ENERGY BUSINESS

FUEL AND ENERGY COMPLEX NEWS

NO. 151 OF 03.08.2026

ENERGY POLICY

ENERGY MINISTRY HAS INVESTED OVER UAH 844 MILLION FROM ITS FINANCIAL RESERVE IN GOVERNMENT WAR BONDS

Ukraine's Ministry of Energy has completed the second stage of investing financial reserve funds in domestic government war bonds, purchasing 494,940 war bonds worth UAH 517 million at the second OVDP placement auction on July 28, 2026.

"Across the two auctions on June 23 and July 28, 2026, the Ministry of Energy purchased 813,711 domestic war bonds for a total of over UAH 844 million," the ministry said on Friday. In the future, these funds will finance the decommissioning of nuclear facilities. As the ministry explained, the financial reserve is formed from regular contributions by Energoatom. Previously, these funds accumulated in accounts but gradually lost real value due to inflation.

"Investing in government securities protects the funds from inflationary depreciation, preserves their purchasing power, and provides additional replenishment of the reserve through income from government securities," the Energy Ministry noted. Implementing this mechanism ensures effective management of the financial reserve's funds and strengthens the financial basis for Ukraine to meet its obligations in decommissioning nuclear facilities, the ministry concluded.

UKRAINIAN REGIONS RECEIVED NEARLY €5 MILLION WORTH OF ENERGY EQUIPMENT FROM PARTNERS THROUGH THE ENERGY SUPPORT FUND

This week Ukrainian regions received equipment for restoring and reinforcing energy infrastructure worth nearly €5 million, thanks to contributions from international partners to the Energy Support Fund for Ukraine, the press service of Ukraine's Ministry of Energy reported.

"Thanks to contributions from international partners to the Energy Support Fund for Ukraine, several regions received important equipment for restoring and strengthening energy infrastructure… We thank Sweden, Luxembourg, Estonia, the United Kingdom and all partners for supporting Ukraine's energy sector," the Energy Ministry's press service said.

Estonia supplied the Zaporizhzhia region with auxiliary equipment to maintain its energy infrastructure. Sweden, for its part, helped procure important equipment for the oil and gas sector.

In addition, Luxembourg helped purchase essential energy equipment components for the Kharkiv region, the ministry said. UK contributions helped procure protective structure elements for one of the energy companies.

Sweden helped purchase essential equipment for the oil and gas sector. Meanwhile, UK contributions made it possible to procure protective structure elements for one of the energy companies.

COURT ORDERS KRYVORIZHTEPLOMEREZHA TO PAY OVER UAH 1 BILLION TO NAFTOGAZ

The Commercial Court of Dnipropetrovsk region fully upheld a claim by Naftogaz of Ukraine against KPTM Kryvorizhteplomerezha for recovery of UAH 1.028 billion for natural gas supplied. The court issued the ruling on June 3, 2026, ExPro reported.

The gas supply agreement

In September 2020, the parties signed a contract under which Naftogaz was to supply the company with 72.31 million cubic meters of gas between October 2020 and April 2021. The gas was intended solely for producing heat for residential heating and hot water supply.

During that period, Naftogaz supplied gas worth a total of UAH 542.56 million. Seven acceptance certificates confirm the deliveries that the parties signed without objection. Specifically, the value of gas supplied in December 2020 was UAH 102.23 million, in January 2021 – UAH 134.78 million, in February – UAH 120.36 million, and in March – UAH 90.47 million. The contract provided for current payment for gas and final settlement by the 25th of the month following the month of supply. For part of the resource value consumed from January to April 2021, the parties agreed to defer payment until September 30, 2021. However, Kryvorizhteplomerezha did not pay for the gas supplied and provided the court no evidence of debt repayment.

The company initially objected to the recovery of 3% annual interest and inflation losses. Kryvorizhteplomerezha claimed it could not settle because the state had not paid compensation for the tariff difference, and also asked the court to apply the statute of limitations.

The court's reasoning

The court rejected these arguments. The court noted the documents the company submitted on the reconciliation of over UAH 1.53 billion in tariff-difference debt related to the period from June 2021 to December 2025. In contrast, the disputed debt arose from gas supplied between October 2020 and April 2021.

