

## TRADING DATA ON THE NATURAL GAS EXCHANGE

| GET Baltic Exchange Participants |                                    | Granted rights for trading on the GET Baltic |             | GET Baltic Exchange Participants                                       |   | Granted rights for trading on the GET Baltic |             |
|----------------------------------|------------------------------------|--|-------------|--|---|--|-------------|
|                                  |                                    | To buy gas                                   | To sell gas |  |   | To buy gas                                   | To sell gas |
| 1.                               | AB „Lietuvos dujos“                | +  | +           | 19.  | LSMUL VŠĮ Kauno klinikos                  | +  | -           |
| 2.                               | „Lietuvos energijos gamyba“, AB    | +  | +           | 20.  | UAB „Grata group“                         | +  | +           |
| 3.                               | AB „Klaipėdos energija“            | +  | -           | 21.  | UAB „Dujotekana“                          | +  | +           |
| 4.                               | AB „Jonavos šilumos tinklai“       | +  | -           | 22.  | UAB „SOGA Baltic Oil“                     | +  | +           |
| 5.                               | UAB Kauno termofikacijos elektrinė | +  | +           | 23.  | Kodiani dujos, UAB (former UAB „Elsonta“) | +  | +           |
| 6.                               | AB „Panevėžio energija“            | +  | +           | 24.  | NORDARSI OÜ                               | +  | +           |
| 7.                               | AB „Kauno energija“                | +  | -           | 25.  | UAB „Haupas“                              | +  | +           |
| 8.                               | UAB „Saurama“ <sup>1</sup>         | -  | -           | 26.  | Akcinė bendrovė „Achema“                  | +  | +           |
| 9.                               | UAB IKEA Industry Lietuva          | +  | -           | 27.  | UAB „Šalčininkų šilumos tinklai“          | +  | -           |
| 10.                              | AB „Amber Grid“                    | +  | +           | <b>Exchange Participants registered during the second quarter 2014</b> |   |  |             |
| 11.                              | UAB „SBE Energy“                   | +  | +           | 28.  | UAB „GEOTERMA“                            | +  | -           |
| 12.                              | AB „Dvarčionių keramika“           | +  | -           | 29.  | UAB „Energijos kodas“                     | +  | +           |
| 13.                              | AB „Linas“ <sup>1</sup>            | -  | -           | 30.  | UAB Energijos tiekimo centras             | +  | +           |
| 14.                              | UAB „Maltosa“ <sup>1</sup>         | -  | -           | 31.  | AB „Klaipėdos kartonas“                   | +  | -           |
| 15.                              | UAB „Utenos šilumos tinklai“       | +  | -           | 32.  | UAB „Kauno stiklas“                       | +  | -           |
| 16.                              | AB „Šiaulių energija“              | +  | +           | 33.  | UAB „Vilniaus energija“                   | +  | -           |
| 17.                              | UAB „Nemenčinės komunalininkas“    | +  | -           | 34.  | Energijos tiekimas UAB                    | +  | +           |
| 18.                              | UAB „Orion Global pet“             | +  | -           |  |   |  |             |

<sup>1</sup> The status of exchange participants have been temporarily suspended

## FULFILLED DEALS AND OTHER TRADING DATA

| Natural Gas Prices on the GET Baltic Exchange (by the trading products) |            |          |           |                 |           |                       |
|---|------------|----------|-----------|-----------------|-----------|-----------------------|
|   | Q2 2013    | 2014     | 2014      | 2014            | Q2 2014   | Q2 2014 compared with |
|   |            | April    | May       | June            |           | Q2 2013               |
| Turnover (thou. LTL) <sup>2</sup>                                       | 507.68     | 3,145.57 | 6,298.77  | 26,543.35       | 35,987.69 | 35,480                |
| Average price (LTL/thou. m <sup>3</sup> ) <sup>2</sup>                  | 1,291.81   | 1,169.36 | 1,125.16  | 1,008.79        | 1,040.10  | -251.71               |
| Lowest price (LTL/thou. m <sup>3</sup> ) <sup>2</sup>                   | 1,275      | 1,150    | 999       | 999             | 999       | -276                  |
| Highest price (LTL/thou. m <sup>3</sup> ) <sup>2</sup>                  | 1,307      | 1,187    | 1,200     | 1,060           | 1,200     | -107                  |
|   | Total 2013 | Q1 2014  | Q2 2014   | First half 2014 |           |                       |
| Turnover (thou. LTL) <sup>2</sup>                                       | 66,595.61  | 2,735.12 | 35,987.68 | 38,722.80       |           |                       |
| Average price (LTL/thou. m <sup>3</sup> ) <sup>2</sup>                  | 1,156.39   | 1,144.88 | 1,040.10  | 1,046.87        |           |                       |
| Lowest price (LTL/thou. m <sup>3</sup> ) <sup>2</sup>                   | 1,101      | 1,139    | 999       | 999             |           |                       |
| Highest price (LTL/thou. m <sup>3</sup> ) <sup>2</sup>                  | 1,308      | 1,160    | 1,200     | 1,200           |           |                       |

