

Expected electricity and gas balance report as a source material for State Energy Policy

OTE, a.s., publishes the document with selected information from the expected electricity and gas balance report. Similarly to recent years, also in 2012 focus of this document is to ensure long-term balance between expected offer and demand of electricity and natural gas and to evaluate the long-term development of the electricity and gas industry up to the year 2040. The basis for the processing of this report was analysis of the electricity and gas market in 2011 and data acquired during this year.

Presented results are mainly focused on the development of the long-term electricity and gas consumption prediction, description of the Czech Republic power and gas system, price issues of both commodities and finally on the expected balance of both systems in the Czech Republic including potential impacts on the environment.

In the results it is necessary to emphasize the tight and mutual relation between electricity and gas industry, risks of the future development of heating industry and central heat supply systems in important city agglomerations (in connection to Directive No. 2010/75 ES) and in general impact of European legislation on the future design of electricity industry in the Czech Republic.

Mr. Jiří Štastný, the Chairman of the Board of Directors, said: "For market participants this document represents the summary of basic information from the Report of expected balance between offer and demand of electricity and gas. Market operator, on the basis of Energy Act¹, produces and provides this report to Ministry of Industry and Trade and Energy regulatory authority. A positive factor is that this report is used in its full scope as basis material for Ministry of Industry and Trade for preparation of the State Energy Policy and also brief form of the report can be used by all market participants to get transparent information about long-term outlook of power and gas system development."

Selected information from the Report of expected balance between offer and demand of electricity and gas can be downloaded from the following web link: www.ote-cr.cz/o-spolecnosti/soubory-vyrocní-zprava-ote/ZOOR_2011.pdf

= end =

OTE, a.s.

OTE, a.s., the Czech electricity and gas market operator, (OTE) is a joint stock company established in 2001. OTE provides comprehensive services to individual electricity and gas market players. OTE commenced organizing trading in the day-ahead electricity market in 2002 and the intra-day and block electricity markets in later years. OTE has been the market operator on the gas market since 2010 including operation of day-ahead gas market and intraday gas market. Continuous data processing and exchange required for the accounting and settlement of imbalance between the contractual and actual volumes of electricity and gas supplied and received are among services offered by the OTE to players in the Czech electricity and gas markets, as well as administrative procedures associated with a switch of supplier. The OTE also administers the National Register of Greenhouse Gas Emissions. OTE is the holder of the license for market operator's activities, which includes activities in the electricity and gas market in the Czech Republic.

Additional information is available on www.ote-cr.cz

¹ § 20a, paragraph 4, letter f), of Act no. 458/2000 Coll., on business conditions and on execution of state administration in energy sectors and on the revision of certain acts (Energy Act) as currently valid