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FREQUENTLY ASKED QUESTIONS

1. WHO IS NAFTA A.S.?

NAFTA a.s., is a public joint stock company established under the Slovak law (hereinafter also referred to as "SSO") with its seat at the town of Gbely, located in the western part of the Slovak Republic. The primary scope of the company business is the provision of the gas storage services as well as performing exploration, production and supply of gas.

It should be noted that the SSO fulfills the definition of an "integrated company" as this term is defined under the Energy Act.

The core activities of the company are covered by the two key divisions: the natural gas storage division (UGS) and the exploration and production division (E & P).

2. WHAT SERVICES DOES NAFTA A.S. (THE SSO) PROVIDE?

The SSO provides gas storage services for various gas market participants. The particular gas storage services provided by the SSO are specified in greater detail in the Rules of Operation, which were approved by the Regulatory Office for Network Industries and which the SSO publishes on its Internet Site.

3. WHAT IS THE STORAGE FACILITY?

The Storage Facility includes the underground part, surface facility and wells.

The underground part is represented by porous and permeable reservoir structures - depleted gas, oil and gas fields or aquifers, accumulated in various depths., 600 – 2500 m in average. The underground part comprises especially of several strata of natural rock structures that are located at several different depths. These are structures of the exploited gas reservoir which were converted into the Storage Facility.

These underground parts are connected to the surface facility by wells, what represents the cased holes completed by tubing and some additional necessary equipment. Within these wells transport of gas between underground and surface facility has been provided.

The surface facility represents the technological complex necessary for

- treatment of the gas produced – liquid separation, drying, measurements, control of all injection – withdrawal process – gas parameters (temperature, composition, pressure) and volumes,
- transport of the gas
- safety reasons

The aboveground equipment of the Storage Facility consists of the various technological elements designed to separate the liquid and solid parts of the gas, to dry the gas, to measure and control various gas parameters such as temperature,

pressure or flow, to connect the individual equipment units of the Storage Facility, to ensure the safe and reliable control of the Storage Facility.

4. WHERE IS THE STORAGE FACILITY LOCATED?

The Storage Facility is located in the Western Slovakia (region of Zahorie), in Vienna basin approximately 10 km from the Austrian border. The main part of the storage facility Lab (Central station) is located near the village of Láb, 30 km north-west of Bratislava.

5. HOW DOES THE STORAGE FACILITY FUNCTION?

Since the gas is primarily used as a media for heating, the consumption of gas varies throughout the year, mostly depending on ambient air temperatures. The Storage Facility helps to balance the discrepancies arose between summer and winter consumption of gas. During colder months when the gas consumption is high and the deliveries from the gas suppliers are insufficient, the gas is being withdrawn from the Storage Facility. During warmer months when the gas consumption is low the gas is being injected into the Storage Facility.

As a result of the above mentioned the Storage Facility is operated by NAFTA a.s. in a seasonal manner, in which, as a rule, two continuous periods alternate during the course of the year – injection period and withdrawal period. During the injection period, the Storage Facility is being injected with gas from the Customers that is determined for storage. During the withdrawal period, the Storage Facility is being withdrawn due to its utilization by the Customers.

Injection/withdrawal curve depends on the amount of gas stored in the Storage Facility and is determined by the maximum Injection Rate and the maximum Withdrawal Rate. Lower amount of gas reserves results in high Injection Rate and low Withdrawal Rate. Higher amount of gas reserves results in high Withdrawal Rate and low Injection Rate. Graphic illustration of the maximum Injection Rate and Withdrawal Rate in dependence on the level of gas reserves in the Storage Facility is in Figure No. 1.

Transport of gas into the Storage Facility during the injection period and transport of gas from the Storage during the withdrawal period is facilitated through the Distribution System and/or Transmission System, with which the Storage Facility is connected.

