



Press release

31 July 2014

Natural gas transmission system operator AB Amber Grid announced its operating results for the first half-year of 2014

Pursuant to legislative requirements of the Republic of Lithuania, natural gas transmission system operator AB Amber Grid announces its pre-audited operating results for the first half of 2014.

In the first half of 2014, the Company's revenues accounted for LTL 88.1 million. Pre-tax and net profit totalled LTL 11.7 million and LTL 12.2 million, respectively.

During the first half of 2014, 1 385 MCM of natural gas was transported via the natural gas transmission system to Lithuanian consumers. Compared to the first half of 2013 (when gas transmission activity was carried out by AB Lietuvos Dujos), transmitted gas volumes declined by 13.2%, which came as a result of decreased gas consumption in Lithuania mainly due to warm winter season and the use of alternative fuel for electricity and heat production.

Gas transit to the Kaliningrad region in the first-half of 2014 amounted to 1 077 MCM and remained at a similar level as in the first half-year of 2013.

LTL 14.5 million was invested into the development, reconstruction and modernization of the gas transmission system in the first half-year of 2014.

"Despite the downward trends in the overall natural gas consumption volumes and warm winter season, better than expected half-year results were achieved due to the increase of efficiency of the Company's operations and technological processes"- said Saulius Bilys, the CEO of AB Amber Grid.

On 11 July 2014, AB Amber Grid signed contracts on construction of the gas pipeline Klaipeda – Kursenai (in the implementation of the project of the Capacity Enhancement of Klaipeda – Kiemenai Pipeline) and the purchase of pipes necessary for the construction. The total value of the contracts is LTL 187 million.

Upon the implementation of the project, a 110 km-long and 800 mm-diameter gas transmission pipeline from the Klaipeda LNG terminal interconnection point nearby Klaipeda to Kursenai will be built. The commissioning of the project is planned by the end of 2015.

The project is included in the EU List of Projects of Common Interest approved by the European Commission on 14 October 2013. A positive decision on partial financing of the project of the construction of the gas pipeline Klaipeda – Kursenai (Capacity Enhancement of Klaipeda – Kiemenai Pipeline) has already been made by the Lithuanian and Latvian national regulatory authorities. EU financial support under the

Connecting Europe Facility measure is expected for funding the construction of this gas pipeline. The relevant application for funding was submitted in June 2014.

In the first half-year of 2014, AB Amber Grid together with the Polish gas transmission system operator GAZ-SYSTEM S.A. continued the preparatory works for the implementation of the Gas Interconnection Poland - Lithuania (GIPL) project.

GIPL investment request is examined in the Agency for the Cooperation for Energy Regulators (ACER). ACER is expected to make a decision on cross-border cost allocation of GIPL by the end of July of this year. Upon the receipt of the decision, applications for financial support from the Connecting Europe Facility for territory planning, engineering and construction works of the interconnection will be prepared.

Since 1 August 2013, shares of AB Amber Grid have been listed on the secondary list of NASDAQ OMX Vilnius Stock Exchange.

Mindaugas Grinius, AB Amber Grid press officer

Tel.: (8 – 5) 232 7750