

Update

Alexander Paraschiy
ap@concorde.com.ua

Elena Sergeyeva
es@concorde.com.ua

+380 44 391 5577

Gas Distribution Companies

The Russians are coming



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EXECUTIVE SUMMARY

The heightened chances to see an overhaul of key regulations in the sector lead us to reclassify GasCos as the next "it" investment opportunity. The entrance of strategic Russian investors over the last two years reached a critical mass that can force reform; the first signs of improvement could be visible as early as 2008. We see this as the main stock market catalyst, bringing about a punch up in liquidity. Benchmarking to Russian peers promises solid upsides for our eight rated GasCos.

Russians move in

We see conclusive signals that Gazprom has secured positions in a good third of the Ukrainian GasCos, though it has not officially confirmed this yet. Over the last two years, five other domestic gas distributors were locked up by another Russian player, GazEKS, which is related to Viktor Vekselberg. We believe the sizable Russian presence in the sector will trigger regulatory improvements.

Accelerating M&A activity to be main catalyst

Though illiquid, the market reacted positively to the sector's acquisitive action in 2007. Incitement from further takeover deals and the anticipation of regulatory improvements are likely to mature the GasCo industry over 2008-2009.

Regulatory improvements to unlock value in short-term

The industry's main value restrictions to date, low profitability and a lack of long-term network operation agreements, are expected to be removed in 2008. Up to a 45% increase in tariffs and toughening financial control by the state will force most GasCos to start reporting positive profits already this year. The signing of network concession agreements, which have been extensively lobbied for by new strategic investors, should bring more positives.

Tariff reform is a long-term value driver

Shifting tariffs from cost-based to asset-based calculation, similar to the transition underway in the electricity distribution sector, will unveil value in GasCos in the long run. Benchmarking to companies with RAB pricing (Ukrainian electricity distributors and Czech gas distributors) promises a 2x to 20x potential capitalization increase in the mid to long-term.

Moving closer to Russian peers

The proximity of Ukrainian and Russian Oblgazes in terms of asset quality and ownership structure suggests obvious comparison. Benchmarking to Russian GasCos implies 70%-280% upside for seven Ukrainian GasCos, though we believe Ukrainian GasCos deserve a premium to due to exposure to the gas supply business.

MARKET INFORMATION*

Company Name	Price	12M TP	Upside/ Downside	Rec'
Donetskoblغاز	0.034	0.10	194%	BUY
Khmel'nitskغاز	48.5	100	106%	BUY
Kyivoblغاز	1.0	2.0	102%	BUY
Lvivغاز	16	17	-6%	N/R
Iv.-Frankivskغاز	4.0	3.0	-25%	N/R
Kirovohradغاز	0.3	0.6	100%	BUY
Dnipropetrovskغاز	30	60	100%	BUY
Odesاغاز	8.0	20	150%	BUY
Zhytomyrغاز	100	160	60%	BUY
Kharkivغاز	3.5	9.0	157%	BUY

Source: PFTS, Concorde Capital

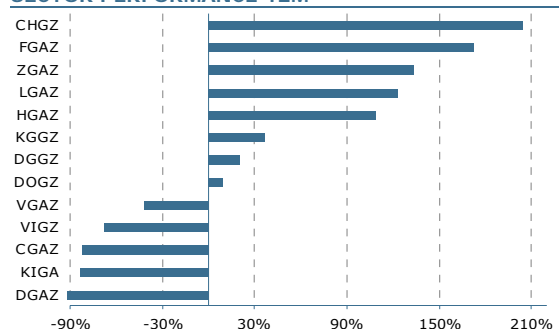
STOCK MARKET DATA

Company Name	PFTS Ticker	FF		Spread	12M Trd.vol USD ths
		%	USD mln		
Donetskoblغاز	DOGZ	12.0	2.8	20%	52.9
Khmel'nitskغاز	HGAZ	13.0	2.3	56%	1437.0
Kyivoblغاز	KIGA	15.0	5.0	80%	147.9
Lvivغاز	LGAZ	7.2	3.9	(*)	3.0
Iv.-Frankivskغاز	FGAZ	9.4	5.7	(*)	1.0
Kirovohradغاز	KGZ	9.8	3.1	70%	4.8

Source: PFTS, Concorde Capital estimates

(*) No ask quotations on the PFTS

SECTOR PERFORMANCE 12M



Source: PFTS Note: Based on bid prices

FINANCIAL RESULTS, 9M07 USD mln

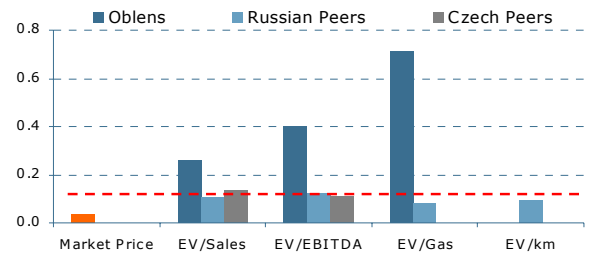
Company Name	Sales	EBITDA margin	Net margin
Donetskoblغاز	74.1	3.0%	-0.8%
Khmel'nitskغاز	39.4	13.3%	7.9%
Kyivoblغاز	104.0	-1.1%	-2.4%
Lvivغاز	164.0	-10.7%	-5.9%
Ivano-Frankivskغاز	45.3	-9.2%	-13.1%
Kirovohradغاز	36.9	0.1%	-3.0%
Dnipropetrovskغاز	68.8	-8.4%	-7.5%
Odesاغاز	67.4	2.0%	-1.7%
Zhytomyrغاز	43.1	0.3%	-3.4%
Kharkivغاز	57.6	-3.2%	-7.8%

Source: Company data

* Out of 42 GasCos, we cover ten where we see an investment case in the short to mid-term. We assign investment ratings to eight of them. Market prices given are indicative.

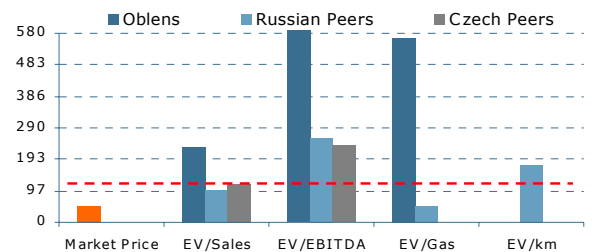
Donetskoblغاز (DOGZ): BUY

- M&A is a likely catalyst: management is strongly rumored to be interested in selling their 35% stake
- Solid gas transportation volumes (3.5 bln cm/year) make the company a valuable acquisition target for owners of gas sources
- Gasification of Donetsk region is among the government's priorities: current level (64%) suggests 1/3 growth potential for the company's consumer base in the mid-term
- Illiquid stock: few deals over 2007



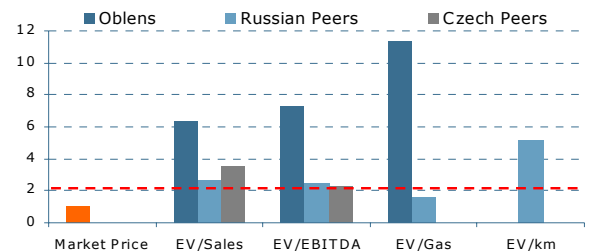
Khmelnitskغاز (HGAZ): BUY

- Most liquid GasCo stock
- Most stable annual margins over time in the sector; 9M07 EBITDA margin was 13.3%, net margin was 7.9%
- Ukgaz-Energo controls 50% of the company after acquiring former majority shareholder GAZTEK in August 2007
- Highest share of polyethylene pipelines in Ukraine (26%) provides the lowest gas losses in the sector



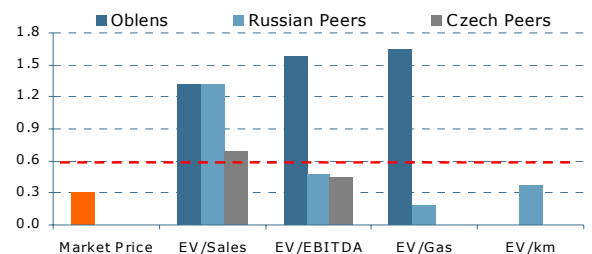
Kyivoblغاز (KIGA): BUY

- Liquidity is low but could be improved on M&A news in 2008
- One of the largest gas networks in the sector (28 ths km); still more than 16% growth potential likely to be realized in 2008-2009
- Large gas transportation volumes (3.0 bln cm/year) and good network condition make the company a valuable acquisition target
- Polymer-pipe production unit supports new pipeline construction



