

652 DAYS

without
petroleum auctions

1,5 BILLION UAH

have been paid to local budgets
for the three quarters of 2018



«All companies of the Association, which are the eight largest domestic gas producers, annually have been reporting on international EITI standards, starting with the implementation of this initiative in Ukraine. We believe with the adoption of the law, other market participants will join this work.

The global goal of applying transparency standards in the extractive industries is to increase confidence in the sector by the state and society. It is also the establishment of partnerships with local communities, understandable «rules of the game» for business, prevention of abuse and corruption».

Vadym Pozharskyi
Chairman of the Board
Association of Gas Producers of Ukraine

HIGH-END TECHNOLOGY IN GAS PRODUCTION IS AN IMPORTANT STEP TOWARDS ENERGY INDEPENDENCE

In July, a round table discussion respecting development of the service market in the E&P sector took place at UGV. The speakers noted that the use of progressive practices will enable the drilling efficiency to be improved. The industry needs 12 strategic services, in particular, more modern units, fleets to intensify extraction and cementing, equipment to carry out 3D seismic, etc. The arrival of new service companies requires revision of the standard contractual terms and modernization of state norms, their adaptation to international standards.

THERE IS ENOUGH GAS IN THE STORAGES

As of the end of September, Ukraine has accumulated 16 bcm of gas in its underground gas storages. The analysis of the Ministry of Energy shows that the volume of gas of private suppliers exceeds 10% of emergency gas stock. This was achieved without the use of administrative measures and additional financial burdens.

From 2019, National Energy Regulator will update the **transportation tariffs for the TSO's services**. Differentiation of tariffs for the entrance to the gas transmission system for internal and cross-border points is stipulated.

In July, the Government amended the **Resolution No. 423** on the liberalization of the turnover of geological data, approved the **Roadmap** for conducting petroleum auctions and PSAs tenders and introduced the Procedure for **Online** licensing rounds. Documents will come into force after their publication.

Since the beginning of the year, in Ukraine, **four new gas fields have been discovered** in Kharkiv region. Three fields explored by UGV, one was discovered by Burisma Group.

TRANSPARENCY IN THE GAS PRODUCTION INDUSTRY MATTERS

In September, the parliament adopted the bill No. 6229 "On ensuring transparency in the extractive industries".

The document introduces international reporting standards for the E&P industries to ensure transparent rules, which in its turn should increase the investment attractiveness of the sectors.

The bill stipulates:

- opening of data on payments by extractive companies to the state and local budgets, social, environmental and other deductions;
- identification of areas that are not being effectively developed (dormant licenses);
- public's ability to evaluate the state's policy in the area of subsoil use and to control the decisions of local authorities.