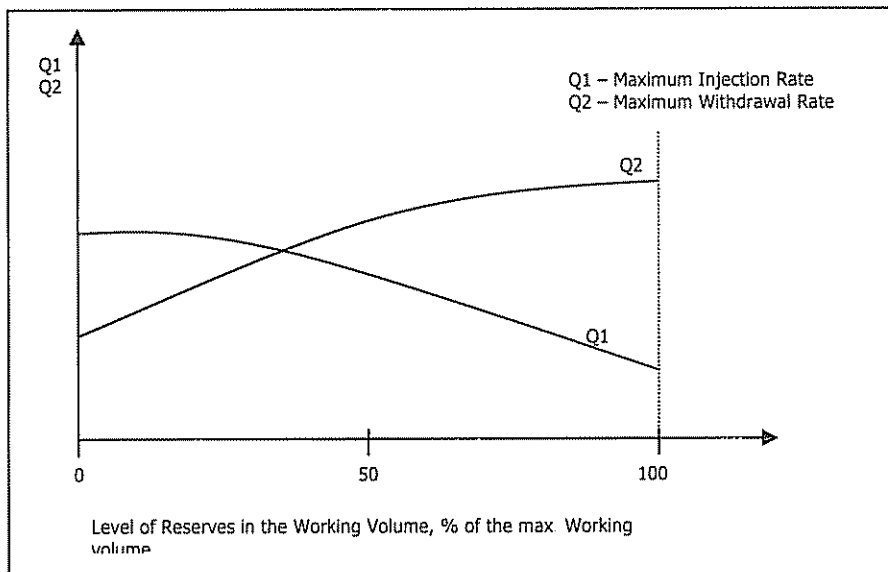


Figure No. 1 Graphic illustration of the maximum Injection Rate and Withdrawal Rate
Note: Working volume means an amount of gas in the Storage Facility above the Storage Facility cushion gas that can be either withdrawn or injected.

6. HOW MANY STORAGE FACILITIES DOES THE SSO OPERATE?

The SSO owns and operates one Storage Facility.

7. ON WHAT BASIS DOES THE SSO PROVIDE THE GAS STORAGE SERVICES?

SSO provides the gas storage services on the basis of the license for gas storage issued by the Regulatory Office for Network Industries.

8. IF I WISH TO LEARN MORE ABOUT THE SSO, WHAT SHALL I DO?

The party interested in the SSO's services should become acquainted with the following:

- The Act on Energy
- The Act on Regulation
- The Gas Market Rules (Government Regulation)
- The Storage Code
- The Technical Conditions

Other documents are published by the SSO on its website.

9. WHO ARE THE KEY GAS SYSTEM OPERATORS IN THE SLOVAK GAS NETWORK?

In Slovakia the gas system is operated by three key players including the TSO (Transmission System Operators), DSO (Distribution System Operators) and the SSO (Storage System Operators).

Prior to filing an application with the SSO, the applicants are urged to contract gas delivery to the Storage Facility with the Cooperators of Interconnected Facilities (i.e. operators of networks interconnected with the Storage Facility).

10. WHEN CAN I APPLY FOR THE SERVICES?

When there is Available Storage Capacity. The SSO publishes the currently Available Storage Capacity on its Internet Site. In the event there is Available Storage Capacity and the SSO offers some services on its Internet Site, the relevant party may submit an application to the SSO in line with the above law and documents.

11. DOES THE SSO OFFER DAILY SERVICES?

Yes, the SSO offers the following types of services on daily basis:

- Firm Storage Capacity
- Interruptible Storage Capacity
- Individual Firm Services
- Individual Interruptible Services and
- Gas quality enhancement and pressure balancing services.

All of the above services are provided under the conditions specified in the Storage Code, Technical Conditions, further details are set in the Gas Storage Agreement or the Operating Balancing Agreement.

12. DOES THE SSO PLACE SOME MINIMUM SERVICE REQUIREMENTS ON THE CUSTOMERS?

Yes. These minimum conditions are set out in the Storage Code and in the Technical Conditions. In particular, for the purposes of ensuring safe and efficient operation of the Storage Facility, the SSO requires that the minimum Injection Rate and a minimum Withdrawal Rate exceeds 1 million m³ per one Gas Day. Therefore, the Customer must always store in the Storage Facility at least such volume of gas that will enable the Customer to request Injection Rates or Withdrawal Rates above 1 million m³/Gas Day, anytime during validity of the Gas Storage Agreement (i.e. during the contracted storage period). The minimum duration of the storage period depends on the class of services offered on the SSO's Internet Site.