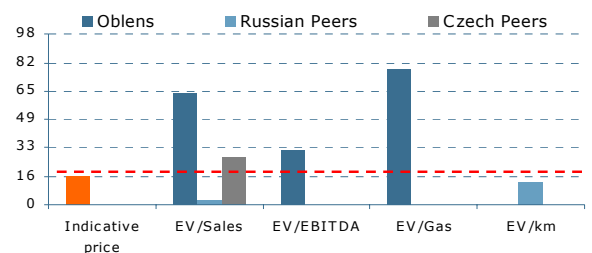
Kirovohradغاز (KGGZ): BUY

- Possible acquisition target: Naftogaz is likely to sell its 51% stake in the company
- One of the lowest gasification levels (49%) make Kirovohrad region a priority of the government's 2008 gasification program
- Illiquid stock: technical trades, 70% spread



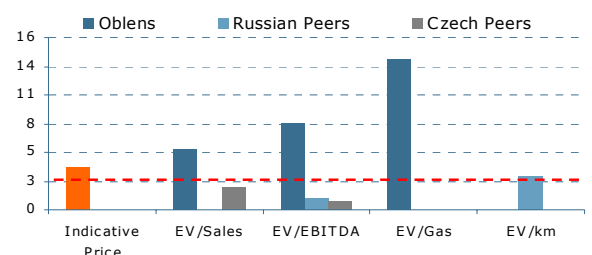
Lvivغاز (LGAZ): N/R

- Illiquid stock: only bid prices on PFTS, few technical deals
- Highest gasification level (88%) in the sector: No growth is expected
- Likely to secure gas supplies as main owner of gas sources in Ukraine, Ukgaz-Energo, has gained control over the company
- Peer valuation implies downside, while asset-based valuation yields long-term value appreciation – we do not rate stock



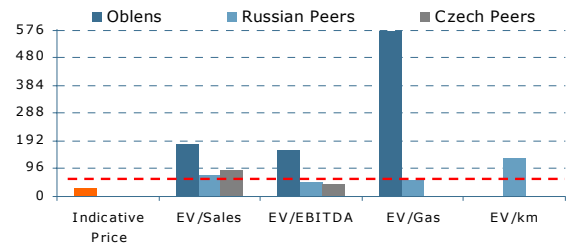
Ivano-Frankivskغاز (FGAZ): N/R

- Illiquid stock: only bid prices on PFTS, few technical deals
- Naftogaz holds a 50% stake in the company and is expected to sell out to a strategic investor
- Likely to have the fastest network expansion rate: Ivano-Frankivsk region is among the priorities of the state's 2008 gasification program
- Peer valuation implies downside, while asset-based valuation yields long-term value appreciation – we do not rate stock



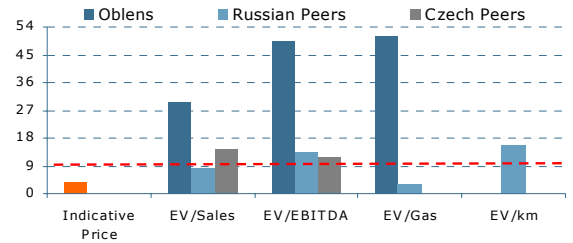
Dnipropetrovskgaz: BUY

- One of three largest companies by transportation volumes: (more than 3.5 bln cm/year)
- Highest for the sector share of industrial consumers (51%) secures large gas transportation volumes and provides high payment discipline
- Not listed



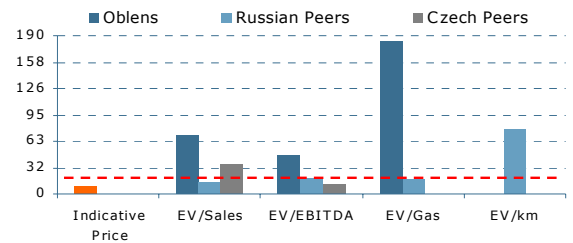
Kharkivgaz: BUY

- Main shareholder, GazEKS, is heavily lobbying for the signing of network concession agreements: high chance of success in 2008
- Kharkiv region is among the government's priorities for gasification; relatively low gasification level (62%) suggests a potential for its network to increase 20% by 2010
- Delisted from PFTS due to illiquidity



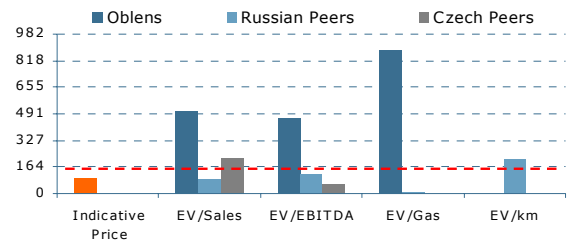
Odesagaz: BUY

- Management (94% shareholder) is rumored to be ready to sell its stake to a strategic investor
- One of the lowest gasification levels (48%) suggests considerable growth potential for the company's consumer base
- 57% of USD 7 mln raised from additional share issue in Aug. 2007 is scheduled to be spent on network expansion (by about 150-200 km)
- Not listed



Zhytomyrgaz: BUY

- Significantly improved its financials in 9M07; reduced net losses by 16% yoy to USD 1.45 mln
- One of the lowest levels of gas losses in the sector
- Delisted from PFTS due to illiquidity



Valuation summary, USD

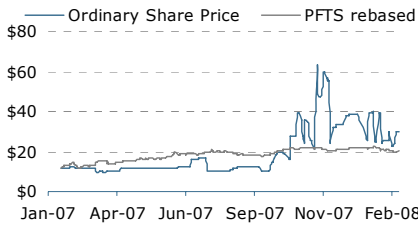
	12M Target	Upside/Downside	EV/Sales			EV/EBITDA			EV/Energy		EV/Network	
			Oblenergo	Russian	Czech	Oblenergo	Russian	Czech	Oblenergo	Russian	Russian	Czech
Donetskoblbgaz	0.10	194%	0.3	0.1	0.14	0.4	0.12	0.11	0.7	0.08	0.09	0.6
Khmelnitskgaz	100	106%	230.9	100.1	117.5	876.7	257.6	236.4	564.6	51.6	177.1	1322.8
Kyivoblbgaz	2	102%	6.3	2.6	3.5	7.3	2.5	2.3	11.4	1.5	5.1	33.8
Kirovohradgaz	0.6	100%	1.3	1.3	0.7	1.6	0.5	0.4	1.6	0.2	0.4	2.6
Lvivgaz	17	-6%	64.1	2.5	26.8	31.1	n/m	n/m	78	n/m	13.0	197.2
Iv.-Frankivskgaz	3	-25%	5.7	0.04	2.1	8.3	1.1	0.9	14.3	n/m	3.3	37.5
Dnipropetrovskgaz	60	100%	181.5	74	95.4	164	48.9	45	574	60.1	134.1	958.1
Kharkivgaz	9	157%	29.5	8.1	14.5	49.5	13.4	12.1	51.2	3.5	15.7	127.3
Odesagaz	20	150%	69.6	14.2	35.9	46	19.1	11.6	183.2	17.9	76.6	556.0
Zhytomyrgaz	160	60%	504.6	85.8	222.3	467	120.4	62.3	887.3	10.9	208.1	2138.1