The court also noted that the state is not a party to the contract between Naftogaz and the heat-supply company. Debt repayment through the tariff difference is only possible after a separate agreement on organizing mutual settlements is concluded, and the court cannot carry out such an offset on its own. The absence of budget compensation or the necessary funds does not release the consumer from fulfilling its contractual obligations.

The court also found that Naftogaz had not missed the deadline for filing suit. The contract set a five-year statute of limitations, and its running was further extended or suspended during quarantine and martial law. The company filed the claim on March 25, 2026.

Before the court considered the merits of the case, Kryvorizhteplomerezha reversed its position and filed a statement on June 1 fully admitting the UAH 1.028 billion claim.The court found this did not contradict the law or violate the rights of other parties.

The court ordered the company to pay UAH 542.56 million in principal, UAH 80.62 million in annual interest of 3% accrued through February 28, 2026, and UAH 404.76 million in inflation-related losses.

Since the defendant acknowledged the claim before the case was heard on the merits, the state budget must refund half of the court fee paid by Naftogaz to the company. The court ordered Kryvorizhteplomerezha to pay a further UAH 465,900 in court fees.

The ruling took legal effect on June 24, 2026, after which the court issued a writ for compulsory recovery of the funds.

RISING FUEL-STATION PRICES: AMCU CONSIDERS REGULATORY CHANGES

The Antimonopoly Committee of Ukraine (AMCU) held a meeting with the largest fuel-station chains and analyzed the impact of rising global oil prices on Ukraine's fuel market. The committee is studying price dynamics and does not rule out proposals to change industry regulation, AMCU chairman Pavlo Kyrylenko said on his Facebook page.

Details

The Antimonopoly Committee of Ukraine held a working meeting with the largest fuel-station network operators, discussing the situation on the fuel market amid rising global oil prices caused by the escalating conflict in the Middle East.

Pavlo Kyrylenko noted that the committee continues daily monitoring of the gasoline, diesel and LPG markets given their importance to the economy and consumers.

According to him, retail prices should be formed based on objective economic factors and in compliance with competition law requirements.

The AMCU noted that Ukraine remains heavily dependent on fuel imports, so rising Brent crude and petroleum product quotations on international markets affect the purchase cost of gasoline and diesel fuel.

During the meeting, the committee drew attention to current retail price dynamics and reminded operators of the need to comply with previously issued recommendations.

The parties also discussed factors affecting pricing, including procurement policy, petroleum product stock levels, and the consequences of fuel infrastructure damage from hostilities.

Market participants' explanations will undergo further analysis. Based on the results of this work, the AMCU will consider whether to prepare proposals to the government on possible changes to fuel-market regulation, Kyrylenko added.

IDLE CHERVONOHRAD COAL-PROCESSING PLANT THREATENS TO LEAVE THE COUNTRY SHORT OF COAL THIS WINTER – LAWMAKER

Eight months of downtime at the Chervonohrad coal-preparation plant is threatening the operation of state-owned mines and the country's stable coal supply during the heating season.

This was reported by RBC-Ukraine, citing a statement by MP Mykhailo Volynets, head of Ukraine's Independent Miners' Trade Union.

"It took eight months of downtime for a strategic enterprise, on which the operation of state mines depends, to end up on the brink of existence," he said.

According to the lawmaker, the plant has not been operating since January 2026. Because of wage debts, workers are being forced to quit, production facilities are deteriorating, and coal is catching fire in the bunkers. Meanwhile, the court has still not appointed a new rehabilitation manager.

He added that the rehabilitation procedure has been underway for almost eight years, yet there is still no approved plan, even though the law allows three months for submitting one. The appointment of a manager has again been postponed – this time until August 19.

Volynets noted that private creditors continue to fight for their own arbitration managers. In contrast, state bodies and state and municipal enterprises, which hold the majority of creditor claims, have backed an independent candidate.

The plant's workers and residents of Sosnivka are already feeling the effects of the delay. The local community reports air pollution, road damage, and heavy trucks hauling coal-bearing sludge through residential areas.

The lawmaker stressed that after Russian strikes destroyed industrial capacity in the east, the Chervonohrad plant's importance to energy security has only grown. Without restoring its operation, state mines could lose the ability to supply processed coal reliably.

