

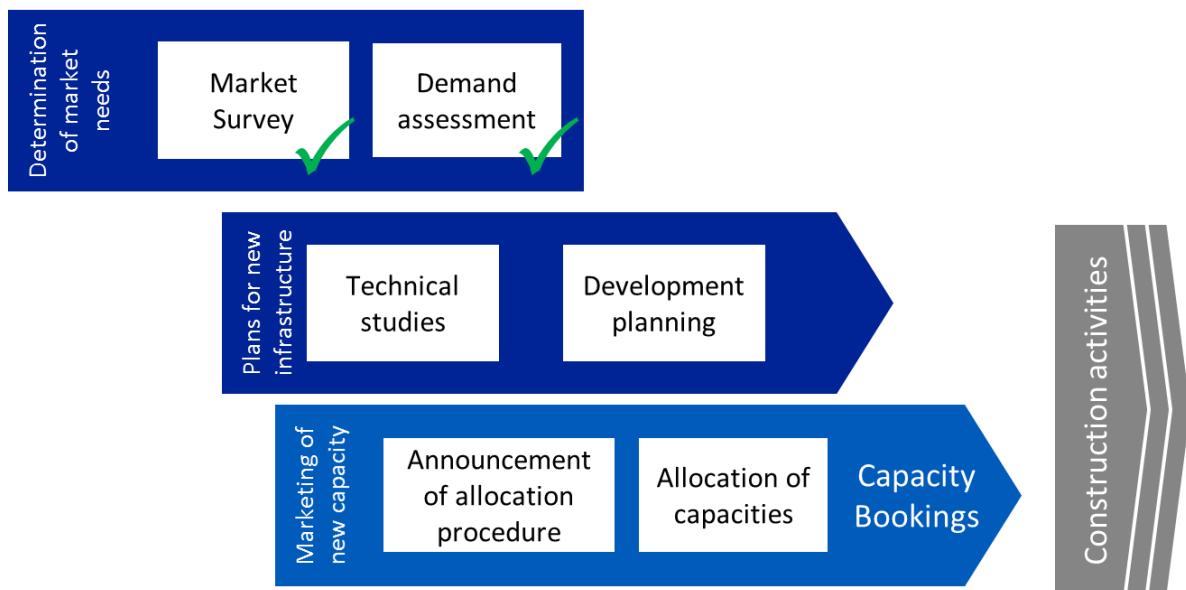
March 21, 2016

MARKET SURVEY RESULTS

1. INTRODUCTION

NET4GAS, s.r.o., as the exclusive gas transmission system operator (TSO) in the Czech Republic, performed a non-binding market survey in order to identify additional, market-driven capacity demand for the proper development of the relevant gas infrastructure. The market survey was the first step of the capacity4gas process and was launched on January 15, 2016, with the deadline for submitting inquiries being February 26, 2016. As a second step, based on the inquiries submitted in the market survey, NET4GAS, s.r.o. assessed the requested capacity demand against existing and planned transmission capacity. The results of this Demand Assessment are shown in the following paragraphs.

Now, as a third step, technical studies will be performed in the coming months in order to determine the necessary network development measures for satisfying demand beyond the Czech Ten-Year Network Development Plan 2016–2025 horizon.





2. ASSESSMENT OF INQUIRIES

To assess whether the inquiries thus received justify the creation of a technical study, NET4GAS, s.r.o. came up with two criteria. Based on these criteria, NET4GAS, s.r.o. made a decision as to whether or not to create a technical study to design the means by which to satisfy the requested demand and identify the necessary technical development measures.

CRITERION I: AVAILABILITY OF EXISTING CAPACITY

The requested capacity is assessed against the existing available capacity at the relevant interconnection points between the respective market areas. In the event the available capacity is able to cover the requested capacity, there is no need for further action. Otherwise, the requests are assessed against the technical capacity at the relevant interconnection points between the respective markets. In the event the requests are higher than the technical capacity and there is no planned increase of technical capacity, the technical study should be created. In the event there is a planned increase of technical capacity, the requests are further assessed against Criterion II.

CRITERION II: PLANNED INCREASE OF TECHNICAL CAPACITY

The requests are assessed against the planned increase of technical capacity based on projects considered in the Czech Ten-Year Network Development Plan 2016–2025. In the event the requests are higher than the planned increase of technical capacity, the technical study should be created.

3. ANALYSIS OF INQUIRIES

All inquiries received by NET4GAS, s.r.o. during the market survey fulfilled the formal requirements and were taken into account in the demand assessment report. Two market participants submitted 6 individual inquiries only for firm capacity. The inquiries relate to transmission between the Czech Republic and German (Gaspool market area), as well as the Slovakian and Austrian market areas.

