



PRESS RELEASE
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The Board of Amber Grid offers shareholders to conclude the agreement for the purchase of pipes for the GIPL with Polish Izostal

The Board of Lithuanian natural gas transmission system operator Amber Grid made a decision on the conclusion of the agreement for the purchase of pipes for the construction of GIPL with Poland's Izostal S.A., company. The contract estimated EUR 26.4 million (excluding VAT) with Izostal S.A. will be signed subject to the approval of Extraordinary General Meeting of Shareholders to be held on 23 July.

'We have chosen one of the two major GIPL project partners who will produce and supply the pipelines for the new gas interconnection with Poland. We are pleased that the international competition has attracted strong companies. The interconnection project is relevant not only to Lithuania and Poland, but also to all Baltic States, so it is important for us to have reliable partners. We are looking forward to announce the winner of the GIPL construction works', - says Amber Grid CEO Saulius Bilys.

Procurement procedures for GIPL project were launched in 2018 summer. Four companies submitted final offers for the project pipeline competition. The winner of the international procurement will be responsible for the supply of steel pipes for the 165 km long gas pipeline in the territory of Lithuania. The 700 mm diameter pipeline will be constructed from the Jauniūnai Compressor Station in the Sirvintos district to the Lithuanian-Polish border in the Lazdijai district.

The results of the second public procurement of the GIPL project related to the procurement of construction works will soon be announced. After signing both pipe and construction works agreements, GIPL pipeline construction works in the territory of Lithuania will start. The GIPL pipeline is expected to be completed by the end of 2021. According to the project, the length of the pipeline will be 508 km, of which 165 km will lie in the territory of Lithuania. The total value of the GIPL project is EUR 500 million. The investment on the Lithuanian side will amount to EUR 136 million.

The construction of the gas interconnection will create capacity to transport up to 27 terawatt-hours (TWh) of natural gas per year in the direction of the Baltic States, up to 21 TWh per year in Poland. The Baltic gas markets will become part of the overall EU gas market.

Amber Grid is implementing a project of common interest of the European Union "Gas pipeline connection between Poland and Lithuania" (GIPL) together with the Polish gas transmission operator GAZ-SYSTEM S.A.

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