"You can't secure the heating season with talk and court inaction," Volynets concluded. The situation at the Chervonohrad plant. As previously reported, RBC-Ukraine wrote in a separate piece that the situation at the Chervonohrad plant needs attention, since it is essential for supplying coal from mines of the Lviv-Volyn basin to state thermal power generation. In addition, MP Mykhailo Bondar previously stressed that without restoring effective state management and stabilizing the enterprise's operations, the risks to preparations for the heating season and to Ukraine's energy security are growing.

POWER SECTOR

ZAPORIZHZHIAOBLENERGO RESTORES A 500-METER HIGH-VOLTAGE LINE ACROSS THE DNIPRO RIVER

Zaporizhzhiaoblenergo has restored a roughly 500-meter section of a high-voltage overhead line across the Dnipro River that was damaged by enemy shelling, said company head Andrii Stasevskyi. According to him, enemy guided bombs recently cut the high-voltage line running over the Dnipro; the remains of the line fell into the water 180-200 meters from the bank on both sides. More than 3,000 households were left without power.

"Fully replacing this line would have meant a long power outage for people and significant expenditure of repair materials. So the decision was made to repair directly on site (…) This genuinely unique wartime operation took more than six hours," Stasevskyi said.

He said the technically complex task required the company to deploy two specialist teams simultaneously.

Part of the team worked on land – clearing trees knocked down by enemy shelling from around the pylon, rising 20 meters on an aerial platform to loosen the tension on the damaged wire so colleagues could work on it. The second team, meanwhile, went out onto the river by boat, located and retrieved both ends of the severed wire from the water, and joined them using a wire splice and connecting fittings, restoring the line.

According to Zaporizhzhiaoblenergo, the work was significantly complicated by the tense security situation in the region: the work site was completely exposed to Russian drones that constantly "hunt" energy workers.

"The military came to the energy workers' aid: defenders provided cover for our teams, which allowed the work to be carried out as quickly and safely as possible. More than 3,000 households now have power again, and a further 16,000-plus have been provided with backup power capability," Stasevskyi said.

ELECTRICITY SUPPLIERS GIVEN TWO MONTHS TO REPORT SPECIAL ACCOUNTS – NEURC

The regulator has introduced a transition period for current licensees and changed licensing procedures.

Ukraine's National Energy and Utilities Regulatory Commission (NEURC) has amended the rules for licensing electricity suppliers.

NEURC's press service reported this.

The regulator adopted the relevant decision at its July 28 meeting, approving Resolution No. 1223.

The document sets additional requirements for opening current accounts with a special use regime and for notifying NEURC about this.

The resolution provides that:

electricity suppliers who have not yet notified NEURC of opening a current account with a special use regime must do so within two months of the resolution taking effect;

the notification must concern an account opened at one of the authorized banks;

the Licensing Procedure has been amended to allow NEURC to suspend a license if a new licensee fails to report opening such an account more than two months after the licensing decision takes effect.

In this regard, the regulator urged licensees to comply with legal requirements on opening special accounts for settlements under Ukraine's Law "On the Electricity Market" and to inform NEURC of this promptly.

COURT ORDERS GUARANTEED BUYER TO PAY ENERGOATOM FOR A TWO-DAY PAYMENT DELAY

The Commercial Court of Kyiv upheld a claim by Energoatom against Guaranteed Buyer and ordered the company to pay UAH 56,600 in 3% annual interest for late settlement for electricity purchased under the public service obligation (PSO) mechanism.

ExPro reports this, citing the court ruling.

The payment was two days late.

The dispute arose over payment for electricity supplied in September 2025 under a power purchase agreement intended to ensure electricity availability for household consumers.

According to the case materials, state enterprise Guaranteed Buyer paid UAH 344.5 million for the electricity supplied two days late.

Energoatom went to court seeking to recover UAH 56,633.53 in 3% annual interest, accrued under Article 625 of Ukraine's Civil Code.

The court rejected Guaranteed Buyer's arguments. The court found that final settlement was due by October 11, 2025, but the funds were actually paid only on October 13.