13. DOES THE SSO ALLOW THE CUSTOMERS TO POOL THEIR NOMINATIONS OR RENOMINATIONS WITH EACH OTHER TO MEET THE SSO'S MINIMUM SERVICES REQUIREMENTS?

Yes, the Customers are allowed to pool their Nominations or Renominations in order to meet the minimum service requirements. In such events, the Customers must submit a joint Nomination or joint Renomination. For the avoidance of doubt, individual Nominations or Renominations (not joint ones) falling below the minimum required Injection Rate and a minimum required Withdrawal Rate may be refused by the SSO even if the aggregate of such Nominations or Renominations exceeds the required minimum rates. In the event a joint Nomination is submitted to the SSO, the relevant parties are required to submit also a joint Renomination, if any.

14. DOES THE SSO DEVELOP ITS SERVICES UPON CONSULTATION WITH USERS?

Yes, all services currently provided by the SSO are developed on the basis of the market demand and upon the prior consultation of SSO' storage users. The SSO's internet forum on the SSO's web-site is one of the tools of how to achieve such consultation.

15. WHAT IS CAPACITY HOARDING?

The term "capacity hoarding" is not defined in the applicable energy legislation. The SSO understands that this term could mean any of the following:

- 1) non-utilization of contracted Storage Capacity from the side of the Customer in contradiction with the Storage Capacity Utilization Plan as described in the Storage Code;
- 2) gambling of applicants - where the Applicant files an Application with the SSO for other purposes than for the purpose of storing gas at the Storage Facility pursuant to the filed Application or
- 3) non-provision or blocking of Available Storage Capacity by the SSO.

16. HOW DOES THE SSO PREVENT CAPACITY HOARDING AND FACILITATES REUTILIZATION OF THE UNUSED STORAGE CAPACITY?

The SSO undertook the following basic measures to discourage capacity hoarding and to facilitate reutilization of unused Storage Capacity:

- 1) The SSO requires the Customer to submit and update a Storage Capacity Utilization Plan. In the event the Customer does not comply with the Plan for the period of more than 3 months, the SSO may charge the Customer with penalties or rescind the Gas Storage Agreement in line with the Storage Code. In the event the Customer does not comply with the Plan or otherwise fails to use its Storage Capacity for the period of less than 3 months, the SSO enables the Customer to transfer its unused Storage Capacity to another party pursuant to the Storage Code in order to ensure reutilization of the unused Storage Capacity.
- 2) The Applicant for Storage Capacity must submit a First Guarantee when applying for the Storage Capacity. This ensures that the Applicant takes the Application process seriously and does not file the Application just for the purposes of preventing other customers to gain rights to Storage Capacity. Should the Applicant fail to withdraw from the Application process for unjustified reasons, the SSO shall have right the claim its rights under the First Guarantee. In such an event, the SSO may proceed to evaluate another Application.
- 3) The SSO publishes Available Storage Capacity, if any, on the Internet Site.

17. WHAT IS CONGESTION OF STORAGE CAPACITY?

Although the term "congestion of storage capacity" (*pret'azhenie uskladn'ovacej kapacity*) is often used in practice, it is not defined in the applicable energy legislation. The SSO understands that this term:

- 1) refers to a situation where the Customer fails to withdraw its gas at the end of the storage period defined in the relevant Gas Storage Agreement. In such an event, the SSO cannot continue to provide its storage services to another Applicant (or such Customer who concluded a new agreement with the SSO but was promised to start using the storage services at the date when the other Customer was expected to withdraw its gas from the Storage Capacity) because its Storage Facility is "congested" due to the aforementioned gas ("**Non-withdrawal Congestion**");
- 2) refers to a situation where the SSO limits the rights of the Customers (e.g. the Storage Capacity) due to an operational breakdown or Emergency which occurred at the Storage Facility ("**Operational Congestion**");
- 3) refers to a situation where the level of demand for actual deliveries exceeds the Technical Capacity at some point in time, e.g. the aggregate of Customers' Nominations and Renominations exceed the aggregate of contractually agreed Withdrawal Rates or Injection Rates ("**Physical Congestion**"),
- 4) refers to a situation where the level of firm capacity demand exceeds the Technical Capacity (all Technical Capacity is booked as firm) and it is not possible to transfer any unused Customer's capacity to other applicants on the primary market ("**Contractual Congestion**"). These are the cases where no secondary market exists, this is however not the case of SSO.

