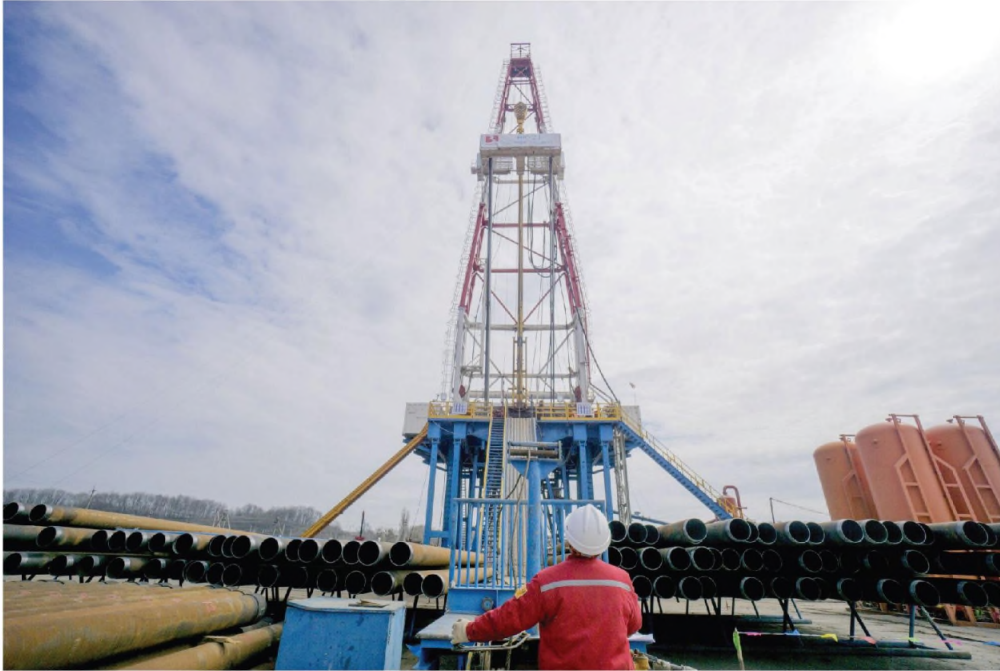


Markets

## Ukraine's Naftogaz Sees European Traders' Gas Stores Doubling



Naftogaz has contracts with more than 100 companies, though far from all are using the available capacity, Chernyshov said. *Photographer: Vincent Mundy/Bloomberg*

By Bloomberg News

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Ukraine's biggest energy company is seeking to at least double the amount of natural gas it stores for international traders by next winter and boost its own production, defying regular attacks by Russia on

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on the continent, west of Russia. But when Vladimir Putin sent troops into Ukraine in February 2022 and Europe scrambled for gas supplies, traders withdrew fuel and the stores held in underground facilities dropped to almost zero. They bounced back last year.

“We have motivated major players to come back and to store 2.5 billion cubic meters, which is quite a serious figure, and we would work on doubling it for the next winter,” Chernyshov said in an interview on the sidelines of the World Economic Forum. “This is one of the main discussion topics with major companies here in Davos,” he said, including talks with Germany’s RWE AG and Norway’s Equinor ASA on possible deals.

With European gas storage at almost full capacity, Ukraine is positioning itself to play a key role in energy security.

Naftogaz has contracts with more than 100 companies, though far from all are using the available capacity, Chernyshov said, declining to name them. Those storing gas in Ukraine include [Shell Plc](#) and [DXT Commodities SA](#), according to people with knowledge of the matter.

Read more: [Trafigura Stored Gas in Ukraine to Export When Prices Rise](#)

DXT didn't immediately reply to calls and an email seeking comment. Shell declined to comment.

"They should use it. That is our next target," Chernyshov said about plans to double volumes held by international traders this year. "Within the optimistic scenario, I think we are capable of achieving it," he said.

The value of traders' gas at peak storage last year was \$1.5 billion dollars, he said. Ukraine had a total of about 16.1 billion cubic meters of gas in storage, using a little more than half the available capacity, according to the company. That includes its own supplies.

With some infrastructure targeted by Russia with nearly daily drone attacks, though, Naftogaz's plans are conditional on how the war progresses, he said.

About 85% of the company's own gas production is in the east of the country, some of it within territory Russia that occupied until autumn of 2022 and very close to the battlefield. Last year, the company boosted output about 7% to almost 13.4 billion cubic meters, and plans to keep that [pace](#) this year, according to Chernyshov.

"Ukraine could see its future as a net contributor of gas to other countries, especially in Europe," he said.

– *With assistance from Daryna Krasnolutska, Elena Mazneva, Priscila Azevedo Rocha, and Laura Hurst*

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Magazine	Crypto
Events	AI
Newsletters	

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