<sup>2</sup> VAT excluded

**Trading Volumes on the GET Baltic Exchange (by the trading products)**

|   | Q2 2013 | 2014<br>April | 2014<br>May | 2014<br>June | Q2 2014   | Q2 2014 compared with<br>Q2 2013 |
|---|---------|---------------|-------------|--------------|-----------|----------------------------------|
| Turnover (thou. m <sup>3</sup> )                          | 393     | 2,690         | 5,598,10    | 26.312,00    | 34,600.10 | 34,207.10                        |
| Number of deals   | 35      | 21            | 65          | 99           | 185.00    | 150                              |
| Highest volume of fulfilled deals (thou. m <sup>3</sup> ) | 25      | 400           | 1000        | 1,425.20     | 1,425.20  | 1,400.20                         |
| Lowest volume of fulfilled deals (thou. m <sup>3</sup> )  | 1       | 1             | 1.9         | 1.3          | 1         | 0                                |
| Average volume of fulfilled deals (thou. m <sup>3</sup> ) | 11.23   | 128.10        | 86.12       | 265.78       | 187.03    | 175.80                           |

|   | Total 2013 | Q1 2014 | Q2 2014   | First half<br>2014 |
|---|------------|---------|-----------|--------------------|
| Turnover (thou. m <sup>3</sup> )                          | 57,589.10  | 2,389   | 34,600.10 | 36,989.10          |
| Number of deals   | 176        | 35      | 185.00    | 220,00             |
| Highest volume of fulfilled deals (thou. m <sup>3</sup> ) | 5,000      | 250     | 1,425.20  | 1,425.20           |
| Lowest volume of fulfilled deals (thou. m <sup>3</sup> )  | 0.1        | 10      | 1         | 1                  |
| Average volume of fulfilled deals (thou. m <sup>3</sup> ) | 327.21     | 68.26   | 187.03    | 168.13             |

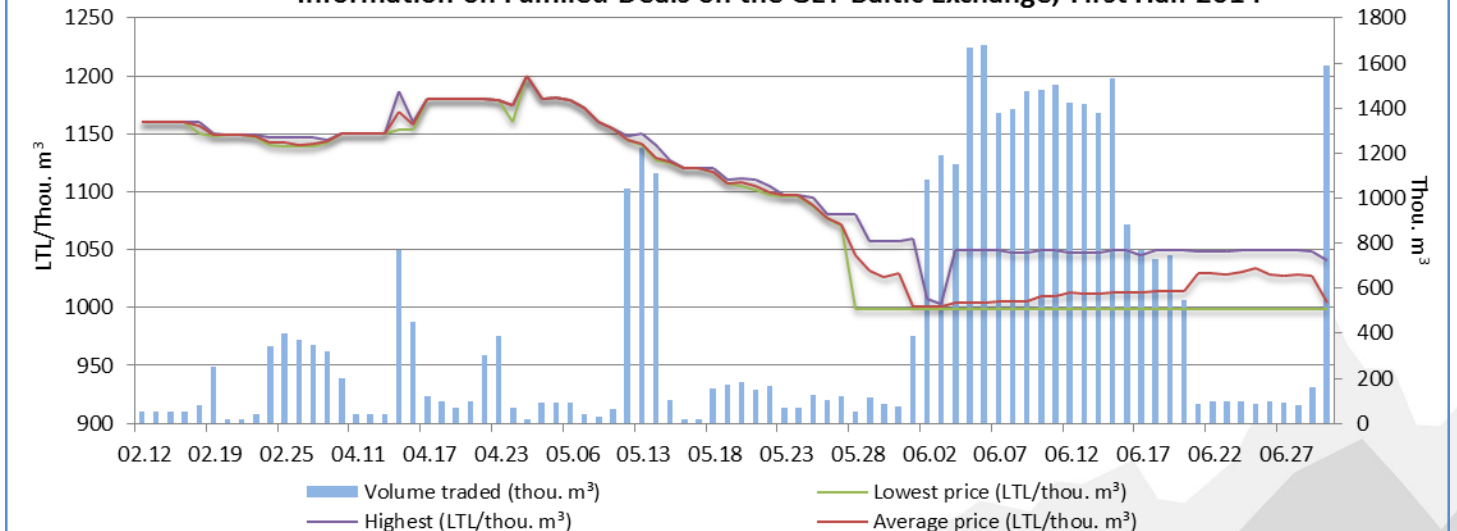
**Volumes Data of Submitted Commission on the GET Baltic Exchange (by the trading products)**

