BRIEF ON KEY BUSINESS ISSUES

№21 20.07.2015 Kyiv

Coal stocks at DTEK and other power plants, k/mts

Slavyanska TPP (Donbasenergo) was stopped due to low coal stocks on July, 14th. Coal stocks at Prydniprovska TPP are critically low - 19 k/mts as of July, 20th - allowing for loading only one 130MW power unit. Import alternatives for domestic coal supplies are not feasible as the average tariff for Ukrainian GenCos for January-June was only UAH 0.812 per kWh (with investment component) compared to production cost of UAH 0.954 per kWh.

	01.01.2014	15.07.2015	%, 2015/2014	min. essential level of stocks*	%, 2015/min stocks
DTEK TPPs	2 378	1 239	52%	1741	71%
G+DG grade including:	1 680	814	48%	1518	54%
Zaporiz`ka	260	154	59%	287	54%
Ladyzhins`ka	278	78	28%	324	24%
Burshtyns`ka	375	400	107%	437	92%
Dobrotvirs`ka	115	115	100%	88	131%
Zuyivs`ka	255	6	2%	60	10%
Kurahivs`ka	399	62	15%	322	19%
A+T grade including:	697	424	61%	223	190%
Krivoriz`ka	318	19	6%	81	23%
Prydniprovs`ka	232	22	9%	74	30%
Luhans`ka	147	383	261%	68	564%
Other Ukrainian TPPs	1 749	279	16%	736	38%
G+DG grade	178	147	83%	165	89%
A+T grade	1 571	132	8%	571	23%
All Ukrainian TPPs	4 126	1 518	37%	2477	61%
G+DG grade	1 858	962	52%	1683	57%
A+T grade	2 268	556	25%	794	70%

^{* -} on the basis of coal reserves for 1 month of work in the mode of the ministerial forecast balance for December 2015

Coal delivery out of temporarily occupied territories of Donbas

From 1st January to 15th July 1394 k/mts of coal were supplied to our TPPs; this amount consists of 429 k/mts delivered via Russia (to Luhanska TPP) and 965 k/mts delivered directly to our TPPs through the temporarily occupied territories of Donbas (Luhanska, Prydniprovska and Kryvorizka TPPs). In total, coal stocks on the occupied territories reach 2300 k/mts; this potentially is a 6-months' coal supply for the Luhanska and Prydniprovska TPPs.



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Nikitovka-Mayorskaya 'Priority Route'

Nikitovka-Mayorskaya 'Priority Route' issue is of paramount strategic importance for ensuring coal supply from the temporarily occupied territories. This 15-km long railroad (see map attached) was damaged during the military hostilities. Ensuring continuous week-long cease-fire regime for reparation works would be crucial in solving the issue of shipment of considerable (up to 400 ths mts) volume of AT grade coal from ATO zone to Ukrainian TPPs.

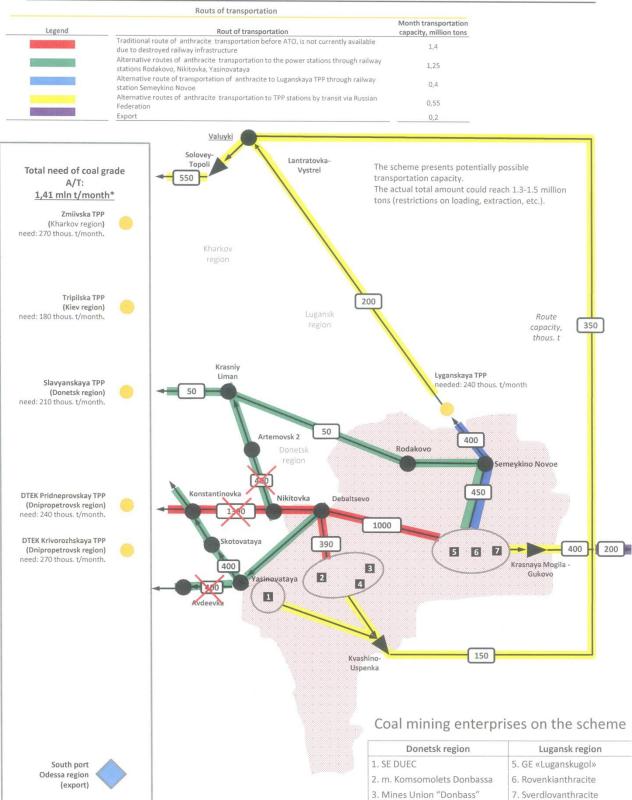




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RAIL ROUTS OF ANTHRACITE TRANSPORTATION FROM ATO AREA



4. m. Zhdanovskaya



 $^{^{*}}$ - with Luganskaya TPP, if without – 1,17 thous. tonnes