18. HOW DOES THE SSO PREVENT CONGESTION OF STORAGE CAPACITY?

The congestion prevention mechanisms are in some way similar to anti-hoarding rules. The SSO prevents congestion of Storage Capacity by application of the following congestion management rules:

- 1) In the event of Non-withdrawal Congestion, the SSO may sell such gas, charge the Customer with penalties or claim damages from the Customer in line with the Storage Code;
- 2) In the event of Operational Congestion, the SSO shall be entitled to reduce the actually Nominated or Renominated Injection Rates or Withdrawal Rates by the rate of aggregate decrease of the Nominated or Renominated Injection Rate or Withdrawal Rate caused by the Operational Congestion. In the event the Operational Congestion requires the reduction of the Working Volume assigned to the relevant Customer, such Working Volume shall be reduced pursuant to the same principles.
- 3) In the event of Physical Congestion, the following rules shall apply:
 - (i) In the event, any of the Customers requests daily Withdrawal Rates or daily Injection rates above the contractually agreed rates, the SSO

shall be entitled to reduce them by the part exceeding the contractually agreed rates down to the contractually agreed rates. Notwithstanding the above, in the event some other Customers fail to use their contractually agreed daily Withdrawal Rates or daily Injection Rates at the same time, the SSO may provide such unused part of the rates to the Customers in the first sentence as the "Individual Interruptible Service" defined in the Storage Code.

- (ii) The part exceeding the contractually agreed Withdrawal Rate or Injection Rate shall be considered to be the Customer's application for the "Individual Interruptible Services".
- (iii) In the event the "Individual Interruptible Services" have been requested by more than one Customer, such services shall be allocated to such Customers in proportion to the contractually agreed Withdrawal Rate or Injection Rate assigned to each of such Customer pursuant to the relevant Gas Storage Agreements. The SSO shall perform such allocation when confirming the daily Nomination or Renomination within the time limits set in the Storage Code and the Technical Conditions.
- (iv) The Customer is allowed to submit the daily Renomination only to such part of the confirmed daily Nomination which does not include Customer's application for the Individual Interruptible Services in accordance with the point (ii) above. For the avoidance of doubt, the Customer cannot submit Renomination to such part of the confirmed daily Nomination through which the Customer applies for the Individual Interruptible Services.

4) Following are the rules to prevent Contractual Congestion:

- (i) under the Storage Code Customers are entitled to transfer their unused Storage Capacity on the secondary market either by means of:
 - transfer of the exercise of their rights (in whole or in part) arising from the Gas Storage Agreement or
 - assignment of their rights (in whole) arising from the Gas Storage Agreement to a third party upon a prior written consent of the SSO,
- (ii) under the Storage Code Customer is obliged to submit to SSO the Storage Capacity Utilization Plan where Customer forecasts the level of utilization of his Storage Capacity during certain period of time. In case Customer fails to utilize his Storage Capacity in accordance with the Storage Capacity Utilization Plan for a period exceeding three consecutive months, SSO shall be entitled to a contractual penalty up to the amount of one month service fee and may withdraw from the Gas Storage Agreement.

19. DID THE SSO IMPLEMENT A CODE OF CONDUCT TO MAINTAIN CONFIDENTIALITY ABOUT ITS STORAGE BUSINESS?

Yes, the SSO implemented the Code of Conduct which includes the rules of treatment of confidential information regarding the gas storage and the rules ensuring the equal access to information regarding the gas storage for all market participants. The Compliance Officer shall be appointed on the basis of such Code of Conduct in order to implement the Compliance Program and supervise the compliance with its provisions.

20. DID THE SSO IMPLEMENT A COMPLIANCE PROGRAM AND A COMPLIANCE OFFICER FOR THE PURPOSES OF MAINTAINING SUCH CONFIDENTIALITY?

Yes, please see answer No. 19.