|   | Q2 2013 | 2014<br>April | 2014<br>May | 2014<br>June | Q2 2014   | Q2 2014 compared with<br>Q2 2013 |
|---|---------|---------------|-------------|--------------|-----------|----------------------------------|
| Total volume of commission to buy (thou. m <sup>3</sup> ) <sup>3</sup>  | 6,308   | 8,924         | 6,523.10    | 26,371.40    | 41,818.50 | 35,511                           |
| Total volume of commission to sell (thou. m <sup>3</sup> ) <sup>3</sup> | 13,101  | 21,716        | 19,933.80   | 38,059.30    | 79,709.10 | 66,608                           |

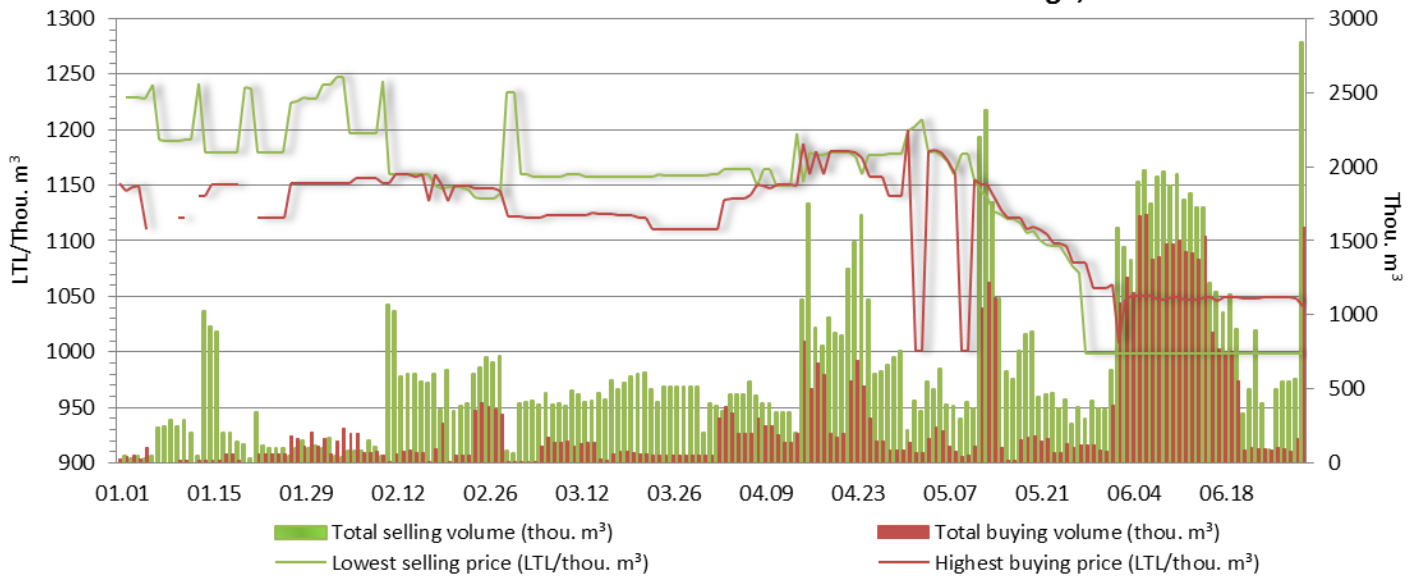
**Price Data of Submitted Commission on the GET Baltic Exchange (by the trading products)**

|  | Q2 2013  | 2014<br>April | 2014<br>May | 2014<br>June | Q2 2014  | Q2 2014 compared with<br>Q2 2013 |
|--|----------|---------------|-------------|--------------|----------|----------------------------------|
| Average price of commission to buy (LTL/thou. m <sup>3</sup> ) <sup>3</sup>  | 1,243.75 | 1,147.94      | 1,112.63    | 1,008.88     | 1,054.74 | -189.01                          |
| Average price of commission to sell (LTL/thou. m <sup>3</sup> ) <sup>3</sup> | 1,311.77 | 1,184.15      | 1,141.76    | 1,021.52     | 1,095.90 | -215.87                          |

