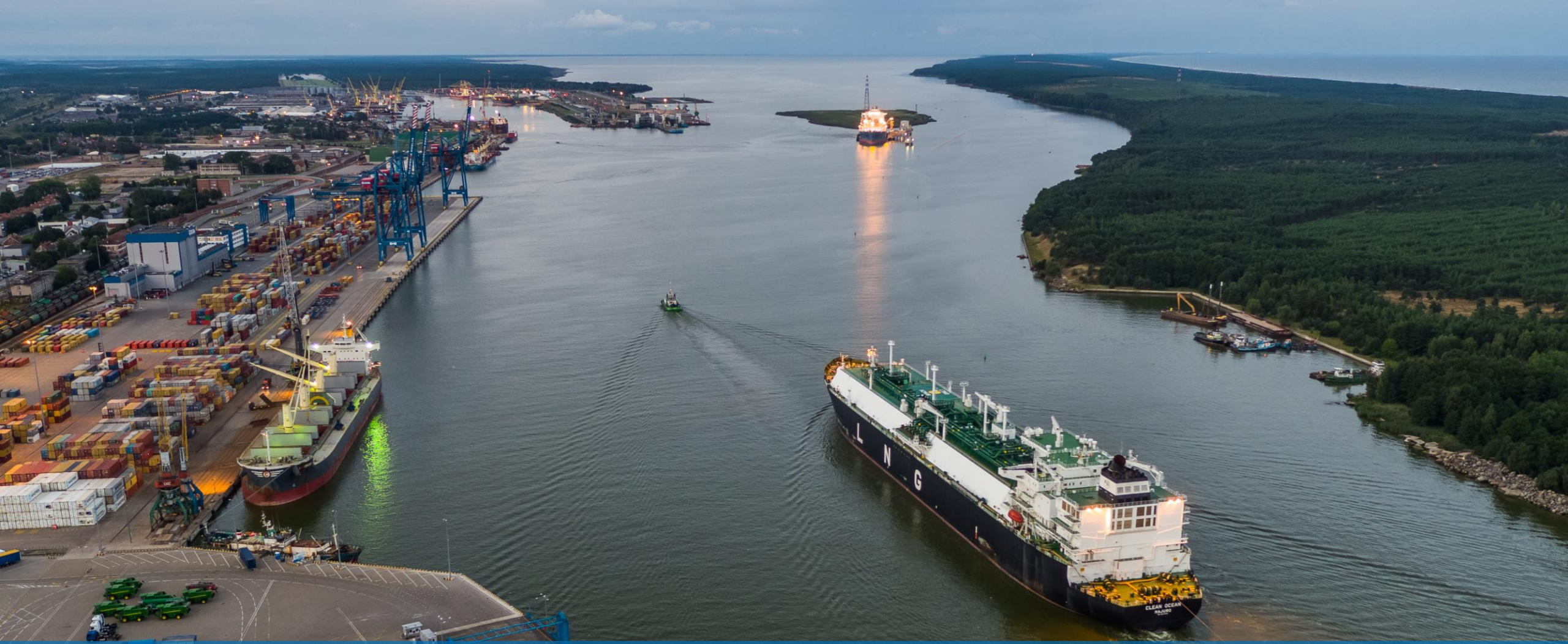


Lietuvos energija
TIEKIMAS

PART OF LIETUVOS ENERGIJA GROUP

DRUSKININKAI CASE MODEL – THE TURNING POINT FOR SMALL-SCALE LNG APPLICATION IN LITHUANIA

Lietuvos Energija (LE) Group structure

Ministry of Finance of the Republic of Lithuania

Lietuvos energija

Power generation	Renewables	Distribution (DSO)	Energy supply
Lietuvos energija GAMYBA Lietuvos energija VILNIAUS KOGENERACINĖ JĖGAINĖ Lietuvos energija KAUNO KOGENERACINĖ JĖGAINĖ	Lietuvos energija RENEWABLES	eso	Lietuvos energija TIEKIMAS ENERGIJOS TIEKIMAS merger in 2019