21. DID THE SSO IMPLEMENT FIREWALLS BETWEEN ITS STORAGE AND SUPPLY BUSINESS?

Yes. The SSO implemented effective division of the storage and supply business by setting up the relevant rules (firewalls) aimed to prevent the disclosure of commercially sensitive information between storage and supply business.

22. CAN THE CUSTOMER TRANSFER ITS STORAGE CAPACITY TO ANOTHER PARTY?

Yes. The Storage Code enables the Storage User to achieve this in two methods:

- (1) Under the Rules of Operation, the Customer may transfer the exercise of its rights (in whole or in part) arising from the Gas Storage Agreement to a third party upon notification to the SSO. Such transfer of exercise shall be without prejudice to the rights and obligations of the SSO and the Customer under the Gas Storage Agreement.
- (2) Under the Rules of Operation, the Customer may assign its rights (in whole) arising from the Gas Storage Agreement to a third party upon a prior written consent of the SSO. The assignment shall occur on the Customer's and assignee's joint request in line with the Rules of Operation. In such an event, the SSO shall start communicating with the assignee, however, the Customer shall remain liable for any breach of obligations by the assignee arising from the Gas Storage Agreement.

23. DOES THE SSO FACILITATE SECONDARY TRADING BY PROVISION OF COST EFFECTIVE SERVICES (PUBLISHING AN ELECTRONIC PLATFORM OR A BULLETING BOARD)?

Yes. In order to facilitate secondary trading SSO established a customer internet forum on its Internet Site. Through such forum Customers are entitled to exchange information among each other regarding unused Storage Capacity intended for secondary trading. Secondary trading is made available pursuant to the articles 14. 1 and 14.2 of the Storage Code by two methods as described in answer No. 22 of this FAQ. As a part of this forum also specimen of public notices (to be filled in by

Customers) is posted on the SSO's Internet Site. SSO is not involved in this forum, it only provides its Internet Site as a communication tool among the Customers in the above mentioned matter.

24. DOES THE SSO COOPERATE WITH THE TSO AND DSO THROUGH INTEROPERABILITY AGREEMENTS OR OPERATING BALANCING AGREEMENTS?

Yes, the SSO cooperates with the TSO and DSO through such agreements, which may form part of the Gas Storage Agreement or may be concluded among the parties through a separate written legal instrument. The purpose of these agreements is to ensure efficient and secure operation of the Storage Facility and the TSO's or DSO's facility as well as the interoperability and interconnection between the said facilities.

Please note that TSO, for the purposes of Slovak law, means operators of transmission system and DSO means operators of distribution system.

25. CAN THE STORAGE USERS SUBMIT ANY TYPE OF NOMINATION OR RENOMINATION AT ANY TIME?

The rules for submitting Nominations and Renominations are specified in the Storage Code and in the Technical Conditions. In principle the aforementioned documents provide that regular Customers may submit Nominations or Renominations:

- 1) for gas injection purposes only from May 1 until October 30 of the relevant Gas Year;
- 2) for gas withdrawal purposes only from November 1 until April 30 of the relevant Gas Year.

The Cooperator of Interconnected Facility may submit Nominations or Renominations at any time during the Gas Year to the extent of the relevant Operating Balancing Agreement. If the Cooperator of Interconnected Facility might cause a physical gas counter-flow by submitting its Nomination or Renomination the following rules shall apply:

- 1) the Cooperator of Interconnected Facility shall determine the resulting gas flow for each Entry Point and/or Exit Point in line with the Operating Balancing Agreement;
- 2) the SSO has the right to deny such allocation of gas flow made by the Cooperator of Interconnected Facility if it would result in:
 - (i) a gas injection at one Entry Point and/or Exit Point and, at the same time, a gas withdrawal at other Entry Point and/or Exit Point; or
 - (ii) physical gas counter-flow at one Entry Point or Exit Point;
- 3) rules concerning virtual gas counter-flows at one Entry Point or Exit Point shall be further specified in the relevant Operating Balancing Agreement.

26. WHAT ARE THE PRICES FOR SSO'S STANDARD SERVICES?

The prices for standard services are published on the Internet Site.