In court, Guaranteed Buyer argued that settlement timing depends on funds arriving from universal service providers, and also cited martial law as a force majeure circumstance.

However, the court disagreed with these arguments. The ruling states that Energy Ministry orders regulate the settlement procedure but do not change the full-payment deadlines set out in the contract.

In addition to the 3% annual interest, the court ordered Guaranteed Buyer to pay UAH 2,660 in court fees.

ENERA WINS UAH 170,000 FROM UKRENERGO IN COURT

A commercial court upheld a claim by Enera Chernihiv against Ukrenergo and ordered the transmission system operator to pay UAH 74,500 in 3% annual interest, UAH 95,300 in inflation losses, and UAH 2,000 in court fees over late payment for services.

ExPro reports this, citing the court ruling.

Ukrenergo repaid the principal debt during the court proceedings.

The dispute arose over late payment for services to increase the share of electricity generated from alternative sources, provided by Enera Chernihiv in August and September 2025 under the public service obligation (PSO) mechanism.

The plaintiff sought to recover over UAH 21 million in principal debt, plus 3% annual interest and inflation losses.

During the proceedings, Ukrenergo fully repaid the principal debt, so the court closed the case in that part.

Court finds late payment.

Although the company repaid the principal debt, the court found that it had missed the statutory payment deadlines.

As a result, the court fully upheld Enera Chernihiv's claims regarding liability for the delay and ordered Ukrenergo to pay UAH 74,500 in 3% annual interest, UAH 95,300 in inflation losses, and UAH 2,000 in court fees.

DTEK LAUNCHES "TRACK THE STORKS": HOW THE NEW PROJECT WILL HELP PROTECT BIRDS AND POWER GRIDS

DTEK has launched the environmental project "Track the Storks," under which ten young white storks have been fitted with special trackers.

RBC-Ukraine reports this, citing a DTEK statement.

Why storks need trackers: details of DTEK's eco-project

According to the company, the project combines science, modern technology, and DTEK's many years of experience in biodiversity protection, so that the development of energy infrastructure increasingly takes wildlife needs into account.

"DTEK, the largest investor in Ukraine's economy during the war, is launching the 'Track the Storks' project — a new environmental initiative that will help Ukrainian scientists better understand white stork migration routes and use this knowledge to preserve biodiversity," the statement said.

Ten young storks have already been fitted with trackers as part of the project, and starting in the second half of August, people will be able to follow their first migration to warmer countries on an interactive map on DTEK's website.

The data collected will form the basis for new scientific research. They will help take bird migration routes into account when building and upgrading energy facilities, making them safer for wildlife.

What is known about the "Little Storks" initiative

According to the company, the project continues DTEK's long-running conservation work. For more than ten years, the company has run the "Little Storks" initiative, installing special nesting platforms on power poles.

As of today, more than 900 such platforms have been installed in Kyiv and in Kyiv, Odesa and Dnipropetrovsk regions, which environmentalists estimate help protect about 3,600 white storks each year.

As a reminder, DTEK Grids has been certified to the international environmental standard ISO 14001. Among the initiatives that received the highest rating was the "Little Storks" educational-environmental project, aimed at preserving the white stork population and improving the reliability of electricity supply.

ENERGOATOM ORDERS A ZAPORIZHTRANSFORMATOR TRANSFORMER FOR 175 MILLION VIA OPEN TENDER

On July 23, following a tender, Energoatom ordered a transformer from Zaporizhtransformator for UAH 175.05 million. This is reported in the Prozorro system.

This year, the manufacturer must deliver to the customer's warehouse an oil-filled three-phase power transformer of type TDTs-250000/330-U1 with a capacity of 250 MVA, at a higher voltage of 347 kV and a lower voltage of 15.75 kV. It comes together with a Sergi explosion- and fire-prevention system, a kit to adapt the transformer to the existing SAFE-T continuous monitoring system, and a Testrano 600 three-phase test system with a CP TD12 high-voltage unit for comprehensive testing of power and distribution transformers.

Thus, the unit cost including additional equipment is $15,600 per MVA.

Last time, in March 2025, Energoatom ordered transformers from Zaporizhtransformator without a tender, concealing the capacity and per-unit prices as confidential.