Shared Services (IT, HR, Accounting, Procurement, Legal, Communication)

LE Group key figures 2018

REVENUES

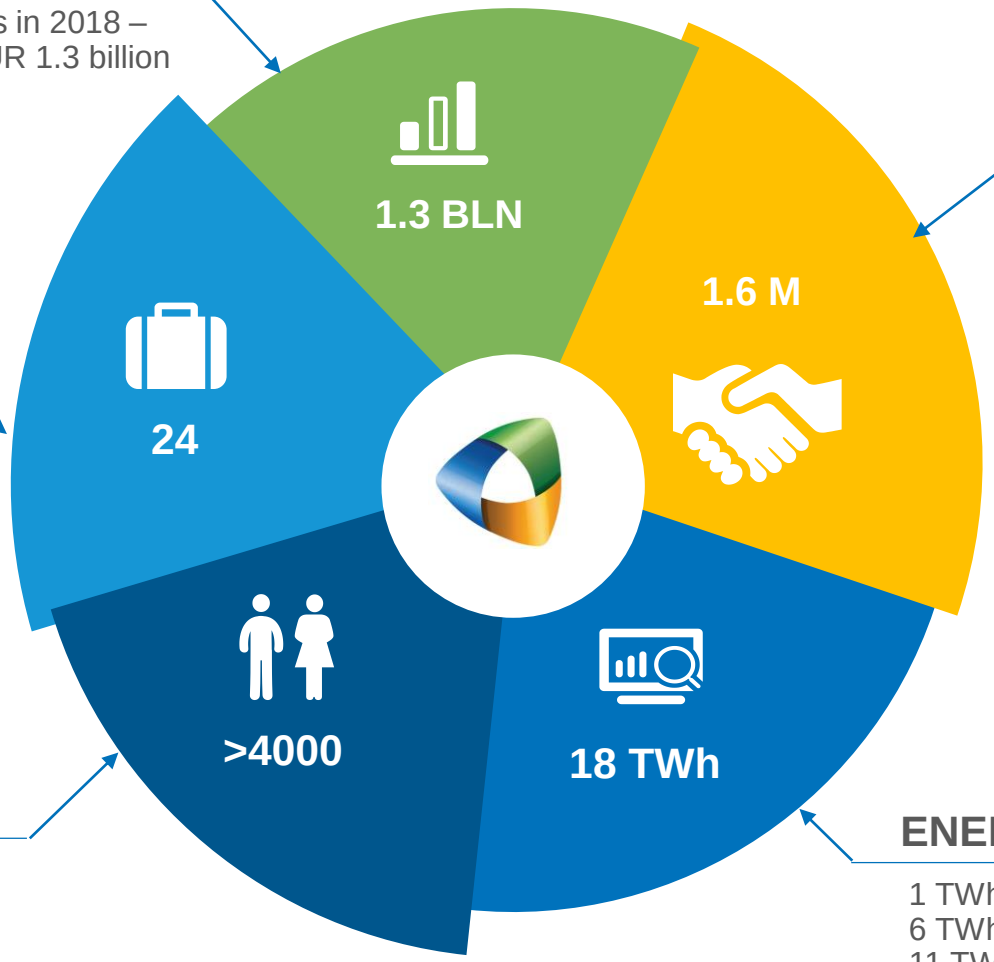
Revenues in 2018 – above EUR 1.3 billion

CLIENTS

More than 1.6 M clients in Lithuania

COMPANIES

24 companies in LE Group



EMPLOYEES

We have more than 4000 employees

ENERGY PORTFOLIO

1 TWh power production
6 TWh power sales
11 TWh natural gas sales

Lietuvos energija TIEKIMAS

LET natural gas activities

Lietuvos energija TIEKIMAS

Regulated activity:
LNG for constant terminal operations

- Designated supplier (10 years) – entity of strategic importance to national security
- Long-term contract with Equinor ASA up to 2024
- Annual delivered volume 3.8 TWh (4 LNG cargoes per year)