The participants were asked whether they had submitted corresponding inquiries to adjacent transmission system operators. One participant confirmed that similar inquiries had also been submitted to corresponding transmission system operators.

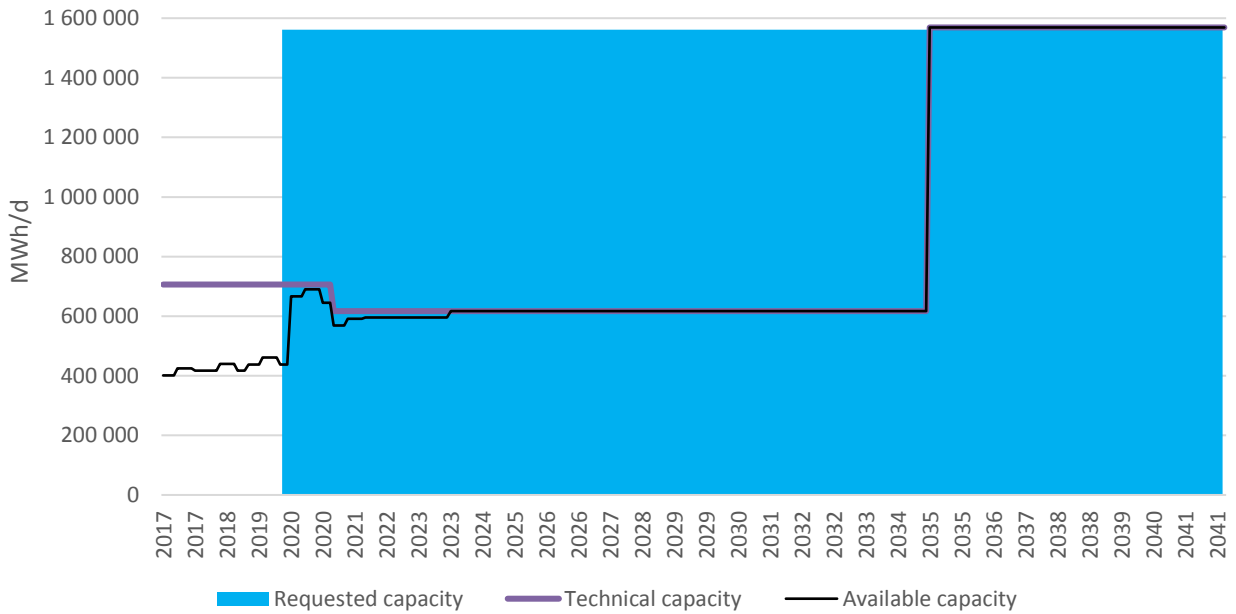
The assessment of the inquiries against the criteria is described below. The diagrams show an aggregated overview of the inquiries between relevant market areas compared to existing available and technical capacity. Further, the prospective increase of technical capacity based on the Czech Ten Year Network Development Plan 2016–2025 is illustrated.



GERMANY (GASPOOL) -> CZECH REPUBLIC

We received inquiries for the period of 10/2019 to 11/2041. The requested capacity is significantly higher than the existing technical capacity at all interconnection points in the direction from Germany (Gaspool market area) to the Czech Republic. There are currently no projects to increase technical capacity at any related interconnection points. Therefore, NET4GAS, s.r.o. will create a technical study on the increase of technical capacity between Germany (Gaspool market area) and the Czech Republic.

