

UPDATE: Ukraine To Cut Reliance On Imported Energy By 12% Before 2030

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(Ukrainian News, Yevhen Holovatiuk, 03/15/2007) Ukraine intends to cut reliance on imported energy by 12% before 2030.

The Fuel and Energy Minister Yurii Boiko disclosed this when speaking at the Ukrainian Energy Summit in London.

In particular, the Minister said that in the next years the government wants to reduce consumption of gas in the metallurgical industry by 30% and in the chemical industry - by 20%.

As to him, Ukraine plans to actively develop alternative energy sources, particularly, it plans to construct plants for production of bioethanol and biodiesel, for processing coal into synoil.

Under expert estimates, now Ukraine relies on imported energy carriers by 30-35%.

As Ukrainian News has reported, on March 14 Boiko traveled to London (Great Britain) to attend the Ukrainian Energy Summit.

The Ukrainian Energy Summit is being held as part of the Ukrainian Investment Summit.

Boiko Refutes Statement By Chemists Union On Cabinet's Intention To Give Over Suspended Gas Wells To Chemical Enterprises

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[Ukrainian News](#)

English

Copyright 2007. (Ukrainian News, Denys Bezliudko, 03/15/2007) Fuel and Energy Minister Yurii Boiko has refuted the statement made by the Union of Chemists that the Cabinet of Ministers intended to give over temporarily abandoned gas wells to chemical enterprises using gas as raw material.

The minister told this at a press conference in London.

"We've received no such proposition at the official level, and if we do, we'll recommend that the Union of Chemists deal with problems in chemical sector, with those they understand," the minister said.

According to Boiko, reactivation of gas wells is a very labor-intensive process, which requires much money.

"Only specialized organizations should deal with that," the minister said.

As Ukrainian News reported, earlier the Union of Chemists said that the Cabinet intended to give over abandoned gas wells to chemical enterprises using gas as raw material.

In Ukraine six major producers use gas as raw material, including the Styrol concern (Donetsk region), Odesa Portside Plant (Odesa region), Rivneazot (Rivne), DniproAzot (Dnipropetrovsk region), Severodontesk Azot Amalgamation (Luhansk region) and Azot (Cherkasy).

The Ukrhaz-Energo joint venture and RosUkrEnergo signed an agreement on delivery of at least 55 billion cubic meters of natural gas to Ukraine at the price of USD 130 per 1,000 cubic meters in 2007.

Ukrhaz-Energo To Set Up Vertically Integrated Oil Company

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[Ukrainian News](#)

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(Ukrainian News, Yevhen Holovatiuk, 03/14/2007) Joint venture Ukrhaz-Energo is planning to create a vertically integrated petroleum company.

The company's board chairman, Ihor Voronin, said this during his meeting with representatives of the world's leading banks within the framework of the Ukrainian investment summit in London.

In his words, the main directions of extending Ukrhaz-Energo's business in 2007 must be the purchase of assets in the area of oil and natural gas extraction, the construction of an internal system for the sale of petroleum products, and participation in investment projects for the production of electricity.

Voronin reminded that in 2006 the company carried out a pilot project for the delivery and processing of petroleum at the Kremenchuk oil refinery in Poltava region.

"On the whole, positive work experience in this branch proved that the company must strive for building a vertically integrated system that must be based on its own resource basis, wholesale and retail network of petroleum product sales," Voronin said.

In his words, currently Ukrhaz-Energo is learning prospects for the purchase of oil and gas deposits in the territory of Russia and other hydrocarbon exporter countries.

As Ukrainian News reported, in November 2006, Ukrhaz-Energo purchased 250,000 tons of crude oil from Rosneft and Surgutneftegaz (Russia) for refining at the Kremenchuk enterprise.

Voronin then said that the company planned to import round 3 million tons of oil to Ukraine in 2007.

After that, in December 2006, Ukrhaz-Energo refused to process crude oil at Ukrainian refineries and sell fuel on the domestic market in 2007 because long-term development of this direction requires internal resources.

On February 2, 2006 NJSC Naftohaz Ukrainy and RosUkrEnergo created JV Ukrhaz-Energo, a closed joint stock company, for making gas supplies to Ukraine.

Ukrhaz-Energo sells natural gas to industrial enterprises and municipal heating utilities. It also sells gas to Naftohaz Ukrainy for the needs of the population, the fuel and energy sector and budget-sustained organizations.

Ukrhaz-Energo buys gas from RosUkrEnergo, an exclusive gas supplier to Ukraine.

Boiko, Merrill Lynch Discuss Investments In Ukrainian Energy Industry

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(Ukrainian News, Yevhen Holovatiuk, 03/14/2007) Fuel and Energy Minister Yuri Boiko and top managers of Merrill Lynch international investment bank have met about organization and attraction of investments in the Ukrainian energy industry.

The Ministry of Fuel and Energy informed Ukrainian News about their meeting during the Ukrainian Energy Summit in London, Great Britain.

The sides also talked about energy policy guidelines that might be to the interest of potential investors.

As Ukrainian News earlier reported, the Ukrtransnafta company obtained a loan of USD 120 million from Merrill Lynch for financing modernization of Ukraine's oil transportation system.

The Cabinet of Ministers promised to invest EUR 1 billion in modernization of the energy industry in 2007.

EUR 3 billion in interments into the energy sector is also among the government plans for the next few years.

Boiko left for London on March 14.

The Ukrainian Energy Summit is part of the Ukrainian Investment Summit.

Donbas Fuel And Energy Company To Issue Eurobonds Worth USD 150-200 Million In 2008

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(Ukrainian News, Denys Bezliudko, 03/14/2007) The corporation named Donbas Fuel and Energy Company intends to issue Eurobonds worth USD 150-200 million in 2008.

Reporters learned this from the company's director general Maksym Tymchenko.

"It is really to speak of the year 2008," said Tymchenko.

He added that the company has already started talks on placing Eurobonds and the first results will be seen in late 2007.

Besides, Tymchenko told that the company also eyes attracting a syndicated loan from foreign banks.

As Ukrainian News earlier reported, coalmines belonging to the Donbas Fuel and Energy Company increased coal mining by 1.9% to 3,790,000 tons during the July-September period of 2006, compared with the corresponding period of 2005.

The System Capital Management company (Donetsk) founded DFEC in February 2006 to manage its electricity generating enterprises.

DFEC unites 15 enterprises, including the Skhidenerho power generation company and the Servis Invest and PES Horenerho power distribution companies.

DFEC also includes the coalmines Pavlohradvuhillia, Komsomolets Donbasu, and Mospyne Coal Processing Enterprise Ltd.