

Polish Oil and Gas Company (PGNiG SA)
Head Office

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Naftogaz urgently buys gas from PGNiG after Gazprom's withdrawal from starting deliveries to Ukraine

Naftogaz and Poland's PGNiG have signed a contract for urgent gas supplies following the yesterday's Gazprom's decision to refuse starting supply of gas to Naftogaz, which happened a day after the announcement of the award of the Stockholm Tribunal.

The contract with PGNiG is effective until the end of March 2018. The contracted volume totals over 60 mcm. The delivery started today at 6 a.m. through Hermanowice node that connects Polish and Ukrainian gas transmission systems.

"The current situation around gas supply proves that our focus on diversification of supplies was the right decision. Thanks to our Polish partners, yet another attempt of Moscow to use gas as a political weapon against Ukraine has failed. I hope that the EU and governments of the relevant member states will consider this case when making their final decision on Nord Stream 2," commented Naftogaz CEO Andriy Kobolyev.

"Energy solidarity and good cooperation between neighboring countries is our duty. Especially now that Ukraine has problems with deliveries from Russia and the demand for natural gas for household heating purposes has been on the rise due to harsh winter conditions", said Piotr Woźniak, President of PGNiG Management Board. Mr. Woźniak also explained that "We are prepared to increase the volume of deliveries or extend the effective term of the contract, depending on Ukrainian market demand. PGNiG can ensure stable and secure gas supplies thanks to its diversified portfolio of, which is a mix of domestic production in Poland and import supplies including regular deliveries of LNG from Qatar and USA.

PGNiG delivered to Ukraine over 1 bcm by the end of 2017.

Naftogaz is Ukraine's national group of companies operating in all segments of the oil and gas market, including trading, production, transportation, storage, refining and distribution. It accounts for about 80% of domestic production. The group sees its mission in promoting an efficient Ukrainian gas market integrated with the European Union to ensure affordable and secure energy supply to Ukrainian consumers.

PGNiG (Polish Oil and Gas Company) is the leader of the Polish natural gas market. The company's core business includes exploration and production of natural gas and crude oil. Its subsidiaries import, store, sell and distribute gaseous fuels. They also generate and trade heat and electricity. PGNiG holds stake in 30 companies including entities that provide professional geophysical, drilling and maintenance services. PGNiG holds exploration and production licenses in Norway and in Pakistan. One of its subsidiaries PGNiG Supply & Trading GmbH with a seat in Munich deals with gas trading in Western Europe and established its London international LNG trading office.