

Moravia Gas Storage Opens a New Gas Storage Facility in Dambořice

Dambořice 1 July 2016 – On 1 July 2016, Moravia Gas Storage a.s. (MGS), joint venture company of MND and Gazprom Export LLC, will put into service one of the largest and most advanced underground natural gas storage facilities in the Czech Republic. Featuring a maximum capacity for 450 million cubic meters, the facility has been built by MGS in a partially depleted crude oil deposit near the municipality of Dambořice. The new gas storage is fitted with state-of-the-art technology that guarantees high flexibility for gas injection and delivery as well as top-class operating safety standards. The facility will provide jobs to 19 specialists.

"The construction of the storage facility began two years ago, and installation work was completed at the end of 2015. Afterwards an ensemble of inspections were carried out and comprehensive injection and delivery tests were successfully performed in the spring. Equipment was supplied and installation work performed by approximately 30 contractors, mostly Czech companies. We succeeded in completing the project by the planned deadline, and the facility is now ready for use," described Miroslav Jestrabík, member of the Board of Directors of MND a.s.

The Dambořice gas storage features modern technologies, such as Ariel compressors and Caterpillar motors. The facility has been built in a partly depleted crude oil deposit, the largest one ever found and exploited in the Czech Republic. Depleted deposits are the most suitable sites for gas storage because they contain porous rocks that are needed for the injection and storage of gas on the one hand, and natural sealants in the form of clay and other impermeable rocks that surround the underground storage space on the other hand. Crude oil production at Dambořice will continue concurrently with the use of the site for gas storage purposes.

"The technology deployed at the storage facility is highly flexible, which will allow us to switch from the delivery mode to the injection mode and vice versa within two hours after the use of one mode is terminated," explained Karel Luner, Member of the Board of Directors of MGS. The new storage facility will employ 19 specialists who will work in several shifts to secure operation on a round-the-clock basis.

In selling storage capacity offered by the Dambořice facility, MGS proceeded in accordance with the current rules for third-party access set forth under Czech and European energy-sector laws. All sold capacity has been allocated to users based on auction mechanisms. Together with putting the facility into service, MGS withdraws a complaint and terminates a several-years-long dispute regarding the invalidity of the European Commission's decision that cancelled an exemption from the duty to provide third party access.

MGS has invested over 2.5 billion crowns into the construction of the storage facility. MGS is a joint venture of MND a.s. and Gazprom Export LLC. Gazprom Export LLC will be largest user of the Dambořice gas storage facility.



Damborice UGS – Overview of Parameters

Maximum working gas capacity	448 million Nm3
Cushion gas	436 million Nm3
Maximum injectability	4.5 million Nm3/day
Maximum deliverability	7.5 million Nm3/day
Operating pressure range	9.5 - 18.5 MPa

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MND Group

MND Gas Storage a.s. builds and operates underground gas storage facilities. The company is a member of the MND Group, the largest Czech corporation that specializes in crude oil and natural gas exploration and production, drilling and support services, natural gas storage and trading, and the supply of natural gas and electric power to residential customers. For more information, visit www.mnd.eu.