**Information on Fulfilled Deals on the GET Baltic Exchange, First Half 2014**



**Information on Submitted Commissions on the GET Baltic Exchange, First Half 2014**



**REVIEW OF TRADE ON THE GAS EXCHANGE**

The trade turnover of second quarter of 2014 was 35.99 million m<sup>3</sup> of natural gas with a value of more than 34.6 million LTL, it is 34.21 million m<sup>3</sup> more than in second quarter of 2013. The average price was 1,040.10 LTL/thou. m<sup>3</sup> during second quarter of 2014, it is 251.71 LTL (24.20%) less when compared to the same period last year when average price was 1,291.81 Lt/thou. m<sup>3</sup>. In second quarter of 2014 the trading in the exchange was quite active, there were 185 deals realized, even the number of realized deals exceeded the total number of realized deals in 2013 (176 deals realized in 2013). The majority of deals were realized in June – 99 deals, 65

deals were realized in May and 21 deals realized April. The total traded volume in April was 2.7 million m<sup>3</sup>, in May total traded volume 5.6 million m<sup>3</sup> and in June – more than 26 million m<sup>3</sup>. The highest volume of the fulfilled deals was realized in June, it was 1.425,20 thou. m<sup>3</sup>. In second quarter of 2014 there was capture the lowest price from the start of exchange, it was 999 Lt/thou. m<sup>3</sup>, the deals on that price were realized in May and June. In second quarter of 2014 the highest price of fulfilled deal was 1,200 LTL/thou. m<sup>3</sup>, executed on 2 of May. The difference between the highest and the lowest price of fulfilled deals in second

quarter of 2014 was 201 LTL. The average price in June was 1,008.79 LTL/thou. m<sup>3</sup>, in May was 1,125.16 Lt/thou. m<sup>3</sup>, in April was 1,169.36 Lt/thou. m<sup>3</sup>. The second quarter of 2014 was different than others as the exchange participants traded more active with Natural gas of the nearest future days delivery period, there were realized deals until 32 nearest future days. To review the trade on the Exchange since the beginning of 2014, the total traded volume was about 37 million m<sup>3</sup> with a value of more than 38 million LTL. There were 220 deals realized, the average price was 1,046.87 LTL/thou. m<sup>3</sup>.

**OTHER IMPORTANT EVENTS IN THE GAS MARKET**

**RULES FOR THE USE OF THE LNG TERMINAL HAVE BEEN PREPARED AND APPROVED**

On 11 April 2014, the National Commission for Energy Control and Prices approved the Rules for the Use of the Liquefied Natural Gas (LNG) Terminal. The basic provisions of the Rules are as follows:

- All market participants gain a free access to the LNG terminal, and will be able to use the capacities of the LNG terminal;
- The Rules provide market participants intending to use the LNG terminal with clear and consistent description of a procedure and conditions of use;

- The procedure for the use of the LNG terminal provided for by the Rules must assure that the usage of capacities of the terminal is as efficient as possible. In accordance with these Rules, on 30 April 2014, the primary distribution of capacities of the LNG terminal was commenced – these capacities were distributed to first terminal users who will be able to use the LNG regasification and (or) LNG reloading services from the very beginning of exploitation of capacities of the LNG terminal. This stage of distribution of capacities of the terminal will last until the end of July. The capacities of

the terminal will be distributed on annual basis. As operation is escalated, the terminal will regularly update and announce information regarding free capacities. Please click this [link](#) to review a draft document (document in Lithuanian only).