Commercial activity:
Gas supply and trading

- Leading gas supplier to businesses
- Leading gas supplier to households
- Gas sales in other Baltic countries

Commercial activity:
LNG trading

- SPOT LNG purchases
- SPOT LNG sales
- Master Trade Agreements with 12 global LNG suppliers

Commercial activity:
SSLNG development

- Offshore LNG (reloading)

- Onshore LNG (truck loadings)

- Other business areas

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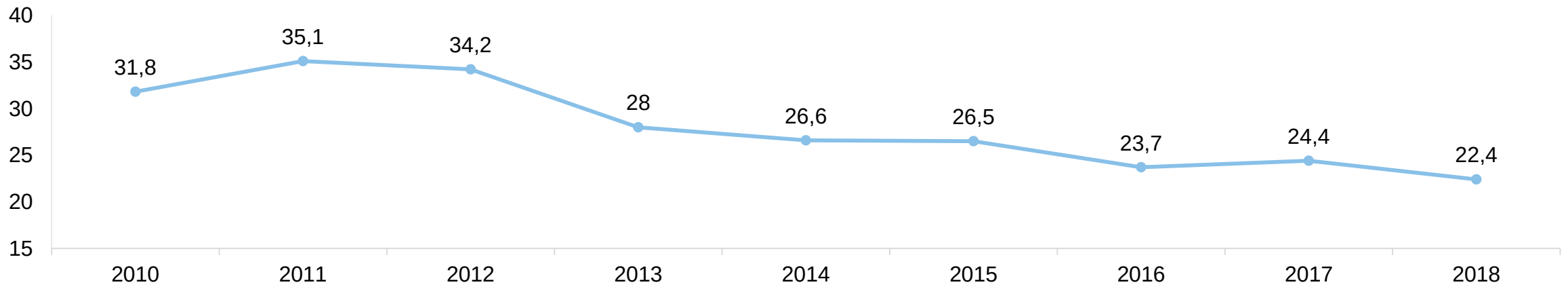
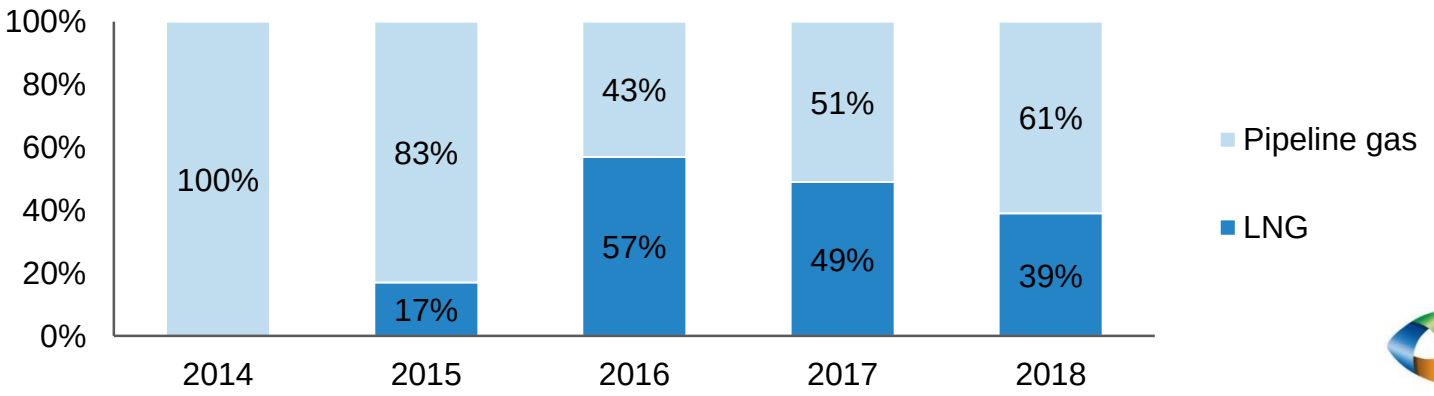
Natural gas market in Lithuania