As for other buyers, in March 2026, Ukrhydroenergo ordered two more powerful unit transformers from Zaporizhtransformator — 290 MVA 330 kV and 290 MVA 110 kV — at an average of $10,100 per MVA, and in June 2024, a three-phase power transformer of 250 MVA 165/13.8 kV at $11,000 per MVA. However, the company did not disclose any details.

In May 2024, Kyivteploenergo ordered a similar TDTs-400000/110-U1 transformer from Zaporizhtransformator, one and a half times more powerful at 400 MVA, for $7,000 per MVA, which matched the market rate, while in September 2023 it ordered a different transformer, ATDTN-195000/330/110-U1, one and a half times less powerful at 195 MVA, for $14,700 per MVA.

In 2022, Ukrhydroenergo ordered an ANAR3E (ATDTsTN) 400000/330/150 autotransformer from an intermediary firm, one and a half times more powerful at 400 MVA, for $15,900 per MVA. According to Nashi Groshi, global manufacturers' transformers of half that capacity matched that price at the time (for more, see the article "Ukrhydroenergo Slipped Foreign 'Pass-Throughs' into Shadow Transformer Procurement") — i.e., around 195 MVA.

Before Russia's full-scale invasion, in December 2021 Ukrenergo ordered ATDTN-195000/330/110-U1 autotransformers of slightly lower capacity, 195 MVA, from a Zaporizhtransformator dealer at $14,200 per MVA. In January 2022, the price was lowered to $13,100 per MVA (see the article "Attack on Ukrenergo in Pursuit of Billions").

As a reminder, the unit cost of a transformer per MVA is inversely proportional to its capacity — the more powerful the transformer, the lower the unit cost should be.

The current contract provides for a 30% advance payment secured by a bank guarantee or insurance certificate, with the remainder to be paid within 45 days of delivery.

The plant received the order without competition, as no one else came to the open tender.

To take part in the tender, bidders had to present a completed contract for similar transformer supplies and have net income for 2025 of at least UAH 72.94 million, equal to 50% of the expected contract value. Also required were up-to-date technical conditions (technical specifications) for the proposed product, signed by the manufacturer and agreed with Energoatom, or a technical assignment approved by Energoatom, or, absent those, a draft technical conditions/specification document signed by the manufacturer. In addition, a bidder had to provide reference letters from an energy company confirming positive operating experience with transformers of the same manufacturer rated at least 330 kV and at least 250 MVA.

Also required was a valid "Supplier Approval Decision" issued to the manufacturer, specifying the type/range of products/list of technical conditions for the proposed products, or, if unavailable at the time of tender submission, a completed and manufacturer-signed "Assessment Request." If the bidder was not the manufacturer, it had to provide a document from the manufacturer confirming its authority to supply the goods. Bid security in the form of a bank guarantee or insurance certificate amounted to UAH 1.46 million, or 1% of the expected contract value. There is no contract-performance security.

The court opened bankruptcy proceedings against Zaporizhtransformator in 2019. The plant belonged to Kostiantyn Hryhorishyn, who left Ukraine long ago after a court ruling required him to hand over part of the business to Vadym Novynskyi. In November 2022, the enterprise, as a strategically important asset, was placed under the management of the Defense Ministry until the end of martial law.

HUNGARY PREPARES FOR A FULL SHUTDOWN OF THE PAKS NUCLEAR PLANT AMID RECORD-LOW DANUBE WATER LEVELS

Hungary may face an unprecedented situation in its power system within days, due to an expected full shutdown of the Paks nuclear power plant. The cause is record-low water levels in the Danube, which are used to cool the reactor units.

This was reported by Hungarian Prime Minister Peter Magyar and confirmed by MVM Paks Nuclear Power Plant Plc.

The plant could shut down within 24-72 hours

According to the plant operator's assessment, as Danube water levels fall below permissible values, a complete shutdown of all power units could become unavoidable within the next 24-72 hours.

The Paks plant has an installed capacity of about 2 GW and supplies nearly half of Hungary's electricity generation.

Authorities preparing for possible power shortages

Prime Minister Peter Magyar said that by Monday the country could face the most difficult situation in the history of Hungary's power system.