27. DOES THE SSO CHARGE CUSTOMERS FOR INFORMATION REQUESTS AND TRANSACTIONS ASSOCIATED WITH THE GAS STORAGE AGREEMENT?

No. The SSO provides the Customers with information about their Customer's Account, Available Storage Capacity as well as other information set out in the Storage Code free of charge. The Customers are also allowed to transfer or assign their Storage Capacity pursuant to the Storage Code without any additional fees payable by the Customer to the SSO.

28. WHAT PENALTIES MAY THE SSO IMPOSE ON THE STORAGE USERS?

The penalties imposed on the Customers are described in the Storage Code. In principle, the SSO is entitled to charge the Customers with following penalties or charges:

- 1) Penalty for failure to use Storage Capacity pursuant to the utilization Plan

If the Customer fails to utilize the Storage Capacity according to the Plan for a period exceeding three (3) consecutive Gas Months, the SSO will have the right to claim contractual penalty up to the amount of the one month service fee under the Gas Storage Agreement. Such penalty may be claimed by SSO repeatedly.

- 2) Penalty for failure to renew the Second Guarantee

If the Customer fails to renew the Second Guarantee in line with the Storage Code, the SSO shall be entitled to charge the Customer with a penalty up to the amount of one month payment for services in accordance to the Gas Storage Agreement.

- 3) Penalty for gas quality which is incompatible with the Technical Conditions

If the Cooperator of Interconnected Facility fails to provide the SSO with a gas, whose parameters are compatible with the Technical Conditions, the Cooperator of Interconnected Facility shall provide the SSO with a penalty specified in the Operating Balancing Agreement.

- 4) Late payment charges

If the Customer fails to pay the relevant amounts in line with the Gas Storage Agreement, the SSO shall be entitled to invoice a default interest of 0.02% on the owed amount for each day of delay.

It should be noted the in order to ensure non-discrimination and transparency, the SSO charges the Cooperator of Interconnected Facility with such penalties, if any,

which are the same as the penalties charged by the Cooperator of Interconnected Facility to the Customer for the breach of the same subject matter described in the Operating Balancing Agreement and the agreement between the Customer and the Cooperator of Interconnected Facility.

As regards compensation payments, the SSO shall be obliged to make such payments to Customer in the event that the price for storage services shall be adjusted in line with the Gas Storage agreement or the invoice must be adjusted as a result of the delivery protocol on the basis of the storage agreement. In relation to the potential deviations from the amount of gas delivered between the SSO and the Customer under the Gas Storage agreement, 5% tolerance for the deviations of both parties is applied. The relevant penalties/compensation payments shall apply, only if such tolerance is exceeded.

29. WHAT COMPENSATION PAYMENTS ARE THE STORAGE USERS ENTITLED TO?

1) Penalty for gas quality which is incompatible with the Technical Conditions

If the SSO fails to provide the Cooperator of Interconnected Facility with a gas, whose parameters, are incompatible with the Technical Conditions, the SSO shall provide the Cooperator of Interconnected Facility with a penalty specified in the Operating Balancing Agreement.

2) Penalty for insufficient Injection Rate or Withdrawal Rate

If the SSO fails to provide the Cooperator of Interconnected Facility with such Injection Rate or Withdrawal Rate which will not enable the Cooperator of Interconnected Facility to provide the Customer with Nominated or Re-nominated gas, the SSO shall provide the Cooperator of Interconnected Facility with a penalty specified in the Operating Balancing Agreement.

3) Late payment charges

If the SSO fails to pay or return to the Customer any owed amount in line with the Gas Storage Agreement, the Customer shall be entitled to invoice a default interest of 0.02% on the owed amount for each day of delay.

It should be noted the in order to ensure non-discrimination and transparency, the Cooperator of Interconnected Facility may charge the SSO only with such penalties, if any, which are the same as the penalties charged by the Customer to the Cooperator of Interconnected Facility for the breach of the same subject matter described in the Operating Balancing Agreement and the agreement between the Customer and the Cooperator of Interconnected Facility.

