

Warsaw, 5 December 2014

PRESS RELEASE

## **Another large investment project of GAZ-SYSTEM S.A. with the approved EU grant**

**The European Commission confirmed that the maximum support of PLN 172 million may be granted from the European Regional Development Fund under the Programme for Infrastructure and Environment to the project entitled “Modernisation of a transmission system in Lower Silesia to improve its functionality and use the Poland-Germany connection in an optimum way”. This is already the fifth decision of the European Commission related to projects carried out by GAZ-SYSTEM S.A.**

On 3 December 2014, the European Commission issued a decision on the confirmation of the maximum grant of PLN 172 million for a large project entitled “Modernisation of a transmission system in Lower Silesia to improve its functionality and use the Poland-Germany connection in an optimum way”. The decision means that the project carried out by GAZ-SYSTEM S.A. meets a number of environmental, material and financial conditions and complies with priorities of the Operational Programme for Infrastructure and Environment 2007-2013 (POLIŚ).

The project entitled “Modernisation of a transmission system in Lower Silesia to improve its functionality and use the Poland-Germany connection in an optimum way” comprises the construction of high pressure gas pipelines at sections Lasów-Jeleniów and Gałów-Kietczów, as well as the construction of Jeleniów II gas compression station.

Gas pipelines of Lasów-Jeleniów and Gałów-Kietczów of approximately 60 km in total and Jeleniów II gas compression station will be located in the Dolnośląskie Voivodeship. The project is an important element of strengthening the security, reliability and operating flexibility of the gas transmission system mainly in Lower Silesia. The projects expand the Polish transmission system and aim at further development of the potential of the Poland-Germany interconnector.

At present, intensive construction works are carried out. They are to be completed in 2015. The project value is around PLN 381 million.

Total EU funds available under the Operational Programme for Infrastructure and Environment 2007-2013 for GAZ-SYSTEM S.A.'s projects amount to around PLN 1 billion. EU funds in total constitute up to 30% of funding for strategic investments carried out by GAZ-SYSTEM S.A.

GAZ-SYSTEM S.A. finalises its investment programme for the years 2009-2014, under which approximately 1200 km of new transmission gas pipelines are constructed in North-West and Central Poland. In June 2014, a gas pipeline at the section Świnoujście-Szczecin already obtained a use permission. In November 2014, a use permission was also granted to the gas pipeline at the section of Gustorzyn-Odolanów and the first stage of the gas pipeline at the section of Szczecin-Gdańsk.

## **2014-2023 Investment Programme**

The next stage of the development of the Polish transmission system will consist in constructing new gas pipelines coming within the North-South Gas Corridor supported by the European Union, which will enable to fully integrate the transmission infrastructure in this part of Europe. For that purpose, GAZ-SYSTEM S.A. plans to construct approximately 2000 km of new gas pipelines in west, south and east Poland in the years 2014-2023. At the same time, new gas connections with EU countries (including, without limitation, Poland – the Czech Republic, Poland – Slovakia, Poland – Lithuania) are also planned to be constructed.

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Gas Transmission Operator GAZ-SYSTEM S.A. is a strategic company for the Polish economy and is responsible for the transmission of natural gas and the management of key gas pipelines in Poland. In the years 2009-2014, GAZ-SYSTEM S.A. will construct over 1200 km of new transmission gas pipelines. The most important ones will be constructed in north-west and central Poland. The expansion of the gas pipeline system may form an important element of the North-South Gas Corridor, which integrates natural gas markets in CE countries. Projects carried out by GAZ-SYSTEM S.A. and a virtual reverse service on the Jamal gas pipeline have enabled to materially improve the energy safety of Poland by increasing technical import capacities from directions other than the East up to 70% of import (till 2011: 9%).

### Contact:

Małgorzata Polkowska  
Spokeswoman of GAZ-SYSTEM S.A.  
tel. 22 220 15 46, mobile 691 911 217  
e-mail: [pr@gaz-system.pl](mailto:pr@gaz-system.pl)