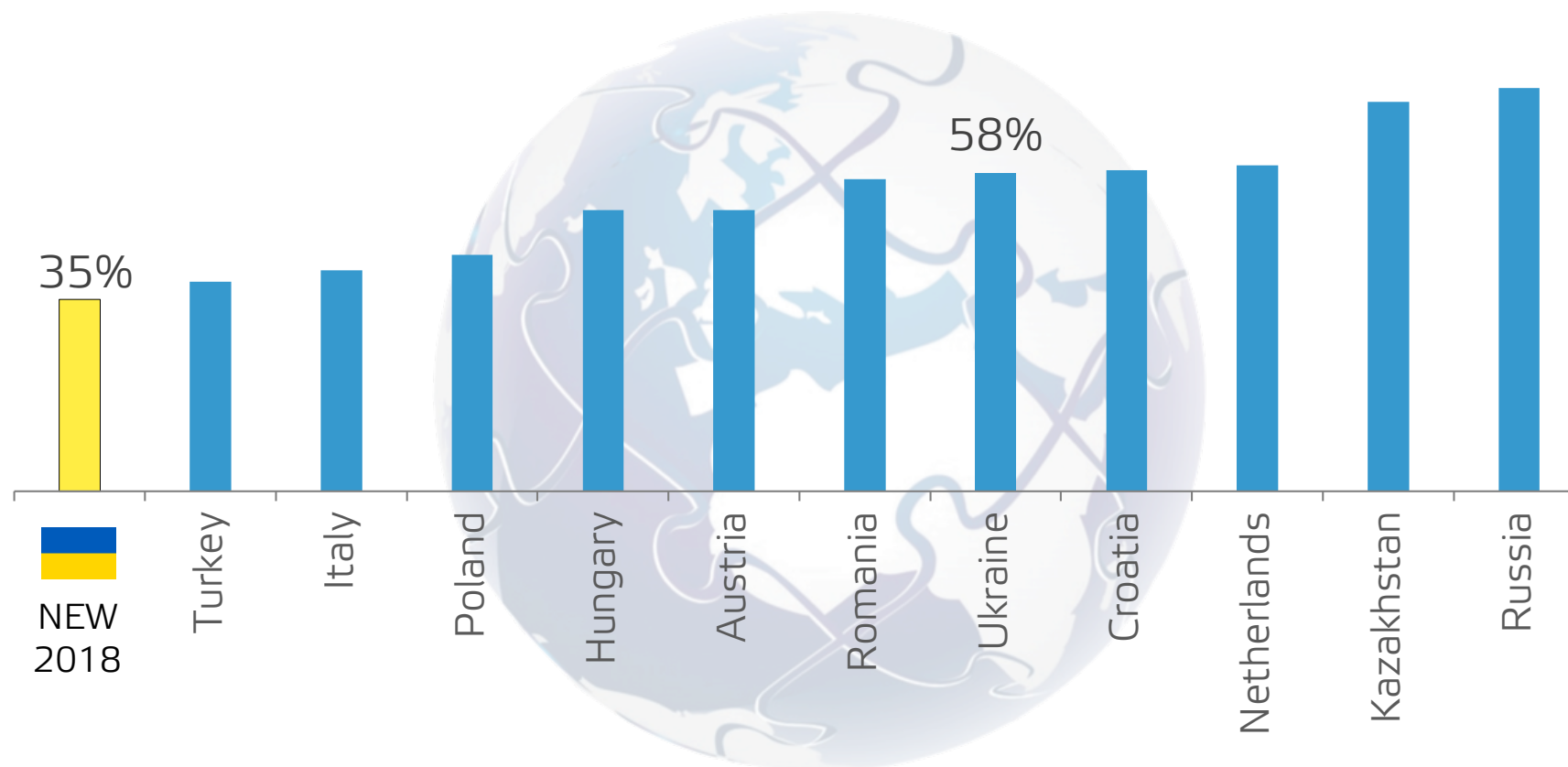




AN ATTRACTIVE AND STABLE FISCAL REGIME FOR GAS PRODUCTION HAS BEEN ESTABLISHED



Government share of pre-tax cash flow
onshore project

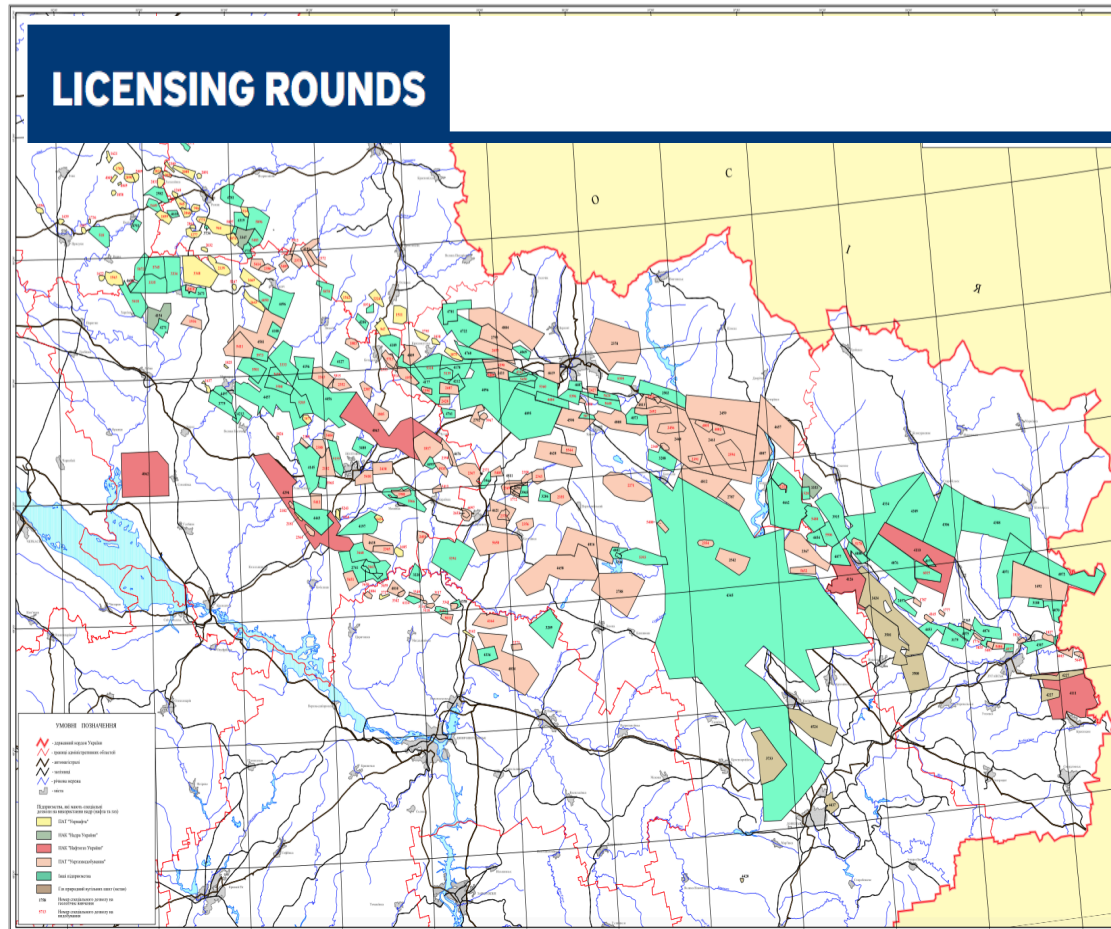
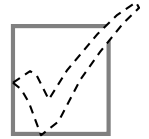




- The field development regulations have been improved in terms of time and simplicity
- Currently, there are three clear steps to be done by operators:
 - Acreage allotment
 - Wells' drilling permit (HSE)
 - EIA obtaining



THE GOVERNMENT IS GOING TO ANNOUNCE 1ST INTERNATIONAL O&G LICENSING ROUND



- Ukraine increased the transparency of the industry – **EITI law**
- Rules of **access to geological data** is supposed to be improved shortly
- Licensing rounds are planned to be conducted through **online public auctions**



Асоціація
газовидобувних
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UKRAINE
NATURAL GAS
PRODUCTION

PLAYBOOK 2018



Office of
the National
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UkraineInvest
Your Investment Matters



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C/M/S

Law . Tax