STOCK MARKET

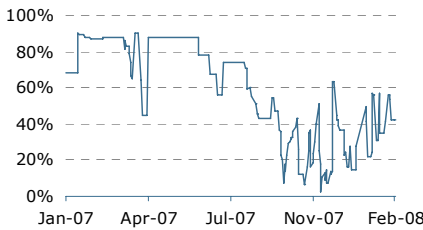
Stock market monitor

Khmelnitskgaz

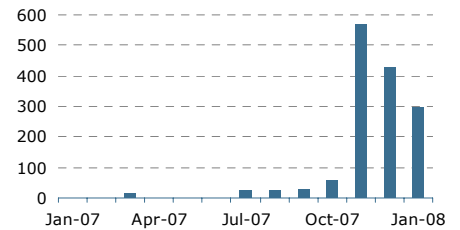
Stock performance



Spread, %

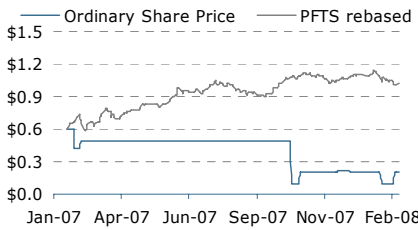


Trading volumes, USD ths

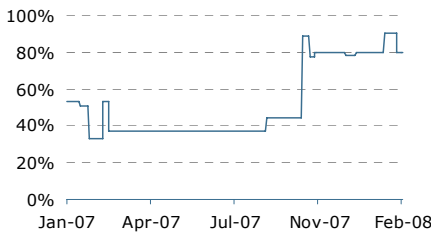


Kyivoblغاز

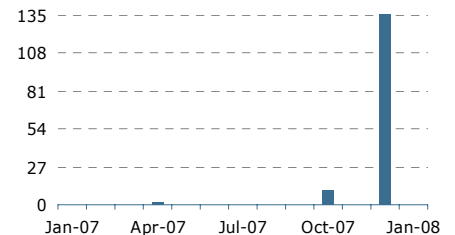
Stock performance



Spread, %

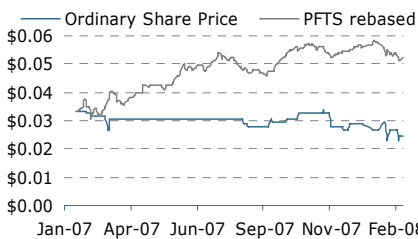


Trading volumes, USD ths

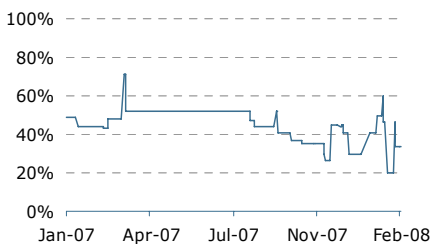


Donetskoblغاز

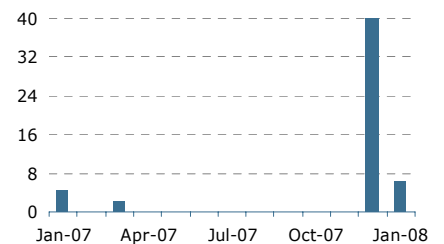
Stock performance



Spread, %

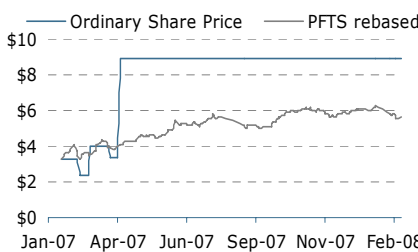


Trading volumes, USD ths

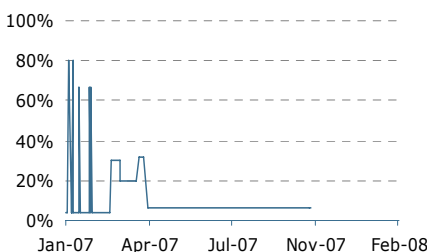


Ivano-Frankivskgaz

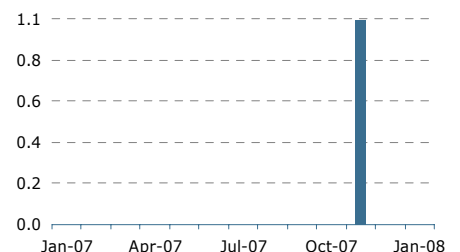
Stock performance



Spread, %

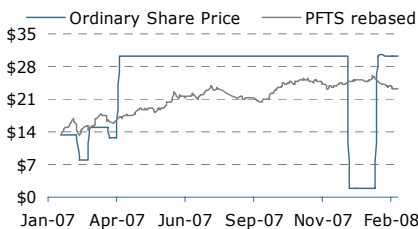


Trading volumes, USD ths

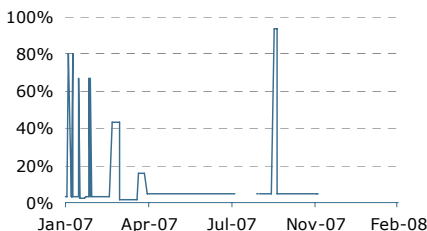


Lvivgaz

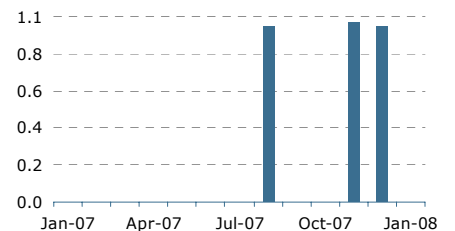
Stock performance



Spread, %

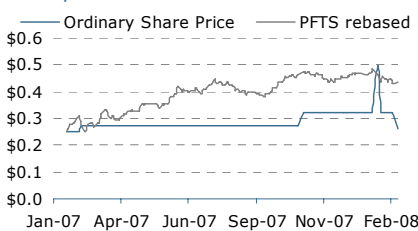


Trading volumes, USD ths

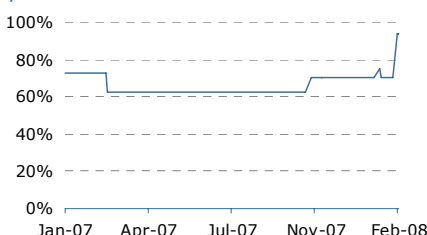


Kirovohradgaz

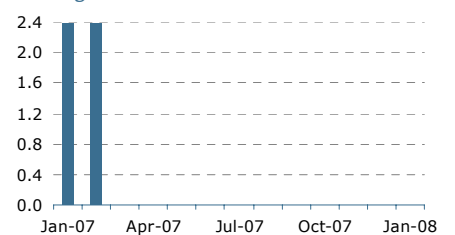
Stock performance



Spread, %



Trading volumes, USD ths



Source: PFTS

Embryonic market on the verge of improving liquidity

Most GasCo stocks were listed on the PFTS in late 2006-early 2007, driven mainly by M&A activity in the sector.

GasCo stock universe on the PFTS

	Ticker	Listed
Khmelnitskgaz	HGAZ	Jun-04
Vinnytsyagaz	VIGZ	Feb-06
Kirovohradgaz	KGGZ	Nov-06
Kryvorizhgaz	KGAZ	Nov-06
Chernihivgaz	CHGZ	Dec-06
Dniprogaz	DGAZ	Dec-06
Donetskmiskgaz	DGGZ	Dec-06
Donetskoblغاز	DOGZ	Dec-06
Ivano-Frankivskgaz	FGAZ	Dec-06
Volyngaz	VGAZ	Dec-06
Zakarpagaz	ZGAZ	Dec-06
Chernivtsigaz*	CGAZ	Dec-06
Lvivgaz*	LGAZ	Dec-06
Kyivoblغاز*	KIGA	Dec-06
Mykolaivgaz	MYKG	Jan-07

Source: PFTS

* Relisted

Three stocks have been delisted since the release of our last GasCo report (August 2006): RivneGaz, Kharkivgaz, Zhytomyrgaz.

The GasCo market remains embryonic. The limited availability of share blocks, low transparency and sector overregulation have resulted in miserable volumes. The fifteen listed stocks combined traded for slightly less than USD 2.0 mln over 2007.

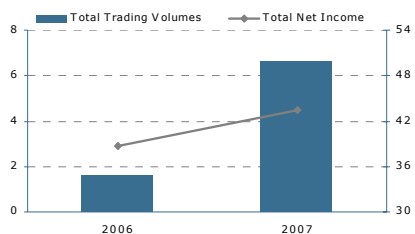
Currently, the market profile of Ukrainian GasCos closely resembles Russian gas distribution companies in terms of low liquidity.

One of the ways to gauge how the market will develop is to look at another comparable Ukrainian utility market, electricity distributors (Oblenergos). The Oblenergo sector had remained neglected by the market for years, and is now maturing on reform expectations; GasCos lag behind by some three-four years.

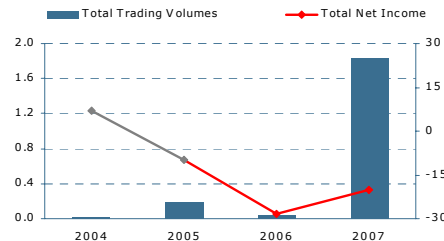
The urgent need for regulatory changes and the appearance of powerful strategic lobbying on one side, and mounting demand for investment ideas on the other side must lead, in our opinion, to accelerated maturation for GasCo stocks.

Comparative Markets (all data in USD mln)

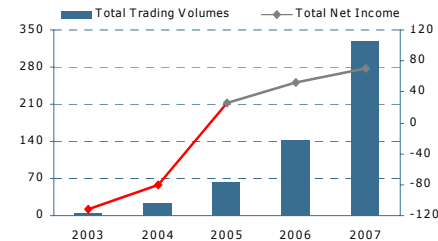
Russian GasCos



Ukrainian GasCos



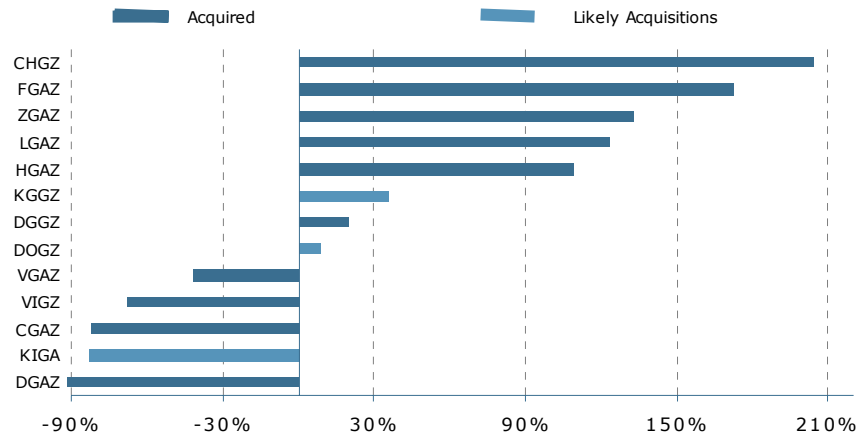
Oblenergos



Source: PFTS, Company data, Concorde Capital Estimates

Risk-seekers ready to enter the market at this stage can count on extraordinary returns.