DE (Gaspool)->CZ

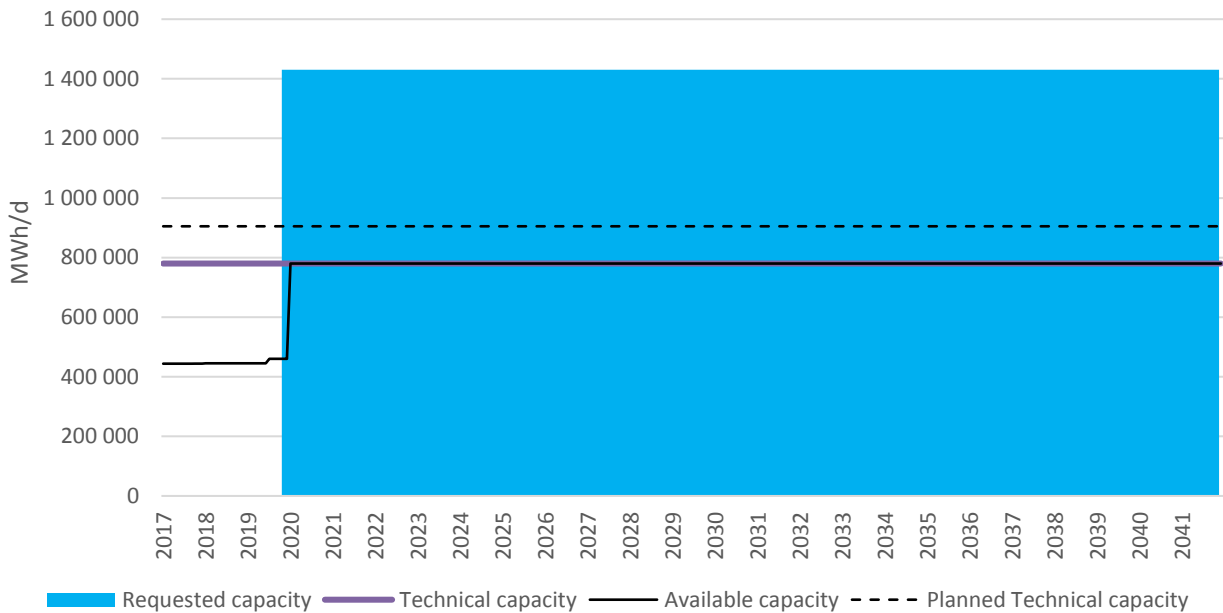




CZECH REPUBLIC -> SLOVAKIA

We received inquiries for the period of 10/2019 to 11/2041. The requested capacity is significantly higher than the existing technical capacity. Even the planned increase of the technical capacity to Slovakia would not fully cover the requested capacity. Therefore, NET4GAS, s.r.o. will create a technical study on the extension of existing technical capacity between the Czech Republic and Slovakia. The study will take into account the fact that part of the requested capacity at this cross-border interconnection was indicated as alternative to the requested capacity in the direction from the Czech Republic to Austria.

CZ->SK

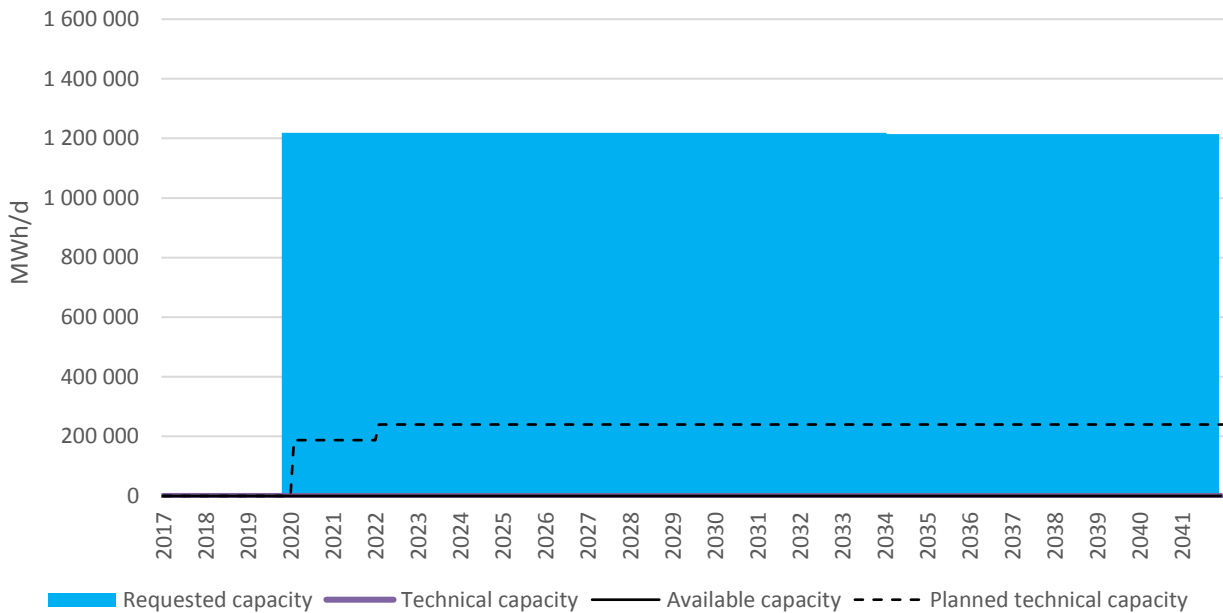




CZECH REPUBLIC -> AUSTRIA

We received inquiries for the period of 01/2019 to 11/2041. There is currently no interconnection between the Czech Republic and Austria. The requested capacity is significantly higher than the planned technical capacity of the respective development projects. Therefore, NET4GAS, s.r.o. will create a technical study on the creation of technical capacity between the Czech Republic and Austria. The study will take into account the fact that part of the requested capacity at this cross-border interconnection was indicated as alternative to the requested capacity in the direction from the Czech Republic to Slovakia.