**METHODOLOGICAL GUIDELINES OF THE PRICING MODEL FOR THE ENTRY AND EXIT POINTS OF THE NATURAL GAS TRANSMISSION SYSTEM HAVE BEEN PREPARED FOR A PUBLIC CONSULTATION**

On 26 May 2014, the National Commission for Energy Control and Prices submitted for

public consultation the draft methodological guidelines of the pricing model for the entry and exit points of the natural gas transmission system. Basic provisions of the draft methodological guidelines are as follows:

- Review of the current situation, the legal framework, and key market participants in the natural gas market;
- Description of strategically important investment projects in the transmission system;
- Presentation of the analysis of possible methodologies for the calculation of the pricing model of entry and exit points;
- Description of the most relevant methodologies for the Lithuanian natural gas transmission system;
- Description of principal guidelines of the pricing model for entry and output exit;
- Definition of the requirements applied to the entry data of the pricing model for entry and exit points;
- The analysis of implementation of the pricing model for input and output points in the context of currently applicable regulation.

Please click this [link](#) to review a draft document (document in Lithuanian only).

#### **AB AMBER GRID INCLUDED INTO THE LIST OF THE ENTERPRISES HAVING CONSIDERABLE IMPORTANCE TO ENSURING NATIONAL SECURITY**

On 24 April of this year the Parliament of the Republic of Lithuania approved the Law Amending Article 5 of the Law on Enterprises and Facilities of Strategic Importance to National Security and Other Enterprises of Importance to Ensuring National Security No IX-1132, whereby AB Amber Grid is included into the list of the enterprises having considerable importance to ensuring national security.

#### **APPROVED THE PROJECT CAPACITY ENHANCEMENT OF KLAIPĖDA-KIEMĖNAI PIPELINE**

Lithuania's and Latvia's Natural Gas Transmission System Operator on 29 April and 30 April 2014 adopted decisions on the cross-border cost allocation of European Union's Project of Common Interest (PCI) Capacity enhancement of Klaipėda-Kiemėnai pipeline in Lithuania between Lithuania and Latvia.

In the nearest future between the Lithuanian and Latvian regulators must be signed an agreement outlining the details of the financing of the project.

Implementation of this project would provide a possibility to fully use the capacity of the Liquefied Natural Gas Terminal in Klaipėda, with the effect of reducing energy isolation of the Baltic States, creating conditions for diversification of gas supply sources for market

participants of both Lithuania and other Baltic States and improving gas supply security situation in the region.

#### **PROVISIONS OF STANDARD CONTRACTS BETWEEN ENERGY PRODUCERS AND A DEDICATED SUPPLIER HAVE BEEN APPROVED**

On 29 April 2014, the National Commission for Energy Control and Prices approved the provisions of standard contracts between energy producers and a dedicated supplier. The basic provisions of standard contracts are as follows:

- Energy producers should firstly buy the mandatory volume of natural gas delivered through the LNG terminal;
- Determination of rights and duties of the parties to a contract, the procedure and conditions for the distribution of the mandatory volume of gas of the LNG terminal to energy producers;
- Determination of the procedure for fixing prices and the settlement of accounts for the gas delivered.

Please be reminded that on 10 February 2014, after the completion of the public tender arranged by the Ministry of Energy of the Republic of Lithuania, UAB LITGAS was adopted as a designated supplier.

Please click this [link](#) to review the provisions of standard contracts between energy producers and a dedicated supplier.

#### **AB LIETUVOS DUJOS HAS ENTERED INTO THE AGREEMENT ON REDUCTION OF THE NATURAL GAS IMPORT PRICE**

In early May this year, AB Lietuvos Dujos (LD) and the natural gas supplier OAO Gazprom entered into the agreement on a cut of the price for the natural gas imported by LD. According to publicly available information, the natural gas import price was cut down by approx. 20%, reduced price is applicable with a retrospective effect from 1 January 2013.

From 1 July 2014, natural gas tariffs for households were diminished as follows: the variable component was cut down by 20% on the average due to reduction in the gas import price and due to applicable compensation resulting from amendment to the provisions of the contract on natural gas import and the difference of import prices for 2013.

According to the information published by LD, non-household customers having contracts with AB Lietuvos Dujos have been provided with offers to amend the provisions of their natural gas purchase/sale contracts so that they would be able to cut down the natural gas price already for the month of May.

#### **THE GAS REGIONAL INVESTMENT PLAN 2014-2023 WAS PREPARED**

In March of this year AB Amber Grid together with other Transmission System Operators

(TSOs) of the BEMIP region have released the second edition of the Gas Regional Investment Plan (GRIP), which covers the planned investment projects within a 10-year period from 2014 to 2023 in the region. This plan was prepared following the requirement of Article 12(1) of the Regulation (EC) 715/2009. BEMIP GRIP provides an outlook of the development of the regional gas market, an update on regional initiatives and changes since the release of the first edition of BEMIP GRIP in March 2012. The present publication focuses on the analysis of a number of major gas infrastructure projects to be implemented within the region and their impact on the development of the regional gas market.

