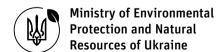
ANNUAL REPORT













Key priorities

2021-2022

1

Service-oriented regulator

2

Attracting investment

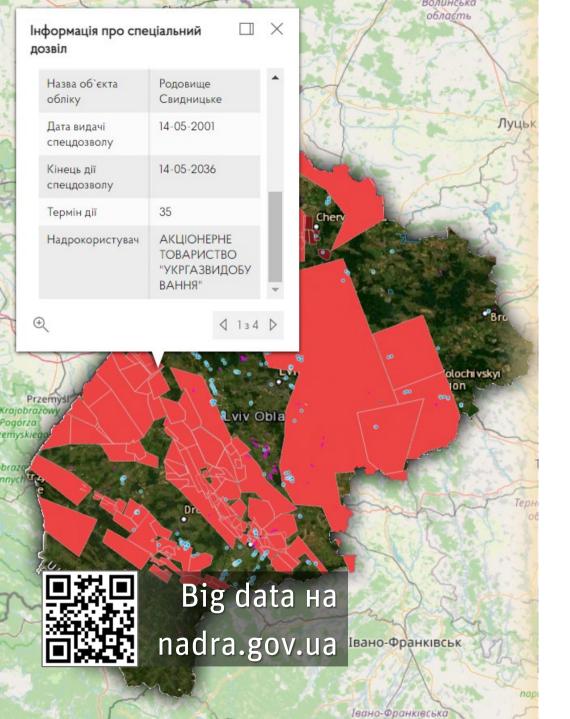
3

Efficient mineral resources regulation



UGS is a modern public service institution

- National Geological Portal all data on one resource
- Electronic auctions offering licenses for e-bidding
- E-cabinet for subsoil user online application and reporting

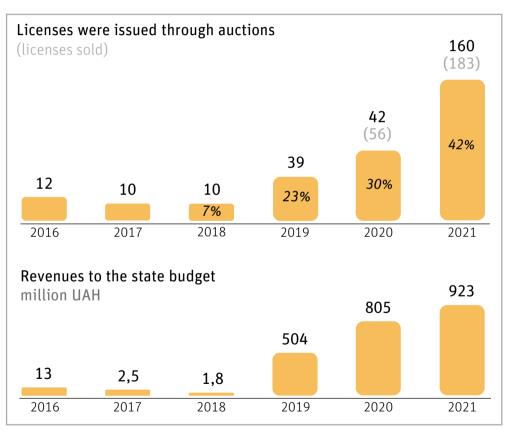


The National Geological Portal has been launched

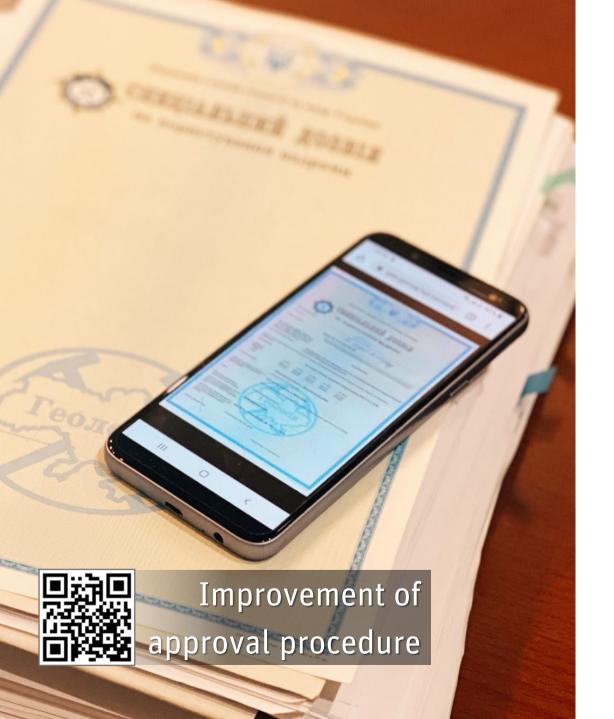
13 databases	2021 units	P. 2022 units	filling for 2022
Licenses for subsoil use	3108	/-/-	
Fields and ore occurrences	2,7 ths	9 ths	
A register of oil and gas wells	12,5 ths	14 ths	•••
A register of artesian wells	3,5 ths	5,1 ths	
Reserves approval protocols	6 ths	/-/-	
Geological reports	15 ths	40 ths	■00
Catalog of geological information	3,5 ths	>500 ths	■00
Seismic profiles	16 ths	24 ths	
Cadastral division layer	2 reg.	27 reg.	
Administrative and territorial division	1469	/-/-	
Nature reserve parks			
Environmental impact assessment	250	600	■00
Groundwater intakes	8555	/-/-	