GasCo bid prices, 12M change



Source: PFTS; As of February 4, 2008

M&A is the catalyst

Trading in 2007 was, more or less, visible in two stocks: Dniprogaz (DGAZ) and Khmel'nitsk'gaz (HGAZ), both of which were acquired by strategic investors in 2006-2007.

We see M&A activity remaining a catalyst in 2008 - and recommend looking at GasCos with a high chance of being acquired by strategic investors this year. We see most the four GasCos most suitable for acquisition as:

	Good condition of networks	Large transportation volumes	Low risk of corporate conflict
Kirovohradgaz		█	█
Odesagaz		█	█
Donetskobl'gaz	█	█	█
Kyivobl'gaz	█	█	█

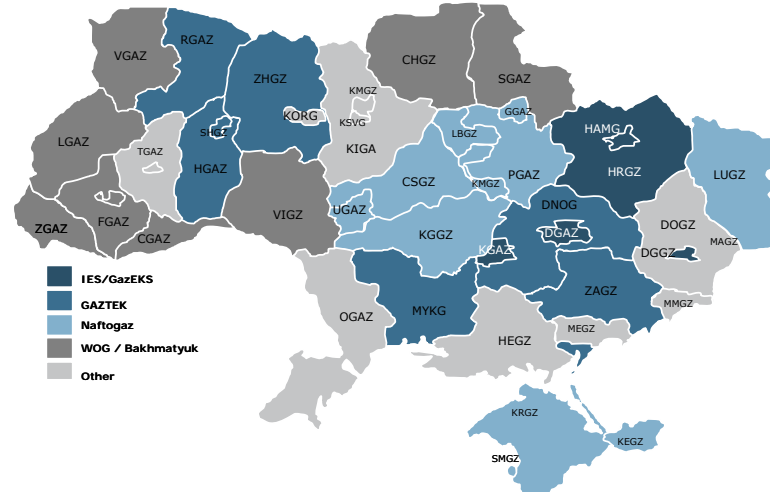
OWNERSHIP STRUCTURE: RUSSIANS GAIN A FOOTHOLD

Changes in ownership map: Russians in

Before 2006, the main players on the Ukrainian gas distribution market were state-controlled Naftogaz of Ukraine, which owned the state's stakes in dozen of GasCos, local gas group GazTEK and local diversified group WOG.

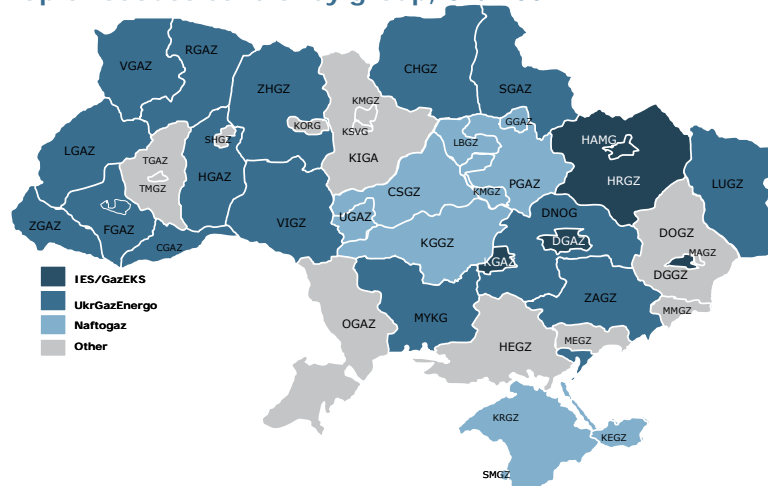
Russian IES/GazEKS holding, which bought five gas distribution companies in eastern Ukraine in 2006-2007, was the first in a new wave of strategic investors with long-term visions and experience in managing gas companies in Russia.

Map of GasCos control by group, spring 2007



The sector's ownership map changed significantly over the summer of 2007: 16 GasCos (among them companies previously related to WOG and GazTEK) have changed hands. While the new owners are not disclosed, mass-media relates them to Ukrgaz-Energo. This belief is supported by the fact that the top-managers of Ukrgaz-Energo are now represented on the supervisory boards. Our interviews with industry experts lead us to conclusion that Gazprom was behind these deals.

Map of GasCos control by group, end 2007



The Ukrgaz-Energo – Gazprom connection

In 2006 Russian Gazprom proposed supplying gas in Ukraine via two middlemen. RosUkrEnergo (50%+1 stake belongs to Gazprom, the rest is split between Dmytro Firtash and other private owners) became the exclusive gas supplier to the Russian/Ukrainian border; and Ukrgaz-Energo (50/50 owned by Naftogaz of Ukraine and RosUkrEnergo) the exclusive gas importer to Ukraine. Both intermediaries are effectively controlled by Gazprom.

Now, the presence of Gazprom (Ukrgaz-Energo), GazEKS and the state, the Ukrainian gas distribution market resembles the Russian market in terms of its ownership structure.

Gazprom to become direct owner of 16 GasCos?

On February 12, 2008, Gazprom completed negotiations with Naftogaz of Ukraine, agreeing to change the scheme of gas supplies to Ukraine by creating two new intermediaries (both 50% owned by Gazprom; 50% by Naftogaz) to supplant RosUkrEnergo and Ukgaz-Energo. Both parties consented to continue talks to work out the details of the new scheme.

Two days later, Gazprom went back and put forward a proposal to retain Ukgaz-Energo as one of the middlemen and only substitute RosUkrEnergo. We attribute Gazprom's desire to keep Ukgaz-Energo to its access to Ukrainian end gas consumers through control over the operations of 16 OblGases.

Naftogaz and Gazprom are due to announce the details of the new scheme within two-four weeks.

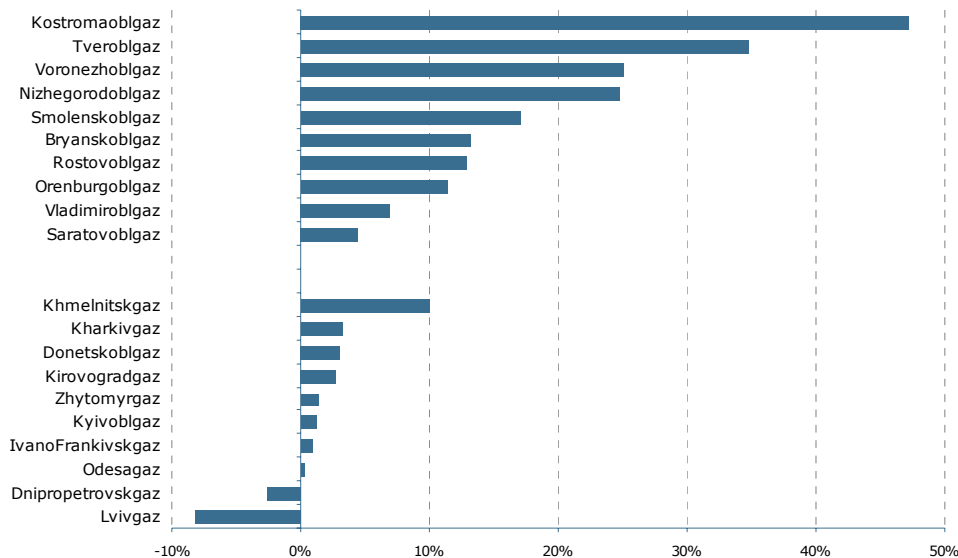
We expect that if removed from the wholesale gas business (most likely in 2009), Ukgaz-Energo will either concentrate on operating control over GasCos on behalf of Gazprom, or (most likely) officially transfer control in Ukrainian gas distribution companies to Gazprom.

In any case, the presence of Gazprom in GasCos is going to become more visible in the coming year.

Russia sets the game rules in the sector

Now close to the Russian gas distribution sector by asset profile and the names of key owners, we believe the Ukrainian gas distribution market will converge with the Russian one in relation to its regulatory environment and profitability.

EBITDA margins 2007E: Russian vs Ukrainian GasCos



Source: Company data, Concorde Capital estimations

The pool of new strategic investors has experience and/or lobbying power to bring about needed reforms. Any positive change in the regulating environment will be beneficial for the whole sector.

GazEKS/IES

This holding affiliated with Russian businessman Viktor Vekselberg has a clear vision of how Ukrainian gas sector regulation can be improved and is ready to share it with regulators. It is currently promoting network concession agreements for its GasCos.

Gazprom/Ukr gaz-Energo

The managers of Ukr gaz-Energo have experience working at Naftogaz, which gives them lobbying power to help bring about sector reforms. In addition, Gazprom's sway can force Ukrainian regulators to speed up positive regulatory changes.

Naftogaz of Ukraine

Naftogaz seems to be the most interested in urgent reforms, as it still has large stakes in GasCos and is going ahead with plans to sell them. Sector reforms will allow the company to earn on GasCos' increased capitalization.

