

PRESS RELEASE

VNG / Gazprom / Supply agreement / Natural gas

Supply agreement signed with Gazprom: VNG Handel & Vertrieb GmbH expands sourcing portfolio with additional natural gas supplies

Leipzig, 7 June 2019. VNG Handel & Vertrieb GmbH (VNG H&V), a wholly owned subsidiary of the Leipzig-based VNG Group, today signed a supply agreement with Gazprom Export (GPE). At the International Economic Forum in St. Petersburg (Russia), Ulf Heitmüller, CEO of VNG AG, and Gazprom CEO Alexey Miller signed a supply agreement that will come into effect on 1 January 2021. The contractual volume is 3.5 billion cubic metres of natural gas per year.

“The direct contractual relationship with Gazprom increases the security of supply for our customers. By importing additional quantities of natural gas, we are helping make the market more robust and compensating for declining production in Europe,” explains Heitmüller. “Gazprom and VNG have been working in partnership for many years, which we are further consolidating with this purchase agreement. In order to meet the demand for natural gas in Germany, additional pipeline gas from Russia makes the most sense economically and ecologically,” adds Heitmüller. As the fossil fuel with the lowest CO₂ emissions, natural gas is already making a big contribution to rapid and affordable climate protection in all sectors. Under its ‘VNG 2030+’ strategy, VNG is aiming to gradually ‘green’ its natural gas portfolio. Gas means that short-term climate protection goals can be met as well as the other milestones on the way to decarbonisation.

With the Gazprom contract, VNG H&V is consistently developing its wholesale operations and improving its market position in terms of supply and distribution. As Konstantin von Oldenburg, Managing Director of VNG H&V, points out: “2018 marked the 45th anniversary of the German-Russian natural gas partnership. The successful conclusion of this supply agreement underlines the willingness of both parties to further expand their cooperation in the European gas sector. The new contract contributes to the expansion of the physical sourcing portfolio and thus to the stabilisation of VNG’s entire European trading portfolio.” In addition to long-term supply agreements with Norway and Russia, VNG H&V obtains additional natural gas volumes on the spot and futures markets.

VNG Handel & Vertrieb GmbH based in Leipzig is the VNG AG subsidiary responsible for bulk gas trading within the VNG Group. It supplies natural gas reliably and flexibly to trading companies, redistributors, municipal utilities and major customers in Germany and abroad. With innovative products for an environmentally friendly energy supply, it offers its customers comprehensive support for the implementation of the energy transition. As a natural gas wholesaler and energy service provider, VNG Handel & Vertrieb GmbH has close ties to its local region and is internationally well-placed. Together with its employees, it can draw on over 60 years of experience within VNG. More at www.vng-handel.de.

VNG is a group of over 20 companies active in the European energy industry with a broad, future-oriented portfolio of products and services in gas and infrastructure, and more than 60 years of experience in the energy market. Headquartered in Leipzig, the Group has a workforce of some 1,100 and generated sales of approximately EUR 11.2

VNG AG

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billion in the 2018 financial year. VNG concentrates on three links in the gas value chain: Trading & Sales, Transport and Storage. Building on its core expertise in the gas business, the Group's 'VNG 2030+' strategy places a growing focus on new business fields. These include green gases, digital infrastructure and local solutions. More at www.vng.de.