⊕ prozorro.sale ПРИЙНЯТТЯ ЗАЯВ НА **УЧАСТЬ** 607 105 FPH подати пропозицію 7 licenses announced for e-bidding

The number of licenses sold at e-auctions is growing rapidly



^{% –} share of sales per year



E-cabinet

- Online application for a license using a GIS
- Online reporting, registration of geological exploration
- E-license integrated into national digital platform DIIA

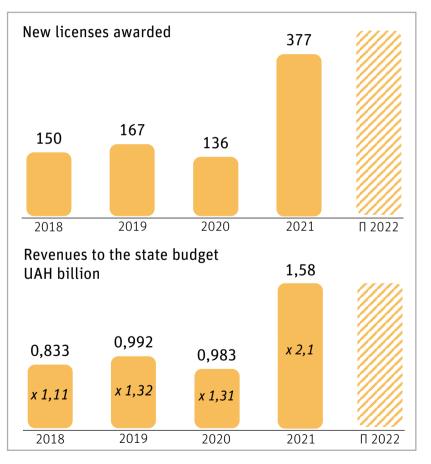


Attracting investments into Ukrainian upstream sector

- We reveal the resource potential of the regions of Ukraine
 377 new licenses have been issued
- We lay the groundwork for ridding Ukraine of energy import dependence there were provided >50 thousand sq.km for the development of hydrocarbons
- We reveal the potential of strategic minerals35 blocks have been prepared for investors

Budget revenues amounted to UAH 1.58 billion

In 2021, a record number of new licenses were awarded



x – over fulfillment of the revenues plan to the state budget



Over 50 thousand sq. km were provided to explore hydrocarbons

- Prepared 50+ proposals in the Investment Atlas
- Sold 6 licenses at e-auctions
- 11 production sharing agreements have been concluded
- The operation of the Yuzivska PSA has been unlocked
- Launch of the offshore project on the Black Sea shelf
- The register of oil and gas wells has been updated (12 ths passports)
- 18 thousand seismic profiles are allocated



There were determined critical raw materials in Ukraine

- A Memorandum on Strategic Partnership has been signed with the European Union
- A list of strategic raw materials consisting of 37 minerals was approved, aimed at Ukraine's sustainable development
- The Atlas of Strategic Minerals is presented and a list of >200 prospective fields is formed
- An interactive map licenses, fields and ore occurrences has been compiled



Моніторинг користування надрами України

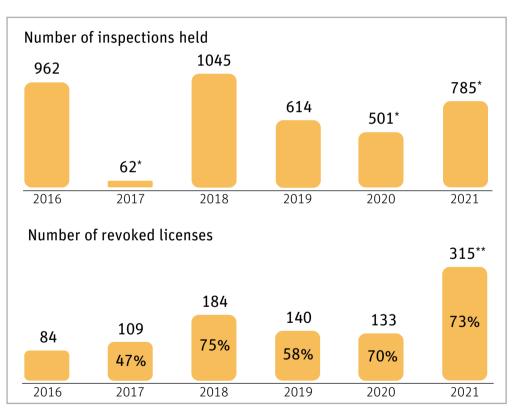


Improving the efficiency of subsoil use

- Inspections of Geological supervising there were carried out planned and unscheduled inspections
- Fight against illegal mining increased responsibility, created an app, which allows to to check the legality of mining using a smartphone
- Groundwater water use monitoring has been restored