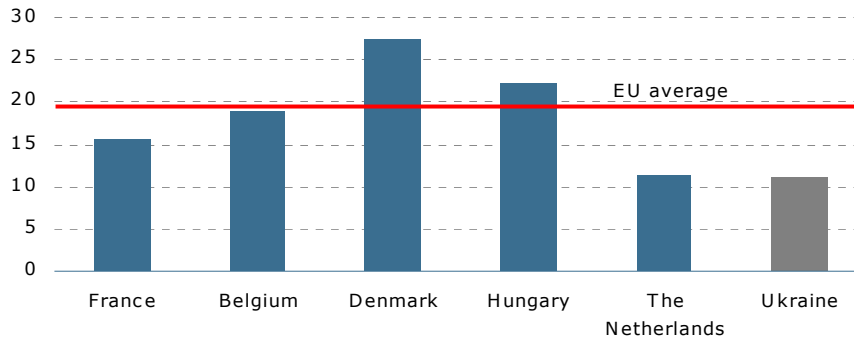
REGULATORY IMPROVEMENTS AHEAD

45% tariff adjustment in 2008 expected

We expect gas distribution and supply tariffs will be raised this year by the National Electricity Regulatory Commission (NERC) to enable GasCos to generate the revenue required to cover growth in operating expenses (+25% yoy) and network reconstruction needs (another up to +20% yoy).

Currently, the weighted average gas distribution tariff in Ukraine is USD 11.1/thc cm, 60% less than the EU average. We estimate that an EU-level tariff would enable Ukrainian GasCos to fully cover their investment needs, and expect convergence over the next couple of years.

Distribution tariff benchmark by countries, USD/ ths km

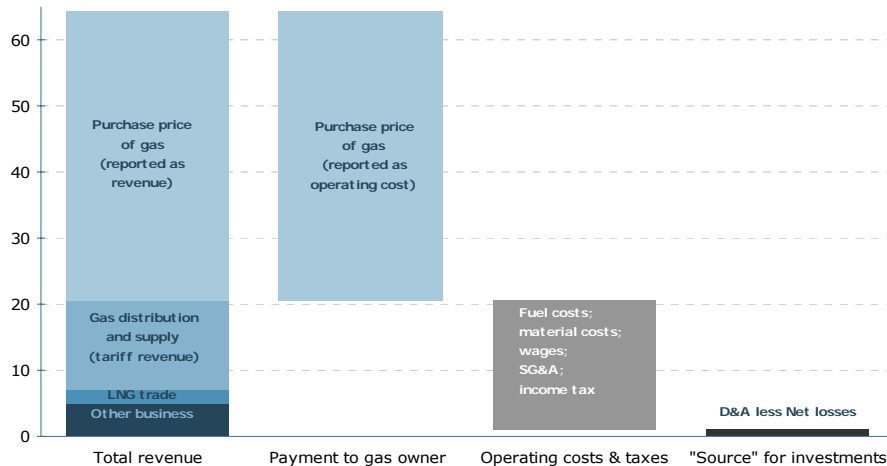


Source: NERC, ERGEG, Concorde Capital estimates

Tariff revenue is the only source of CapEx financing

GasCos cannot set final gas prices. The NERC sets gas distribution and gas supply tariffs so that combined, they generate revenues that fully cover GasCos' operating costs and needs for investing in working capital and reconstruction of their gas network.

GasCos' revenue and cost structure*, USD mln



Source: Company data, Concorde Capital calculations
 * Data of Ivano-Frankivskgaz (2006) was taken for illustration

GasCo tariffs are set to cover *forecasted* (predetermined by the regulator) operating expenses. Due to high operating inefficiencies, they fail to fully compensate *actual* operating expenses, generating negative bottom lines for 75% of companies and a lack of cash flow for investments at most of them.

OpEx growth to be accounted in new tariffs

In 2008 we see two main OpEx components increasing: wholesale gas prices by 29.8% and wages in the sector by about 20%. We expect the regulator to offset rising costs with a 25% tariff adjustment.

Reconstruction expenses to be included in 2008 tariffs

Ideally a network reconstruction component would be covered by the companies' D&A charges, but this is not the case since the value of fixed assets on the balance sheet is way below the replacement cost. Profits, which remain the main source of capital for reconstruction, have been too low to cover the companies' needs.

Following a deadly gas explosion in the city of Dnipropetrovsk in October 2007, there is now a prevailing consensus that the lack of cash for infrastructure jeopardizes the stability of gas supplies and is asking for disasters. In 2008 the NERC intends to increase profits to allow for the accumulation of money for reconstruction.

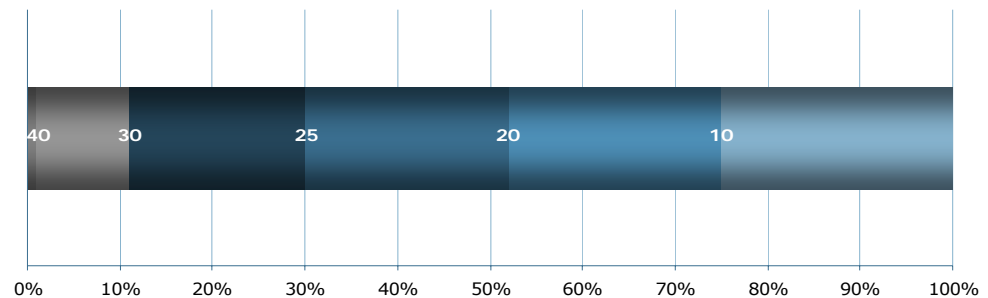
Explosion to spur tariff revision

A gas explosion, blamed on poor network conditions, at a multi-story building in the city of Dnipropetrovsk killed 23 people in October 13, 2007. This disaster drew the attention of regulators, the government and local authorities.

At a joint meeting between representatives of GasCos, Gas Ukraine, Naftogaz and the Ministry of Fuel and Energy in October 2007, regulators said the network replacement component in tariffs will grow significantly in 2008. Increased cash inflow for network reconstruction will allow most companies to report positive net income in 2008.

At the moment, the NERC is waiting for results of a technical audit of networks from the state institution Derzhpromnagliad, and with the assistance of Naftogaz is going to calculate the investment components for new tariffs.

Age breakdown of Ukrainian gas distribution network, number of years



Source: IES research

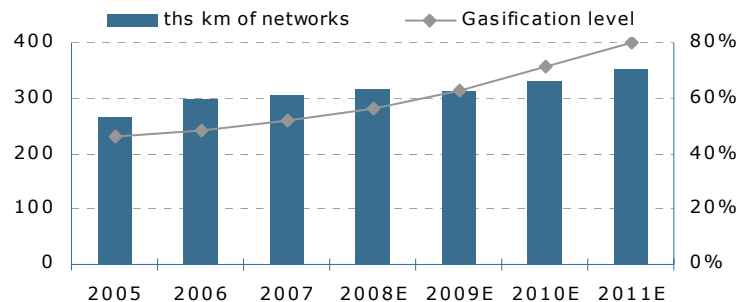
Based on the age of gas networks, according to IES research, we estimate the average investment needs in the sector to replace obsolete gas equipment (all pipelines 40 years old and more) at about USD 7.3/thc cm in 2008 (requiring an up to 55% tariff increase), and about USD 4.0-6.0/thc cm over 2009-2017.

According to Gaz Ukrainy, a 20-25% tariff increase would be sufficient to meet GasCos' reconstruction needs. The NERC, we expect, will add 20% to GasCos' tariffs in 2008 expressly for this purpose.

Network expansion component: Still missed in tariffs

The Fuel and Energy Ministry has said that 80% domestic gasification is a mid-term objective. While no detailed plan is available, we expect Ukraine will reach 80% by 2011, which requires the construction of about 60 ths km in new distribution pipelines.

Gas network expansion pipeline



Source: Ministry of Fuel and Energy, Gaz Ukrainy, Concorde Capital estimates

Subsidies from Naftogaz, the state and local budgets are currently the main financing sources for network expansion. According to the Ministry of Fuel and Energy, gasification of western Ukrainian regions (Ivano-Frankivsk, Chernivtsi, Volyn, Ternopil and Rivne) is a priority. Required investments amounting to USD 80 mln should be provided by Naftogaz, local budgets and GasCos. Other gasification priority regions were mentioned by Ministry of Fuel and Energy without specific financing needs: Donetsk, Dnipropetrovsk, Kharkiv, Luhansk, Poltava, Sumy, Zaporizhya.

Fundamental sector reforms

Two important regulatory changes, tariff reform and network concession agreements, expected in the mid-term will improve the investment climate in the gas distribution sector, eliminate existing inefficiencies and create incentives for private shareholders to realize the companies' potential to grow in value.

Evolution of tariff methodology

Cost-based tariff methodology creates opportunities for GasCos to generate extra profits by over-reporting costs and provides no incentives for management to decrease operating inefficiencies. This hampers value accretion for shareholders.

