

Argus: Burisma pins hopes on further reform

Burisma Group aims to produce 1.5 bn cubic m in 2017, but the outlook beyond this year depends on Ukrainian fiscal reform

KYIV, UKRAINE, October 30, 2017 /EINPresswire.com/ -- Ukraine's second-largest privately owned gas producer, [Burisma](#), aims to produce 1.5 bn cubic m in 2017, but the outlook beyond this year depends on Ukrainian fiscal reform. Chief executive Taras Burdeinyi described the obstacles to future output growth in a recent interview with [Argus](#). Edited highlights follow:

Can you outline your investment priorities for 2017-18?

[Burisma Group](#) approved an ambitious investment programme at the start of 2017, envisaging 20 new wells and a significant increase in gas production to more than 1 bn cubic m/yr. Planned investment in exploration, drilling and extraction will be more than 3 bn hryvnia (\$112 mn). Of the 20 wells — of a combined 100,000 m — six will be deeper than 5,000 m and feature complex profiles, with vertical deviation of more than 1,000 m. We have already implemented two-thirds of this plan.



We have also started modernising the gas treatment plants at the Vodyanovskoye and Karaykozivskoye fields, investing more than HRN 150 mn. We expect to increase storage capacity at Vodyanovskoye to 1 mn cubic m from 300,000 cubic m, while reconstruction of the gas treatment plant at Karaykozivskoye will allow us to raise output capacity to 1.5 mn cubic m/d from 300,000 cubic m/d.

What are Burisma's expectations for production this year and in 2018?

The constant increase in the number of wells and the implementation of the latest technologies have already allowed us to significantly increase output. We plan to produce 1.5 bn cubic m in 2017. Next year, we will evaluate the results of this year's investment. But we strive to achieve more ambitious goals every year.

What rate of subsoil tax would boost domestic gas production?

There is no specific figure that answers the question. To further develop the Ukrainian gas industry, we must create a fair fiscal environment that attracts investors. For now, Ukraine is in a



News, prices and analysis from the Former Soviet Union and Central Europe [argusmedia.com](#)

Volume XXII, 40, 12 October 2017

Burisma pins hopes on further reform

Ukraine's second-largest privately owned gas producer, Burisma, aims to produce 1.5bn m³ in 2017, but the outlook beyond this year depends on Ukrainian fiscal reform. Chief executive Taras Burdeinyi described the obstacles to future output growth in a recent interview with Argus. Edited highlights follow:

Can you outline your investment priorities for 2017-18?

Burisma Group approved an ambitious investment programme at the start of 2017, envisaging 20 new wells and a significant increase in gas production to more than 1bn m³/yr. Planned investment in exploration, drilling and extraction will be more than 3bn hryvnia (\$112mn). Of the 20 wells — of a combined 100,000m — six will be deeper than 5,000m and feature complex profiles, with vertical deviation of more than 1,000m. We have already implemented two-thirds of this plan.

We have also started modernising the gas treatment plants at the Vodyanovskoye and Karaykozivskoye fields, investing more than HRN150mn. We expect to increase storage capacity at Vodyanovskoye to 1mn m³ from 300,000m³, while reconstruction of the gas treatment plant at Karaykozivskoye will allow us to raise output capacity to 1.5mn m³/d from 300,000 m³/d.

Burisma pins hopes on further reform

less advantageous position than neighbouring countries, such as Romania, Poland, Slovakia and Turkey.

Is the government's gas production target of 27 bn cubic m/yr by 2020 realistic?

It will definitely take a while to achieve this level of output. But we hope that 2018 will be a year of change. The government is gradually becoming more supportive of our initiative and more open to easing regulations. But there is still a need for foreign investment.

Does Burisma plan to sell more of its own gas production through Ukrainian energy exchange UEE?

We have started purchasing goods and services through the ProZorro electronic procurement system this year and, as a result, we started supplying gas to large Ukrainian enterprises — such as water utility Vodokanal Kiev, Ukraine's postal service and the Kiev metro. Trading exchanges are an essential part of this process. All of Burisma's uncontracted gas will be offered through the UEE in future — we sold our first 7 mn cubic m on the exchange in May. Since then, we have sold more than 20 mn cubic m through various trading exchanges.

You recently imported gas from Europe. Do you plan to do more of this?

This was new for Burisma, but it is not our immediate strategy. We have an extensive list of loyal, long-standing customers and imports helped us to meet their needs. But with the implementation of Ukraine's strategy to increase gas production, the need to import will gradually decrease.

Burisma Group is the largest independent natural gas producer in Ukraine. It is a vertically integrated holding company engaged in the exploration, production, service, and sale of hydrocarbons. Burisma operates the largest modern rig fleet and hydraulic fracking fleet as well as seismic equipment in Ukraine and across the region. Founded in 2002, Burisma is a market leader with annual natural gas production more than 1 bln cubic m and over 30% market share. Burisma is striving to become an active market player across Europe, as well as worldwide, and to stand out by virtue of its values and experience. Burisma is seeking to strengthen its role in the field of global energy development, with an emphasis on exploiting new technology.

<http://burisma-group.com/eng/>

Burisma Group
Burisma Group
0 800 212 996
email us here

This press release can be viewed online at: <http://www.einpresswire.com>

Disclaimer: If you have any questions regarding information in this press release please contact the company listed in the press release. Please do not contact EIN Presswire. We will be unable to assist you with your inquiry. EIN Presswire disclaims any content contained in these releases. © 1995-2018 IPD Group, Inc. All Right Reserved.