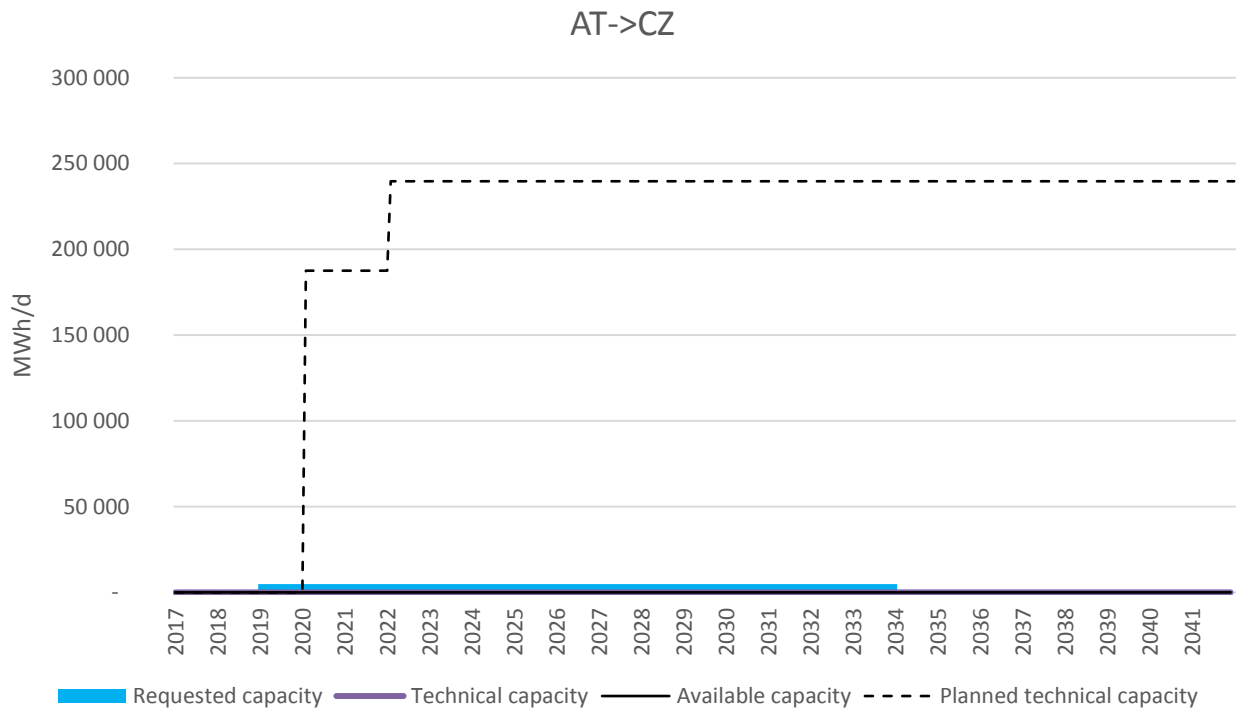
CZ->AT





AUSTRIA -> CZECH REPUBLIC

We received inquiries for the period of 01/2019 to 01/2034. In the period of 10/2019 to 01/2034, the amount of requested capacity is small and can be covered implicitly by the abovementioned planned development projects.





4. SUMMARY AND NEXT STEPS

The following table summarizes those market areas between which and the direction for which inquiries for additional capacity were made, and on the basis of the two criteria, indicates whether a technical study will be created for the increase of transmission capacity between the respective market areas.

Direction	Criterion I	Criterion II	Technical Study
DE (Gaspool)->CZ	Met	Met	Needed
CZ->SK	Met	Met	Needed
CZ->AT	Met	Met	Needed
AT->CZ	Met	Not met	No

NET4GAS, s.r.o. will now elaborate technical studies on the increase of transmission capacity at the borders with Germany (Gaspool market area), Slovakia and Austria. The technical concepts will be developed in cooperation with the respective adjacent TSOs.

However, the results of this Demand Assessment do not create any obligation on the part of NET4GAS, s.r.o. to implement any subsequent network development or to offer new transmission capacity.

More information on the next steps will be published on the NET4GAS, s.r.o. website.