If you want to read this Gas Regional Investment Plan, please click this [link](#).

#### **A CONTRACT FOR THE BEST BID ON LNG SUPPLY HAS BEEN AWARDED**

On 26 May 2014, UAB LITGAS – the supplier of the minimal mandatory gas volume through the LNG terminal in Klaipėda, announced that it is going to continue negotiations with Statoil, the Norwegian company, which submitted to the public tender the best bid for a 5-year long-term supply contract.

UAB LITGAS negotiated with 3 potential suppliers from the end of January 2014. Statoil submitted the most competitive bid, which has won the tender according to the economic benefit criterion. It is expected that the final provisions of the contract will be approved before end of June, while the contract will be signed before mid of the summer.

#### **BOTH OAO GAZPROM AND E.ON RUHRGAS INTERNATIONAL GMBH HAVE SOLD THEIR AB AMBER GRID AND AB LIETUVOS DUJOS SHARES**

Lietuvos energija, UAB and UAB EPSO-G as buyers and E.ON Ruhrgas International GmbH and OAO Gazprom as sellers have entered into agreements on purchase of AB Lietuvos Dujos (LD) and AB Amber Grid (AG) shares.

A share purchase agreement was concluded with E.ON Ruhrgas International GmbH on 21 May 2014. On 19 June 2014, OAO Gazprom sold its AG and LD shares once Lietuvos Energija, UAB and UAB EPSO-G submitted their official offer to buy remaining shares. Other minor shareholders also used this offer.

After entering into the aforementioned deals, Lietuvos Energija, UAB holds 96.6 percent of LD shares, while minority shareholders own 3.4 percent of LD shares.

UAB EPSO-G is the holder of 96.6 percent of AG shares, while remaining 3.4 percent of AG shares belong to minor shareholders.

#### **SPECIAL PLAN FOR THE KLAIPĖDA-KURŠĖNAI GAS PIPELINE HAS BEEN ADOPTED**

To implement the strategic project of con-

struction of the Klaipėda–Kuršėnai transmission pipeline, in June the minister of energy adopted the special plan for the construction of the gas pipeline.

The aim of construction of the second line of the Project of the Klaipėda–Kuršėnai transmission pipeline is to form sufficient capacities for the transportation of natural gas from the Klaipėda LNG terminal to consumers both in Lithuania and other Baltic states. Once this Project is implemented, the market participants of the Baltics will be provided with the option to diversify their gas supply sources and to increase the competitiveness of the market. It is expected that the project of construction of the second line of the

Klaipėda–Kuršėnai transmission pipeline will be implemented by December 2015.

**CONSTRUCTION WORKS OF THE MAIN QUAY STRUCTURE OF THE LNG TERMINAL HAVE BEEN COMPLETED**

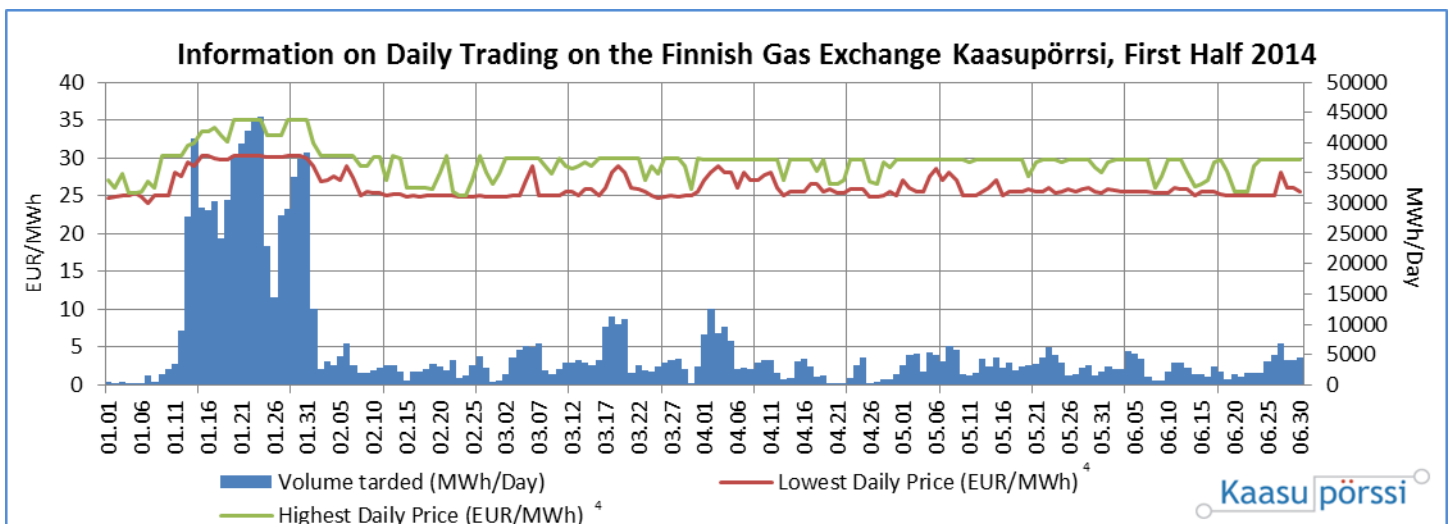
The construction works of the main quay structure of the LNG terminal were completed in June this year. The most important construction works of the quay service platform include: completion of concrete casting for the main platform structures, while the construction of the building is under way – erection works of the main framework are performed. The construction works of the gas platform and mooring sites are performed