The remedy is expected to be the introduction of a price cap or asset-base (RAB) tariff policy to stimulate investing in upgrading fixed assets. This type of policy is used widely in the EU and is currently being worked out for electricity distributors. We expect the NERC to test the new policy with Oblenergos for two-three years, and implement a similar scheme for GasCos in 2011-2012.

Network ownership revision

GasCos only own 10-40% of the networks they operate; the rest belongs to the state, is controlled by Naftogaz of Ukraine and is rented to GasCos on the base of yearly prolonged contracts.

Aggregate gas distribution network ownership

State	80%
GasCos	18%
Other gas suppliers	2%

Source: IES Holding

Opaqueness in network ownership is temporary. It satisfies neither private GasCo owners (due to risk of network disposal by Naftogaz), nor the state: low incentive for modernization raises the risk of catastrophes.

Naftogaz attempted to resolve the issue by breaking lease agreements and taking over operation of distribution networks in 2007. The effort proved technically impossible though, as Naftogaz lacked a basis on which to operate in the regions. The only exception was in Chernivtsi.

Case study: Chernivtsigaz and Ukgazmerezhy

An affiliate of Naftogaz of Ukraine, Ukgazmerezhy, was created in 2007 to operate the state's gas distribution networks. Because Chernivtsi region was the only one where Naftogaz was the monopoly gas supplier, had the required workforce and infrastructure, it started operating gas distribution networks instead of Chernivtsigaz in May 2007.

Signing long-term lease agreements looks like the most efficient way to solve the problem of insufficient network reconstruction. First network concession agreements, which are being actively lobbied for by GazEKS, have a high chance of being signed in 2008 or early 2009.

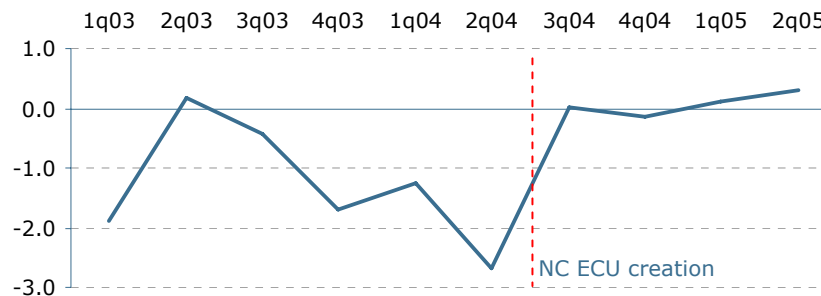
FINANCIAL RESULTS

Reported profits surge

Among the 42 gas distribution companies in Ukraine, about 3/4 have been in the red over the last couple of years due to existing tariff inefficiencies and cost inflating practices. We believe both factors are likely to improve in 2008 with the NERC lifting tariffs to account for growing network replacement needs and changes in Naftogaz management.

Oleh Dubyna, Naftogaz's new CEO, is heading the charge against cost inflation. He was a crisis manager during Kryvorizhstal's turnaround in 2000 and as the first CEO of the National Energy Company (NC ECU, created in mid-2004) was successful in overcoming Oblenergos' inflated costs.

Aggregate net income of state-controlled Oblenergos, USD mln



Source: Company data, Concorde Capital calculations

P&L forecasts

Our estimates for full year 2007 follow from reported financials for 9M07, while 2008 estimates factor in expected improvements in financial disclosure and increased tariffs. We forecast a 45% tariff increase in 2008, and only a 25% increase in operating expenses.

Company name	Naftogaz share	Sales, mln USD				EBITDA margin			
		2006	9M07	2007E	2008E	2006	9M07	2007E	2008E
Dnipropetrovskgaz	51%	77	69	108	124	-3.9%	-8.4%	-2.6%	6.3%
Donetskoblغاز	38%	79	74	113	141	-9.8%	3.0%	3.1%	7.2%
Ivano-Frankivskgaz	50%	62	45	71	92	1.1%	-9.2%	1.0%	6.5%
Kharkivgaz	18%	70	58	95	122	5.0%	-3.2%	3.3%	7.1%
Khmelnitskgaz	26%	45	39	60	70	9.2%	13.2%	10.0%	15.1%
Kirovohradgaz	51%	36	37	56	109	2.7%	0.1%	2.7%	4.8%
Kyivoblغاز	33%	98	104	146	159	2.8%	-1.1%	1.3%	6.2%
Lvivgaz	28%	218	164	202	211	-0.8%	-11.4%	-2.9%	4.7%
Odesagaz	5%	94	67	114	130	1.2%	2.0%	0.2%	6.9%
Zhytomyrgaz	16%	49	43	67	76	-1.0%	0.3%	0.2%	5.7%

Source: Company data, Concorde Capital calculations

Debt revision

Debt is not as severe a problem for Ukrainian gas distribution companies as it is for Oblenergos. Though Ivano-Frankivskgaz, Lvivgaz and Zhytomyrgaz have large outstanding payables (i.e. in excess to our assumption of the industry standard), these companies require us to adjust net debt for valuation purposes, similar to our adjustment for electricity distribution companies.

We adjust net debt by adding half of the difference between payables and receivables to reported net debt for GasCos that are assumed to have excess payables (payables to sales of 0.1 and more). The adjustment leads to a significant increase in the net debt of three GasCos in our survey.

Net debt adjustment as of October 1, 2007, USD mln

	Net debt reported	Payables/ Sales07E	Accounts payable	Accounts receivable	Net debt adjusted
Dnipropetrovskgaz	0.6	0.1	8.0	33.7	0.6
Donetskoblغاز	-1.8	0.1	13.8	12.7	-1.8
Ivano-Frankivskgaz	3.3	0.9	63.2	9.4	30.2
Kharkivgaz	6.1	0.2	14.5	5.4	10.7
Khmelnitskgaz	0.9	0.2	10.0	5.1	3.3
Kirovogradgaz	-0.2	0.0	0.3	1.6	-0.2
Kyivoblغاز	-13	0.1	14.0	12.9	-12.6
Lvivgaz	-1.5	0.6	126.1	22.4	50.3
Odesagaz	-0.2	0.2	23.3	15.2	3.8
Zhytomirgaz	1.1	0.5	34.1	6.4	14.9

Source: Company data, Concorde Capital estimates

VALUATION

Peer valuation

With increasing liquidity in Russian gas distribution stocks over 2007, we use them as the main benchmark for Ukrainian GasCos. In addition, we continue using Ukrainian Oblenergos and Czech gas companies for peer valuation.

Russian peers

Though Russian gas distributors share a common network profile and similar regulatory environment, a couple of differences still exist:

- Russian GasCos own most of the distribution networks they operate, while Ukrainian companies predominately lease.
- Russian peers only transport gas, while Ukrainian GasCos both transport and supply gas. The difference complicates direct comparison: gas supply accounts for 40%-60% of Ukrainian companies' reported revenue (refer to our August 2006 report). We adjusted revenues of Ukrainian GasCos by subtracting gas-supply component to make comparison to Russian peers more precise.

Like Ukrainian GasCos, several Russian companies face the problem of poor payment discipline and have large outstanding payables. To account for this issue, we adjust Russian GasCos' net debt as we did for Ukrainians'.

Net debt adjustment, USD mln

	Net Debt reported	Payables/ Sales	Accounts payable	Accounts receivable	Net Debt adjusted
Bryanskoblgaz	1.1	3.2	4.5	2.2	2.2
Kostromaoblgaz	-1.7	2.1	1.9	6.1	-3.8
Nizhegorodoblgaz	-16	7.2	18.8	4.6	-8.7
Orenburgoblgaz	n/a	n/a	n/a	n/a	n/a
Rostovoblgaz	24.2	1.3	3.7	7.4	22.4
Saratovoblgaz	-0.8	30.3	35.1	10.2	11.7
Smolenskoblgaz	-1.5	1.1	1.2	2.4	-2.1
Tveroblgaz	-5.6	0.6	0.5	1.9	-6.3
Vladimirobgaz	-1.1	0.9	1.4	2.5	-1.6
Voronezhoblgaz	-2.6	1.3	2.6	4.7	-3.7