Lithuanian natural gas consumption 2010 – 2018 (TWh)



Lithuanian natural gas import structure 2014 – 2018 (%)



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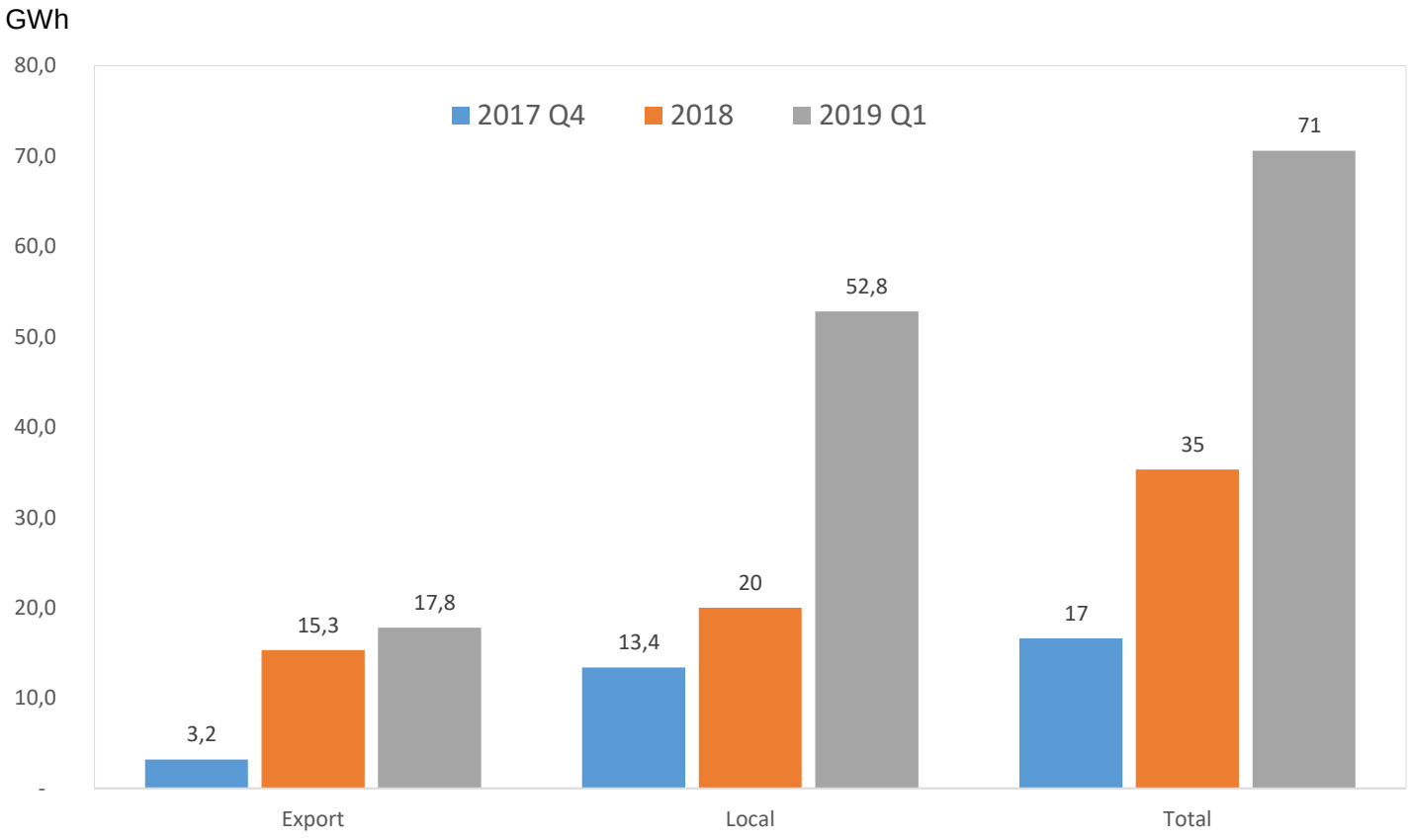
New opportunities for SSLNG development in Lithuania (onshore sales)