In 2021, a major number of licenses was revoked



% - share of the licenses revoked based on court decisions

there were legal restrictions on the implementation of planned inspections

^{*} an additional 219 licenses were submitted to the court for annulment



Fight against illegal mining

- Check the legality of mining through a smartphone app
- The responsibility for the unauthorized extraction of local minerals has been increased fines from UAH1.7 thousand to 85 thousand, imprisonment for up to 8 years
- The settlement of damages for illegal subsoil development has been initiated in law

Спостережні пункти. державного моніторингу підземних вод Індекс забрудненості води Чисті Забруднені Брудні Надзвичайно брудні Спостереження відсутні Показати всі водопункти Водозабори за величиною видобутку підземних вод Видобуток, м3/добу △ менше 5 A 5 - 10 **10 - 50** <u>A</u> 50 - 100 **A** 100 - 300 більше 300 кар'єр $\square \times$ Інформація по водопункту Номер водопункту: 717 Тип водопункту: Свердловина Вид режиму: Порушений Середньорічні значення рівня, м: 2.96 Водоносний горизонт: Водоносний середньоверхньопліоценовий горизонт Величина напору, м: 8.54 Загальна жорсткість ммоль/дм³: 20.07 (ГДК - 7) Мінералізація г/дм³: 2.25 (ГДК - 1.0) рН: 7.5 (Допустимий рівень - 6.5-8.5) Вміст макроелементів: NH₄, мг/дм³: 0.3 (ГДК - 0.5) HCO₃, мг/дм³: 324 $Fe_2 + Fe_3$, мг/дм³: 0,05 (ГДК - 0.2) $Na_2 + K_2$, мг/дм³: 366 NO₂, мг/дм³: 14.9 (ГДК - 50) NO₂, мг/дм³: 0,003 (ГДК - 0.5) SO₄, мг/дм³: 647 (ГДК - 250) CI .../3. 400 /FRE 2501 Масштабувати до

Interactive map of water intakes

- 8555 water intakes with the volume of production
- There exist 691 observation points of the state groundwater monitoring, 141 of them are operating
- Data on licenses for the use of groundwater
- Information about water use permits
- Water intakes wells

Other activity areas



Revival of the capacity of geological enterprises

- Optimization of the structure of the industry
 - consolidation a SE "Ukrainian Geological Company"
 - reorganization of "Geoinform of Ukraine"
 - four unprofitable state enterprises were transferred to the SPFU management
- Focusing on priorities of the National Mineral Strategy
 - development of critical minerals and raw materials for construction
 - performance of non-business functions, supervise of subsoil use
 - provision of easy access to geological data



International cooperation

- Memorandum on Strategic Partnership with the EU
- Collaboration with the USGS and EuroGeoSurveys
- Membership in industrial alliances (ERMA, EBA)
- Moving to international standards (WGS-84, PRMS)
- Promotion of facilities together with the Ministry of Foreign Affairs and UkraineInvest



Publicity and transparency are the key to trust

- Plans for the upcoming year
 Annual and semi-annual reporting
 Quarterly news digest
- Meetings with regional authorities
 Lectures for students and teachers
 Meetings with domestic and international business
- Participation in industry-focused conferences
 New website and geological portal
 Interviews for media and expert publications
- Audit by State audit service, Accounting Chamber,
 State Regulatory Service, National Security and
 Defense Council, EITI

Report 2021

Electronic auction statistics



Investment atlas. Oil and gas



Investment atlas. Strategic minerals



Mineral and resource potential of regions



Roadmap of the development of critical raw materials in Ukraine



Fight against illegal mining