Source: Company data, Concorde Capital estimates

	MCap USD mln	EV/Sales USD mln		EV/EBITDA USD mln		EV/Gas USD/thc cm		EV/Network USD/m	
		2007E	2008E	2007E	2008E	2007E	2008E	2007E	2008E
Ukrainian GasCos									
Dnipropetrovskgaz	25.9	0.6	0.5	neg	4.8	7.7	7.3	1.2	1.1
Donetskoblغاز	23.7	0.5	0.4	6.3	2.1	6.3	6.1	2.0	1.8
Ivano-Frankivskgaz	60.6	4.8	3.7	130.0	15.0	55.0	50.4	6.3	5.5
Kharkivgaz	17.1	0.9	0.7	9.0	2.9	15.3	14.6	1.8	1.5
Khmelnitskgaz	17.9	0.8	0.7	3.5	1.7	14.9	13.8	1.7	1.5
Kirovohradgaz	31.6	0.6	0.3	20.6	4.9	32.4	24.9	5.0	3.9
Kyivoblغاز	33.4	0.4	0.3	10.9	2.3	8.0	7.7	0.7	0.6
Lvivgaz	54.4	2.3	2.3	neg	17.5	49.9	45.5	5.5	5.4
Odesagaz	18.5	0.9	0.8	82.8	3.7	7.9	7.2	0.6	0.6
Zhytomyrgaz	16.1	1.6	1.4	34.5	7.1	30.0	27.0	3.4	3.1
Average		1.3	1.1	37.2	6.2	22.7	20.5	2.8	2.5
Median		0.8	0.7	15.8	4.3	15.1	14.2	1.9	1.6
Russian peers									
Bryanskoblغاز	46.7	1.3	1.2	10.0	9.9	15.7	15.4	3.2	3.1
Kostromaoblغاز	21.7	0.8	0.7	1.6	1.5	4.2	4.1	7.1	7.1
Nizhegorodoblغاز	133.3	1.8	1.5	7.3	6.0	15.9	13.6	6.3	5.7
Orenburgoblغاز	76.8	1.2	1.0	10.4	8.7	9.2	9.0	3.0	2.8
Rostovoblغاز	131.0	2.0	1.5	15.3	10.6	22.5	22.0	10.1	9.0
Saratovoblغاز	31.3	1.4	1.2	31.1	21.0	13.8	13.5	1.7	1.5
Smolenskoblغاز	38.1	1.2	1.2	7.1	6.6	11.7	11.5	4.8	3.9
Tveroblغاز	53.5	1.9	2.3	5.5	7.0	21.9	21.5	6.5	5.2
Vladimiroblغاز	72.1	1.8	1.5	26.0	21.7	22.5	21.6	10.0	8.6
Voronezhoblغاز	89.6	1.6	1.3	6.3	5.2	17.3	16.8	5.0	4.5
Average		1.4	1.4	11.8	9.4	15.0	14.7	5.6	5.0
Median		1.5	1.3	8.6	7.8	15.8	14.5	5.6	4.8
Implied Dnipropetrovskgaz price, USD		76.1	74	n/m	48.9	62.7	60.1	145.8	134.1
Upside/Downside		154%	147%	n/m	63%	109%	100%	386%	347%
Implied Donetskoblغاز price, USD		0.1	0.1	0.1	0.12	0.08	0.08	0.09	0.09
Upside/Downside		184%	202%	194%	257%	142%	128%	167%	163%
Implied Iv.-Frankivskgaz price, USD		n/m	0.04	n/m	1.1	n/m	n/m	3.4	3.3
Upside/Downside		n/m	-99%	n/m	-73%	n/m	n/m	-16%	-18%
Implied Kharkivgaz price, USD		7.2	8.1	3.3	13.4	3.7	3.5	16	15.7
Upside/Downside		105%	132%	-6%	282%	5%	-1%	357%	349%
Implied Khmelnitkgaz price, USD		101.5	100.1	131.4	257.6	52.3	51.6	179.7	177.1
Upside/Downside		109%	106%	171%	431%	8%	6%	501	265%
Implied Kirovohradgaz price, USD		0.8	1.3	0.1	0.5	0.1	0.2	0.3	0.4
Upside/Downside		164%	340%	-58%	59%	-51%	-42%	12%	25%
Implied Kyivoblغاز price, USD		2.8	2.6	0.9	2.5	1.6	1.5	5.5	5.1
Upside/Downside		186%	167%	-13%	148%	61%	55%	458%	418%
Implied Lvivgaz price, USD		5.1	2.5	n/m	n/m	n/m	n/m	16.5	13
Upside/Downside		-68%	-85%	n/m	n/m	n/m	n/m	3%	-19%
Implied Odesagaz price, USD		13.8	14.2	n/m	19.1	17.6	17.9	84.3	76.6
Upside/Downside		72%	78%	n/m	138%	120%	124%	954%	857%
Implied Zhytomyrgaz price, USD		85.4	85.8	-86.9	120.4	10.4	10.9	224.2	208.1
Upside/Downside		-15%	-14%	-187%	20%	-90%	-89%	124%	108%

Source: Company data, Bloomberg, Concorde Capital estimates

Czech peers

Due to different regulating environments and sharp differences in gas prices, we believe Ukrainian and Czech peers cannot be compared by EV/Gas and EV/Network multiples. Instead, we rely on EV/S and EV/EBITDA multiples. As in our previous report (22 August 2006), we apply a 50% discount to Czech peers' EV/Sales to account for the lower liquidity and profitability of Ukrainian gas distributors.

	MCap USD mln	EV/Sales USD mln		EV/EBITDA USD mln		EV/Network USD/m	
		2007E	2008E	2007E	2008E	2007E	2008E
Ukrainian GasCos							
Dnipropetrovskgaz	25.9	0.2	0.2	neg	4.8	7.7	7.3
Donetskoblbgaz	23.7	0.2	0.2	6.3	2.1	6.3	6.1
Ivano-Frankivskgaz	60.6	1.3	1.0	129.7	15.2	55.0	50.4
Kharkivgaz	17.1	0.3	0.2	9.0	2.9	15.3	14.6
Khmelnitskgaz	17.9	0.4	0.3	3.5	1.7	14.9	13.8
Kirovohradgaz	31.6	0.6	0.3	20.6	4.9	32.4	24.9
Kyivoblgaz	33.4	0.1	0.1	10.9	2.3	8.0	7.7
Lvivgaz	54.4	0.5	0.5	neg	17.5	49.9	45.5
Odesagaz	18.5	0.2	0.2	82.8	5.3	7.9	7.2
Zhytomyrgaz	16.1	0.5	0.4	34.5	7.1	29.6	27.0
Average		0.4	0.3	37.2	6.4	22.7	20.5
Median		0.3	0.3	15.8	4.9	15.1	14.2
Czech peers							
Severomoravska Plynarenska	518.4	0.7	0.6	7.6	6.8	36.5	34.4
Jihomoravska Plynarenska	658.5	0.7	0.7	7.7	7.2	35.1	33.1
Vychodoceska Plynarenska	468.5	1.1	1.0	13.8	12.4	42.0	40.4
Stredoceska Plynarenska	244.1	0.6	0.5	6.0	5.3	34.0	32.1
Prazska Plynarenska	364.9	0.7	0.7	9.5	8.3	82.0	77.3
Average		0.8	0.7	8.9	8.0	45.9	43.5
Median		0.7	0.7	7.7	7.2	36.5	34.4
Implied Dnipropetrovskgaz price, USD							
Upside/Downside		90.7	95.4	n/m	45	952.1	958.1
		202%	218%	n/m	50%	3074%	3094%
Implied Donetskoblbgaz price, USD							
Upside/Downside		0.1	0.1	0.1	0.1	0.6	0.6
		254%	305%	194%	229%	1585%	1717%
Implied Iv.-Frankivskgaz price, USD							
Upside/Downside		1.4	2.1	n/m	0.9	34.8	37.5
		-64%	-48%	n/m	-79%	769%	837%
Implied Kharkivgaz price, USD							
Upside/Downside		11.9	14.5	2.7	12.1	118.1	127.3
		240%	315%	-23%	247%	3274%	3538%
Implied Khmelnitkgaz price, USD							
Upside/Downside		109.6	117.5	116.4	236.4	1226.9	1322.8
		126%	142%	140%	387%	2430%	2627%
Implied Kirovohradgaz price, USD							
Upside/Downside		0.4	0.7	0.1	0.4	2.2	2.6
		29%	132%	-62%	46%	620%	783%
Implied Kyivoblgaz price, USD							
Upside/Downside		3.1	3.5	0.8	2.3	33.4	33.8
		217%	256%	-1	131%	3277%	3314%
Implied Lvivgaz price, USD							
Upside/Downside		28.4	26.8	n/m	n/m	203.7	197.2
		78%	67%	n/m	n/m	1173%	1133%
Implied Odesagaz price, USD							
Upside/Downside		34	35.9	n/m	11.6	558.9	556
		325%	349%	n/m	45%	6886%	6850%
Implied Zhytomyrgaz price, USD							
Upside/Downside		210.5	222.3	n/m	62.3	2060.3	2138.1
		111%	122%	n/m	-38%	1960%	2038%

Source: Company data, Bloomberg, Concorde Capital estimates

Ukrainian electricity companies

We use Oblenergos' EV/S and EV/EBITDA metrics as benchmarks for GasCos. We use 50% discounts to Oblenergos' EV/S, as derived in our August 2006 report based the on multiples of Czech gas and electricity companies.