30. CAN THE CUSTOMER CHANGE SUPPLIERS?

Yes, the Customer may do so upon prior written notification to the SSO, provided such change of gas supplier will not cause a breach of the Technical Conditions. It should be noted that the SSO may deny the Customer to do so, if, after the change

of the gas supplier, the gas determined for storage would be delivered from a country not applying the principle of equal treatment of all gas market participants as stated in Section 46(1)(e) of the Energy Act.

It should be noted that, subject to the above, the anti-hoarding and congestion management provisions of the SSO (see answers 15 and 17) do not prevent Customers to change the supplier.

31. DOES THE SSO PUBLISH CAPACITIES „RESERVED“ FOR THE PURPOSES OF PUBLIC SERVICE OBLIGATIONS?

The SSO does not publish the aforementioned information because no capacity has been reserved for public service obligations pursuant to the Slovak legislation and article 2(9) of the Gas Directive. In the event of reservation of such capacity, the SSO shall publish such reserved capacity on the Internet Site.

32. MAY CUSTOMERS ASK NAFTA NOT TO PUBLISH CERTAIN INFORMATION? IF YES, WHAT INFORMATION?

Yes, the Customers have the right to ask the SSO not to publish information relating to the aggregate use of the storage or other information that could harm the Customer. Such information shall be specified by the Customers and sent to SSO. In such an event, the SSO shall inform the national regulatory authority about non-publication of such data.

33. DOES THE SSO PUBLISH AGGREGATE OF INFLOWS AND OUTFLOWS AND UTILIZATION RATES FOR THE IMMEDIATELY PRECEDING WEEK?

No. SSO invoked the „less than three rule“ under Guidelines for Good TPA Practice for Storage System Operators (“GGPSSO”). SSO addressed its Customers with the requests to submit to SSO such non-confidential information regarding the gas storage which they wish not to be published. No relevant answer from the Customers was obtained by SSO in this matter.

34. DOES THE SSO PUBLISH TECHNICAL, CONTRACTED AND AVAILABLE STORAGE CAPACITY?

Yes. Such information is available on the Internet Site.

35. DOES THE SSO PROVIDE STORAGE USERS WITH DATA CONCERNING THEIR GAS STORED IN THE STORAGE FACILITY?

Yes. The SSO maintains an individual storage account containing and indicating the values of actual quantities of the storage user's Working Volume and the corresponding values of the maximum Injection Rate and maximum Withdrawal Rate on the beginning of each Gas Day (the "**User's Account**").

The SSO's Dispatching Centre provides to the Customer with data on the Customer's gas ascribed to or written off the User's Account prior to 10:00 hours (10 AM) for the preceding Gas Day. It should also be noted that the Customer and the SSO evaluate

and confirm the received/supplied quantities of gas in a delivery protocol within the 3rd Business Day of the month following after the relevant Gas Month.

The SSO also maintains the User's Account for the Cooperators of Interconnected Facilities. The frequency of provision of such information as well as the frequency of confirmation of the relevant gas quantities is the same as in the case of the regular Customers.

It should also be noted that the Customers receive other information such as information about the Available Storage Capacity, annual plan of maintenance, plans of adjustments of the Storage Capacity etc.

36. HOW DOES THE SSO DETERMINE THE AVAILABLE STORAGE CAPACITY?

The Available Storage Capacity equals to the difference between the "Technical Capacity" and sum of all allocated Storage Capacities to which Customers are entitled to under the Gas Storage Agreements.

As regards the Technical Capacity, it equals to the "maximum Working Volume" that can be provided by the SSO to gas market participants, taking into consideration the Storage Facility's infrastructure and operating conditions. Such operating conditions are determined according to the Storage Facility's physical characteristics and gas works installations linked to the Storage Facility. Working volume means an amount of gas in the Storage facility above the Storage facility cushion gas that can be either withdrawn or injected. The Technical Capacity is determined by the SSO, in principle, two times per Gas Year as follows:

The maximum Working Volume is determined mainly on the basis of:

- (i) mathematical modeling of the underground storage facility;
- (ii) geophysical measuring;
- (iii) data from the respective wells forming the Storage Facility.

The maximum Injection Rate/Withdrawal Rate are determined mainly through geologic parameters of the Storage (relevant depression), technical parameters of the equipment (pipelines, compression units and others), gas pressure, actual amount of gas in the Storage etc.