
INSIDE INFORMATION

Long-term contract on lignite supplies

UNIPETROL, a.s. informs that on 12 November 2013 UNIPETROL RPA, s.r.o., 100% owned subsidiary of UNIPETROL, a.s., signed a contract with Severní energetická a.s. on long-term supplies of lignite to UNIPETROL RPA, s.r.o. The contract is valid from 1 January 2014 to 31 December 2017. Contract also includes an option for Unipetrol to extend life of the contract beyond 2017 for the years 2018 – 2021. Option can be exercised till 30 June 2014.

Annual lignite supplies will reach up to approximately 1 million tons, including fixed volume and optional volume. Based on its operational needs UNIPETROL RPA, s.r.o. may execute an option for supply of the optional volume. Yearly monetary value of delivered lignite during the contract's life will depend on development of ARA benchmark prices and foreign exchange rate of USD against CZK. As of the day of signing of the contract, the estimated value of the deliveries for 8 years 2014 – 2021 including options based on today's prices is approximately CZK 4.4 billion.

The contract is fully in line with Unipetrol Group Strategy 2013-2017 announced in June 2013. It follows the objectives of the Strategy which provides for further development of Unipetrol's existing business areas, in this case in terms of stable and reliable energy sources to secure Unipetrol's energy needs connected to planned development of the petrochemical segment.

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