According to him, besides the possible loss of 2 GW of nuclear generation, the Dunamenti gas-fired power plant also went offline the day before, while electricity demand is surging due to abnormal heat.

According to forecasts from transmission system operator MAVIR, evening demand in the coming days could exceed the usual summer level by around 20%. During peak hours (5:00-10:00 PM), consumption could rise to about 7.2 GW compared with the usual 6 GW.

Large consumers will be asked to cut consumption

The government plans to make maximum use of domestic generation and increase electricity imports.

In addition, MAVIR will ask large industrial consumers, including automotive, battery, cement and chemical companies, to voluntarily cut electricity consumption during evening hours. Authorities have also urged the public to shift energy-intensive activities, such as EV charging and air conditioner use, outside the evening peak.

As a backup mechanism, the government is considering introducing schedules for temporary disconnections of large industrial consumers. According to the prime minister, the relevant legislation is already being prepared, though it would only be applied if other measures prove insufficient.

The cause was a record drought

According to the plant operator, the Danube's water level near the station has already fallen 28 cm below the previous historic low recorded in 2018, and more than a meter below the minimum level that was factored into the plant's design more than 40 years ago.

The plant stresses that even in the event of a full shutdown, all reactors will remain in a safe state. Once the required water level is restored, power generation is planned to resume gradually.

OIL AND GAS

UKRNAFTA PLANS NEW DRILLING OF PRODUCTIVE FORMATIONS BASED ON 3D SEISMIC SURVEYS

Ukrnafta is opening new productive areas at brownfields, drilling high-flow-rate wells, and planning new drilling based on completed 3D seismic surveys, the company reported on Friday.

"In 2024-2025, we carried out 3D seismic surveys over more than 1,210 sq km, at nine fields and two areas. That's already about 20% of all the company's special permits. This work lets us understand the geological structure of the subsurface much better and, accordingly, plan new drilling more precisely," said Ukrnafta board chairman Bohdan Kukura.

The company explained that 3D seismic surveys are one of the key tools that help improve the efficiency of new drilling. Using the data obtained, Ukrnafta can identify promising areas, reduce geological risks, and work in places where drilling was previously considered too complex or insufficiently justified.

"This is especially important for brownfields. Even at fields that have been in operation for decades, modern geophysics helps discover new deposits and refine resource potential estimates," the company added.

One such example is a field where, after a set of 3D seismic surveys, a new area was forecast to be promising. A well drilled there confirmed the forecast on formation productivity. Initial flow was 132 tonnes of oil per day. The results became the basis for a further drilling program. Five more new wells are already planned at this field, with their locations, depths and trajectories refined. "Importantly, seismic survey results start working right away, increasing the probability of successful drilling," Ukrnafta explained. Already at the design stage, they allow adjusting the location of future wells, choosing optimal trajectories through productive horizons, and increasing the probability of successful drilling.

UKRNAFTA-POSTACH TO SHIP UAH 237.6 MILLION WORTH OF DIESEL FUEL TO UKRAINE'S GAS TSO

Gas TSO of Ukraine has selected the winner of a tender for supplying Euro-5 diesel fuel via fuel cards. The best bid was submitted by Ukrnafta-Postach, at UAH 237.55 million for supplying 2.82 million liters of diesel fuel, equivalent to UAH 84.24 per liter including VAT. The procurement is currently at the contract-signing stage, according to Prozorro data.

Details of the fuel purchase

The procurement covers the supply of 2.82 million liters of Euro-5 diesel fuel via fuel cards, dispensed through the Ukrnafta filling-station network. The company's only competitor was Petrol Partner. The supplier must deliver the fuel by December 31, 2026.

Diesel fuel suppliers for the Gas TSO in 2026

In 2026, diesel fuel suppliers for the Gas TSO of Ukraine were Ukrnafta-Postach and Ukrpaletsystem.

Meanwhile, one of the contracts signed with Ukrnafta-Postach was terminated. It had originally provided for the supply of 6.46 million liters of diesel fuel for UAH 320.74 million, including VAT. In March 2026, the parties amended the contract due to rising market prices, raising the unit price within legally permitted limits. The parties subsequently terminated the contract.

