



**AB Amber Grid signed an agreement on the EU financial support for the construction of the Klaipėda-Kuršėnai gas transmission pipeline**

**Lithuania's Natural Gas Transmission System Operator, AB Amber Grid, and the European Union's (EU) Innovation Network Executive Agency (INEA) signed an agreement on the EU's financial support for the construction of the Klaipėda-Kuršėnai gas transmission pipeline. Under this agreement, the Project will be granted the EU support of EUR 27.6 million under the Connecting Europe Facility (CEF).**

The project for the construction of the Klaipėda-Kuršėnai pipeline (KKP) was initiated with a view to the creation in the north western part of Lithuania of a sufficient installed capacity to transport gas supplies from the Liquefied Natural Gas (LNG) Terminal in Klaipėda both for Lithuania's domestic customers and for gas customers located in the Baltic States other, thus creating opportunities for the Baltic market participants to diversify their gas supply sources, to ensure safety of gas supplies, to increase the reliability of the gas transmission system and to ensure gas market competitiveness.

Lithuania's current natural gas transmission system infrastructure is capable of intaking from the LNG terminal gas quantity that makes up approximately 40 percent of the LNG terminal's potential daily capacity. After the construction of the Klaipėda-Kuršėnai pipeline, possibilities would be created to exploit the maximum capacity of the LNG terminal, which could help meet more than 80 percent of the natural gas demand of the three Baltic States, which would still further increase the importance of the LNG terminal for the Region and possibilities of the diversification of gas supplies.

The expected output of the KKP project: newly constructed 110 km long 800 mm diameter gas transmission pipeline from the point of the connection with the LNG terminal in Klaipėda to the town of Kuršėnai. The Project Value: EUR 63.7 million.

Currently underway are intensive works for the construction of the gas transmission pipeline; the works that have already been completed include the delivery to the construction site of approx. 100 km of gas piping, the welding of over 80 km-long of gas pipeline section, of which approx. 50 percent have already been laid and buried. The construction is scheduled for completion end 2015.

*"The importance of the KKP project not only for Lithuania alone, but also for the entire Baltic States Region has been recognised also by the European Commission, which granted for the project financial support under the Connecting Europe Facility. The EU funding that has been received will significantly reduce the project impact on the transmission rates,"* said Salius Bilys, CEO of AB Amber Grid.

In October 2014, the CEF Coordination Committee–Energy approved the European Commission's Union-wide list of projects of common interest of electricity and gas infrastructure proposed to be granted EU support. The list includes two strategic projects implemented by AB Amber Grid. Alongside with the project for the construction of the Klaipėda-Kuršėnai pipeline, the EU financial assistance has been also granted to for the works for the development and construction of the Gas Interconnection Poland-Lithuania (GIPL) Project.