simultaneously – concrete casting in the gas platform has been completed, mooring sites are being prepared for concrete casting, high pressure gas hoses are under assembly, these hoses soon will be transported by barges as individual modules and erected on the gas platform.

The main platform floor structure is installed on 24 concrete poles. The equipment required for the generation of energy, fire safety pumps, and the control board for processing equipment will be installed on the 30 m long and 24 m wide service platform. The pier for vessels servicing the LNG terminal will be constructed as well. The total length of the quay is 450 m.

**TRADING DATA ON THE FINNISH GAS EXCHANGE**

UAB GET Baltic together with the Finnish Natural Gas Exchange Kaasupörssi Oy is developing the regional gas exchange project, therefore there will be provided information about trading on the Finnish Natural Gas Exchange in these periodic reports.



<sup>4</sup> Taxes and costs of gas transmission excluded

**TRADING ACTIVITY IN THE FINNISH GAS EXCHANGE KAASUPÖRSSI**

**KEY FACTS ABOUT KAASUPÖRSSI:**

- Activity: Finnish Natural Gas Exchange
- Start of activity: from 2001
- Trading platform: same as GET Baltic's
- Number of participants: 27
- Traded volume in 2013: 2.03 TWh (218 Mm<sup>3</sup>)

The trading in the Finnish gas exchange Kaasupörssi was quite active in the second quarter of 2014. Trading volume for the 2Q/2014 was 32 Million cubic meters (0.30 TWh) compared to 20 Million cubic meters in 2Q/2013. The volume of natural gas is expressed here as cubic meters at 20°C temperature and in the normal atmospheric pressure.

In the first half this year the volume of traded

gas in the Kaasupörssi was 125 Million cubic meters (1.2 TWh) compared to 151 Million cubic meters in 1H/2013. The trading volume is down 17 percent compared to the first half last year. However, the main reason for the decline is that 1H/2013 was especially good for Kaasupörssi due to the extremely cold and long winter in 2013, whereas this year the winter was quite mild in Finland.

The volume of Kaasupörssi's trade amounted to about 7 percent of the total gas usage in Finland. The value of the trade was 35 Million Euros compared to 45 Million Euros in 1H/2013.

The number of trades was in total 51 000 (281 trades per day in average), with a 15

percent decrease compared to the same period last year (in 1H/2013).

The lowest price during the reporting period in the Exchange was 24 EUR/MWh (772 LTL/thou. m<sup>3</sup>) and the highest price was 35 EUR/MWh (1,126 LTL/thou. m<sup>3</sup>). These prices cannot be directly compared with the gas prices in the Lithuanian Exchange because of some key differences in the market structures.

In the 3Q/2014 the market situation for natural gas seems to remain challenging in combined heat and power (CHP) production due to the low price level of electricity in Finland.

Source: Finnish Gas Exchange - Kaasupörssi Oy

If you want to subscribe Reports of Trade on Natural Gas Exchange, you can do this on the web page [www.getbaltic.lt](http://www.getbaltic.lt) on the section "Subscribe!".