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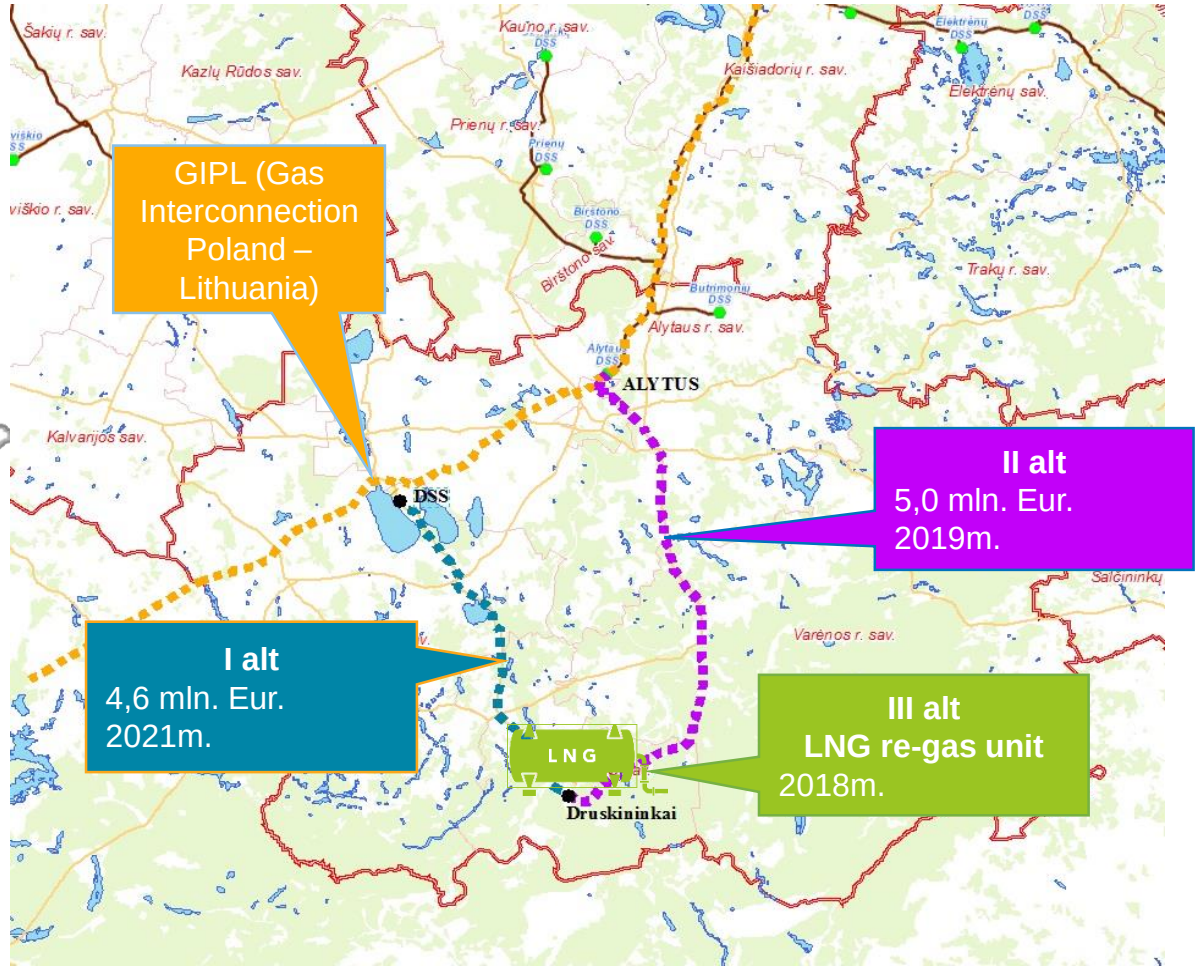
Off-grid market in Lithuania