As a reminder, the Ukrainian Sea Ports Authority previously named Peid the winner of a tender to supply 250,000 liters of bulk Euro-5 diesel fuel worth UAH 22.13 million including VAT.

BP TO SELL NORTH SEA OIL AND GAS ASSETS

BP plans to sell its oil and gas assets in the UK North Sea sector as it continues restructuring the business. The company is focusing on more profitable projects in the US and Brazil while also cutting staff, Reuters reports.

Details

British energy company BP intends to sell its oil and gas fields in the UK North Sea sector. New CEO Meg O'Neill is accelerating a major restructuring of the company's asset portfolio aimed at boosting profitability.

"The North Sea remains an important part of the UK's energy system. At the same time, as we focus investment on our most valuable opportunities, we believe this business will have a better future as part of another company," O'Neill said.

In recent years, some international oil companies, including ExxonMobil, Chevron, ConocoPhillips, Shell, TotalEnergies and Eni, have already scaled back their North Sea presence due to declining output and higher profitability elsewhere. BP has operated in the North Sea for over 60 years and runs five major production hubs, including the Clair field — the largest on the UK continental shelf. In 2025, the UK North Sea sector accounted for about 5% of the company's output — roughly 117,000 barrels of oil equivalent per day out of a total of 2.3 million barrels per day.

BP had previously agreed to sell its stake in the Culzean field, which will cut the company's UK output by about 25,000 barrels of oil equivalent per day.

The company said it will keep its UK aviation fuel supply business, retail filling-station network, trading division and London headquarters.

According to BP, about 1,100 people work in the company's North Sea division out of a total UK workforce of about 14,000.

North Sea output is falling sharply

Combined North Sea oil and gas output fell to about 1 million barrels of oil equivalent per day in 2025, down from 4.5 million barrels per day in the early 2000s.

Since Meg O'Neill became BP's CEO, the company has stepped up efforts to cut debt and refocus on its core oil and gas business while reducing investment in renewable energy.

From July, the company moved to a new management structure, cutting the number of business segments from three to two — upstream and downstream. In addition, according to internal correspondence seen by Reuters, BP plans to cut around 700 jobs.

MOL TO BUY 35% OF THE APHRODITE GAS FIELD FROM SHELL FOR $720 MILLION

Hungary's MOL Group has signed an agreement with Shell to acquire BG Cyprus, which holds 35% of offshore Block 12 off Cyprus, home to the Aphrodite gas field, ExPro reports. The deal could be worth up to $720 million in total. MOL said the transaction will be the biggest growth opportunity for its exploration and production business since acquiring a 9.57% stake in Azerbaijan's ACG project in 2019. The deal is expected to close in 2027 pending necessary approvals. MOL will then become a partner alongside Chevron, which operates Aphrodite and holds 35%, and Israel's NewMed Energy, which holds 30%.

The Aphrodite field was discovered in 2011 in the deepwater Block 12 of Cyprus's exclusive economic zone. MOL estimates it holds about 104 billion cubic meters of gas and 8 million barrels of condensate.

The development plan calls for drilling four wells, installing a dedicated floating production unit, and building a roughly 250-km subsea gas pipeline to Egypt's gas transmission system. A final investment decision is expected in 2027, with production start-up in 2031.

In July, Aphrodite partners Cyprus Hydrocarbons Company and Egypt's EGAS signed a memorandum on the sale of all recoverable gas volumes. The parties are also preparing a binding supply contract and an intergovernmental agreement on gas-transport infrastructure.

Shell explained the sale as part of capital reallocation and a focus on assets that strengthen its integrated LNG business. The company gained its stake in Aphrodite after acquiring BG Group in 2016.

OPEC+ COUNTRIES AGREE TO RAISE OIL OUTPUT IN SEPTEMBER

Seven OPEC+ countries (Saudi Arabia, Iraq, Kuwait, Algeria, Kazakhstan, Russia and Oman) will raise their oil production targets by 188,000 barrels per day in September.

Ukrinform reports this, citing the OPEC website.

"As part of their collective commitment to support oil market stability, the seven participating countries decided to implement a production adjustment of 188,000 barrels per day within the additional voluntary adjustments announced in April 2023. The parties subsequently terminated the contract.

Participating countries will be able to speed up the compensation process, officials noted.

