

Poland - Czech Republic gas pipeline

Description of the investment

The Polish - Czech gas pipeline is a common project of the Polish Gas Transmission Operator GAZ-SYSTEM S.A. and the Czech Transmission System Operator NET4GAS s.r.o.

The investment, along with fulfilment of tasks on the Czech side, will enable gas to be supplied from a new entry point to the Polish system with an initial capacity equivalent to approx. 0.5 bcm annually.

After the start-up of the Lasów point on the Polish - German border 11 years ago, this is the second interconnection with European Union States.

The route of the gas pipeline

• constructed by GAZ-SYSTEM S.A.:

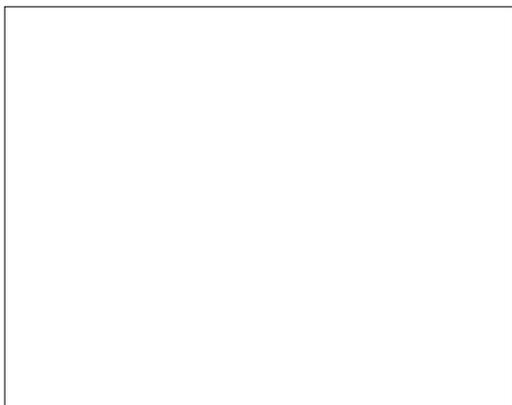
Gas pipeline which is 22 km in length, running from the Polish - Czech border in the Cieszyn region to Skoczów, and the measurement station located on Polish territory in the Cieszyn region.

The Polish section of the gas pipeline cross the territory of four communes: Cieszyn, Ha lach, D bowiec, and Skoczów. A gas pipeline runs on the Tranovice - Cieszyn - Skoczów route.

• constructed by Net4GAS s.r.o.:

Gas pipeline which is 10 km in length, running from the border to the connection location with the transmission system in Czech territory, in the region of Tranovice.

The Czech section of the gas pipeline runs on the Tranovice- Cieszyn route.

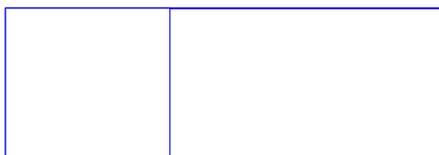


Benefits

The Polish-Czech gas pipeline is a key project both for Polish energy security as well as the for the energy security of the entire region. The cross-border connection, referred to as an interconnector, will enable the future transmission of the raw material from Poland to neighbouring countries.

The project fulfils the EU energy policy wherein the chief goal is to build an internal, integrated energy market by 2015. The free flow of gas between all Member States will require the development of the transmission infrastructure, above all the cross-border connections of gas networks. The integrated transmission system in the European Union guarantees the creation of an effective, safe and competitive gas market.

The Polish - Czech gas pipeline also constitutes a significant element of the planned [North - South Gas Corridor](#) which in the future will connect the LNG terminal currently under construction in winouj cie by a network of gas pipelines in Poland, the Czech Republic, Slovakia and Hungary with the Adria LNG terminal in Croatia. The gas corridor project will contribute to the development of the transmission system of Central Europe.



Planned North-South Gas Corridor

However, considering the crucial role that the Poland-Czech connection may have in the process of integration and liberalisation of the gas market in this region of Europe, GAZ-SYSTEM S.A. and NET4GAS s.r.o. will continue to cooperate in the scope of the further development of this connection and increasing its capacity to approx. 2.5 bcm per year.

- Communes which have a gas pipeline running through their territory at Polish side, obtain additional funding in the form of a property tax paid

annually by the investor in the amount of 2% of the investment value located in the given commune. This is a sum that regularly contribute to the commune's budget and that can be allocated for the needs of the residents and local communities.

Investment costs

- the total budget of the project - 28 MM EUR (on GAZ-SYSTEM S.A. outlays amounted to approximately 21 MM EUR),
- co-financing from EEPR - 14 mln EUR (including the GAZ-SYSTEM S.A. - 10.5 MM EUR and for NET4GAS s.r.o. - 3.5 MM EUR), which accounted for 50% of the planned outlays.

Read more [about the co-financing](#) the investment by European Union from European Energy Programme for Recovery.

Press release

14.09.2012- [The opening of the Poland - Czech Republic gas pipeline](#)

19.08.2011 - [Transport of gas through Poland-Czech pipeline possible from September 2011](#)

30.06.2011 - [Launching the procedure for considering transmission service applications at new entry point Cieszyn](#)



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