Alternatives of supply



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Druskininkai – icebreaker in Lithuanian LNG re-gas market (first year of operations)

Before 2018		Status quo
Local grid (disconnected from national distribution system)	Temporary LNG re-gas infrastructure well established	**Permanent LNG infrastructure being accomplished at 2020 Q2**
The only source of supply (pipeline from the Belarus)	Diversification of sourcing settled	**Free market competition achieved**
High natural gas prices (the highest in Lithuania)	Security supply implemented	**Natural gas prices for households decreased by double**
1000 users disconnected (by choice)	2 800 household clients 8 business clients New ones approaching	**Contagious example and snowball effect in the market (new LNG re-gas cases established and developed)**

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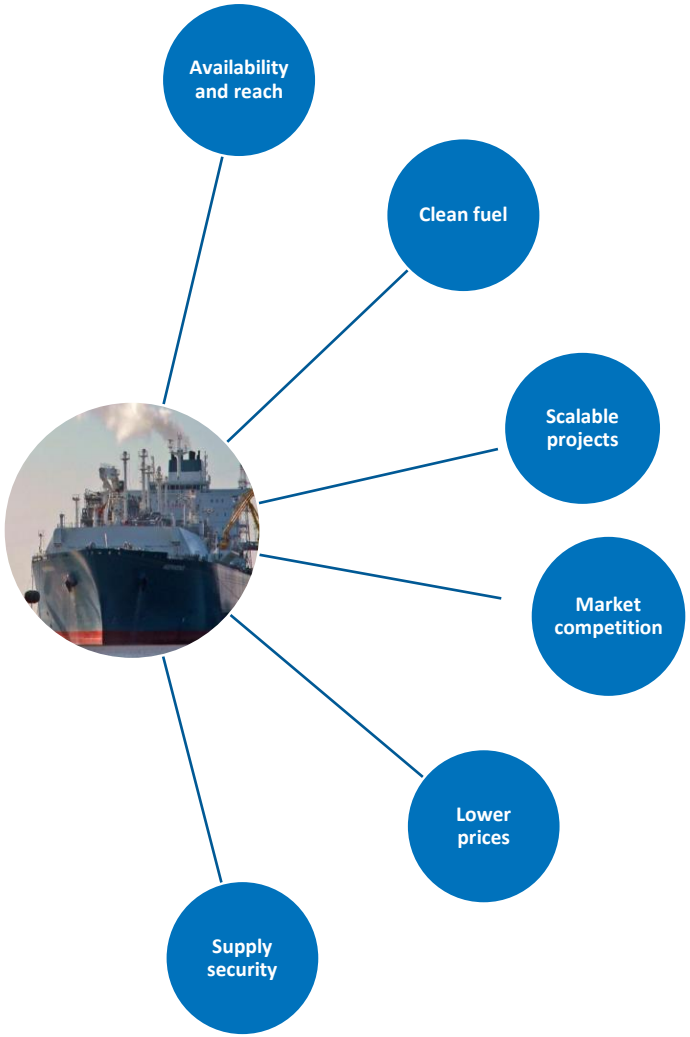
The Plan: Sustainable value added services at a market responsive pricing

The milieu	The imperative	The success
Supply and demand	Supply efficiency	Reliability and sustainability
Competitiveness	Operational flexibility	Value driven partnerships
Legal environment	Technological capacity	Constant innovations
Additional resources	Continuous enhancements	Customer a winner

Lietuvos energija TIEKIMAS

Main benefits of SSLNG value chain the Baltic region



Higher usage of **clean fuel**

Market competition and **lower LNG prices**

Increased market reach and **regional exports**

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