"The seven countries reaffirmed their collective commitment to achieve full conformity with the Declaration of Cooperation, including the additional voluntary production adjustments, which will be monitored by the Joint Ministerial Monitoring Committee (JMMC).

They also reaffirmed their intention to compensate fully for any overproduced volumes since January 2024," OPEC stressed.

The next meeting will take place on September 6. As Ukrinform previously reported, last month the same seven OPEC+ countries (Saudi Arabia, Iraq, Kuwait, Algeria, Kazakhstan, Russia and Oman) raised their oil production targets by 188,000 barrels per day for August.

HEAT GENERATION

GOVERNMENT EXPANDS PROGRAM FOR INSTALLING AUTONOMOUS HEATING IN HOMES

The Cabinet of Ministers has expanded the state support program for private homeowners planning to install autonomous heating.

Prime Minister Serhii Koretskyi reported this on Telegram, Ukrinform reports.

"We have expanded the support program for people planning to install autonomous heating in their homes. Koretskyi said a preferential loan of up to UAH 250,000, or up to UAH 480,000, is available for purchasing solid-fuel stoves, chimneys, and related materials, including installation. He explained that the state will compensate 10% or 20% of the loan principal depending on its size. Meanwhile, the preferential rate will be 0% in the first year, 5% in the second, and 7% in the third.

Koretskyi added that a cap has been set on home size — no more than 300 square meters.

"I encourage citizens who want or were planning to install autonomous heating to take advantage of the state support program," the prime minister said in closing.

As Ukrinform previously reported, on July 15, the Verkhovna Rada passed the law "On Amendments to Certain Laws of Ukraine Regarding Support for the Development of Efficient and Sustainable District Heating," which creates conditions for modernizing.

KYIV BUILDS A NEW HEATING MAIN FOR TEREMKY UNDER THE RESILIENCE PLAN

One of the key projects under the Resilience Plan is underway in Kyiv's Holosiivskyi district — construction of a new heating main for the Teremky-1 and Teremky-2 residential areas, the Kyiv City State Administration (KCSA) reported on the city's official portal on Friday.

"The new heating network will create a backup heat-supply scheme that will ensure uninterrupted heat delivery in the event of a critical shutdown of CHP-5. It will supply heat to 183 residential buildings, three healthcare facilities and 18 educational institutions — schools and kindergartens," the administration said.

The customer for the work is the municipal utility Kyivteploenergo.

Trees and shrubs within the construction corridor will be removed only after a professional assessment and full legal compliance.

According to KCSA, the standing commission for assessing the condition of green space and its restoration value has already surveyed the area and drawn up the relevant report. Specialists determined that 662 trees are to be removed in the work zone, of which 56 may be transplanted, along with 70 shrubs, of which 16 will also be transplanted.

The heating-network construction project includes full implementation of environmental measures. After construction is complete, the park area will be reclaimed, landscaping restored, and new trees, shrubs, and other green space planted.

In addition, under the law, the customer will pay compensation for the removed green space, with the funds directed toward creating and developing new green areas in the capital. This mechanism for offsetting the impact on the urban environment is provided for under current legislation.

"City authorities are carrying out this project based on two equally important priorities: ensuring reliable heat supply for the capital's residents and preserving the city's green space," KCSA stressed.

All work is carried out strictly within the law, and once complete, the area will be restored and landscaped.

As the administration added, building the backup heating network is an investment in the resilience of Kyiv's critical infrastructure. Amid constant threats to the power system, it will guarantee heat supply for thousands of Teremky residents even in emergencies. At the same time, the planned compensation and restoration measures will preserve the area's ecological balance.

EDITORIAL
Editor-in-chief:
Petro BILIAN
p.bilyan@gmail.com

SUBSCRIPTIONS:
Iryna STOLIAROVA
+380 67 284 69 77, +380 99 605 01 93
irina@e-b.com.ua

ADVERTISING:
Petro KUPERMAN
+380 67 250 41 32, +380 99 704 42 74
peter@e-b.com.ua

EDITORIAL ADDRESS:
59/5 Kostiantynivska St.,
office 37, Kyiv, 04080, Ukraine
energo@e-b.com.ua

E-B.COM.UA