Ukrainian GasCos	MCap USD mln	EV/Sales USD mln		EV/EBITDA USD mln		EV/Energy USD/MWh	
		2007E	2008E	2007E	2008E	2007E	2008E
Dnipropetrovskgaz	25.9	0.2	0.2	neg	4.8	7.7	7.3
Donetskoblغاز	23.7	0.2	0.2	6.3	2.1	6.3	6.1
Ivano-Frankivskgaz	60.6	1.3	1.0	129.7	15.2	55.0	50.4
Kharkivgaz	17.1	0.3	0.2	9.0	2.9	15.3	14.6
Khmelnitskgaz	17.9	0.4	0.3	3.5	1.7	14.9	13.8
Kirovohradgaz	31.6	0.6	0.3	20.6	4.9	32.4	24.9
Kyivoblغاز	33.4	0.1	0.1	10.9	2.3	8.0	7.7
Lvivgaz	54.4	0.5	0.5	neg	17.5	49.9	45.5
Odesagaz	18.5	0.2	0.2	82.8	5.3	7.9	7.2
Zhytomyrgaz	16.1	0.5	0.4	34.5	7.1	29.6	27.0
Average		0.4	0.3	37.2	6.4	22.7	20.5
Median		0.3	0.3	15.8	4.9	15.1	14.2
Ukrainian Oblenergos							
Kharkivoblغاز	612.1	2.1	1.9	28.5	23.2	121.4	121.4
Khmelnitskoblغاز	319.4	3.6	3.0	38.2	35.7	180.2	180.2
Kirovohradoblغاز	194.2	4.1	3.6	28.3	27.8	126.8	126.8
Lvivoblغاز	545.3	2.6	2.4	26.6	24.2	155.7	155.7
Prykarpatooblغاز	256.1	2.5	2.1	26.1	21.6	136.2	136.2
Zhytomyrooblغاز	301.7	3.0	2.7	31.9	29.6	156.0	156.0
Average		1.5	1.3	29.9	27.0	137.3	137.3
Median		1.4	1.3	28.4	26.0	137.2	137.2
Implied Dnipropetrovskgaz price, USD		174.7	181.5	n/m	164	548.5	574
Upside/Downside		482%	505%	n/m	447%	1728%	1813%
Implied Donetskoblغاز price, USD		0.2	0.3	0.4	0.4	0.7	0.7
Upside/Downside		571%	662%	1176%	1068%	1936%	1994%
Implied Iv.-Frankivskgaz price, USD		4.6	5.7	n/m	8.3	13	14.3
Upside/Downside		14%	42%	n/m	107%	224%	258%
Implied Kharkivgaz price, USD		11.9	14.5	2.7	12.1	118.1	127.3
Upside/Downside		240%	315%	-23%	247%	3274%	3538%
Implied Khmelnitskgaz price, USD		218.5	230.9	453.7	876.7	522	564.6
Upside/Downside		351%	376%	835%	1708%	976%	1064%
Implied Kirovohradgaz price, USD		0.7	1.3	0.4	1.6	1.3	1.6
Upside/Downside		147%	340%	38%	426%	321%	447%
Implied Kyivoblغاز price, USD		24.8	29.5	15.9	49.5	48.7	51.2
Upside/Downside		609%	743%	354%	1315%	1291%	1363%
Implied Lvivgaz price, USD		68.1	64.1	n/m	31.1	69.9	78
Upside/Downside		326%	300%	n/m	94%	337%	387%
Implied Odesagaz price, USD		66.7	69.6	1.7	46	165.3	183.2
Upside/Downside		734%	770%	-79%	475%	1966%	2190%
Implied Zhytomyrgaz price, USD		488.9	504.6	-73.4	467	807.5	887.3
Upside/Downside		389%	405%	-173%	367%	708%	787%

Source: Company data, Bloomberg, Concorde Capital estimates

Asset-based valuation

In order to account for the expected signing of network concession agreements and implementation of a regulatory asset base (RAB) tariff policy, we conduct calculation of GasCos' value as their implied RAB.

We do not expect significant differences in RAB calculation methodology for Olgaz and Oblenergos:

$$RAB = \text{Depreciated replacement value of assets} + \text{working capital needs}$$

Assumptions used to derive RAB:

- Replacement costs are roughly estimated at USD 65 per meter of network as of the beginning of 2008
- Network replacement costs rise 8% every year
- WACC is 20%
- We expect the policy will most probably be introduced in 2012 (refer to page 19)
- For simplicity, the level of accumulated depreciation is taken at 75% for all Olgaz and is assumed to be stable in the future
- For simplicity, we took working capital needs in RAB calculation as zero
- For simplicity, we assume no changes in network length for Olgaz

Based on our assumptions, as of the beginning of 2012, the replacement cost per meter of network will be USD 88.4; the depreciated replacement value of assets (i.e. RAB) per meter of network will be USD 22.1; and the discounted RAB per meter of network is USD 10.7. This is a roughly 3/4 discount to Czech peers' current EV/ Network length multiple.

Even with three simplified assumptions that under-estimate the regulatory asset base valuation by assumed RAB reveals tremendous upside in the mid to long term.

RAB-based valuation

	Implied RAB USD mln	Implied price USD	Implied upside
Dnipropetrovskgaz	256	297.3	891%
Donetskoblغاز	136	0.2	473%
Ivano-Frankivskgaz	146	9.7	142%
Kharkivgaz	183	37.4	969%
Khmel'nitskغاز	148	402.4	730%
Kirovohradgaz	87	0.8	175%
Kyivoblغاز	367	10.9	1000%
Lvivgaz	158	46.5	191%
Odesagaz	397	171.3	2041%
Zhytomyrgaz	92	572.2	472%

Source: Concorde Capital estimates

COMPANY PROFILES

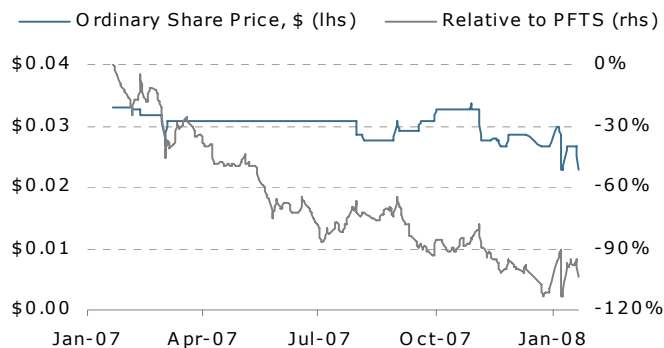
Donetskoblغاز (DOGZ UZ)

BUY

INVESTMENT CASE

- M&A is a likely catalyst: management is strongly rumored to be interested in selling their 35% stake
- Solid gas transportation volumes (3.5 bln cm/year) make the company a valuable acquisition target for owners of gas sources
- Gasification of Donetsk region is among the government's priorities: current level (64%) suggests 1/3 growth potential for the company's consumer base in the mid-term
- Illiquid stock: few deals over 2007

SHARE PRICE PERFORMANCE*



Listed on PFTS since 18.12.2006

BUSINESS OVERVIEW

Gas distribution company responsible for the transportation and retail supply of natural gas and bottled liquid gas (LNG) to most of Donetsk region except the city of Donetsk

Gasification level: 64%

Networks length: 10 ths km

Volumes of gas transportation: 3 500 mln cm

Volumes of gas supply: 985.4 mln cm

LNG supply: 4.02 ths mt



*Market information as of Feb 14, 2008 based on PFTS bid prices

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3: All other stocks (quoted)

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Utilities

12M target (USD) 0.100
Upside* 194%

MARKET INFORMATION

Market Price*, USD	0.034
Price impact**	3
Chg 12M	9%
12M Tr Vol, USD ths	52.9
MCap, USD mln	23.7
Free float	12%
FF Mcap, USD mln	2.8
No of shares, mln	696
Par Value, UAH	0.01

STOCK OWNERSHIP

Naftogaz Ukraine	38.3%
Management	40%
Other	21.7%

CORPORATE GOVERNANCE

Concorde Rating *** n/a

MARKET MULTIPLES

	2007E	2008E
EV/Sales	0.2	0.2
EV/EBITDA	6.3	2.1
EV/Gas, USD/thc cm	6.3	6.1
EV/Network, USD/m	2.0	1.7

KEY FINANCIAL, USD mln

	2006	2007E	2008E
Net Revenues	79.1	112.6	140.8
EBITDA	(8.0)	3.5	10.6
Depreciation	(4.0)	(4.4)	(4.9)
Net Income	(11.3)	(0.7)	4.3
Current assets	33.2	32.3	n/a
Cash & Equivalents	2.6	2.1	n/a
Trade Receivables	14.8	12.7	n/a
Other	11.5	13.4	n/a
Fixed assets	48.8	50.2	n/a
Total assets	82.1	82.5	n/a
Shareholders' Equity	0.6	2.5	n/a
Current Liabilities	31.6	25.4	n/a
ST Interest Bearing Debt	-	-	n/a
Trade Payables	19.0	13.8	n/a
Other	11.4	10.1	n/a
LT Liabilities	49.8	57.1	n/a
Total			
Liabilities & Equity	82.1	82.5	n/a

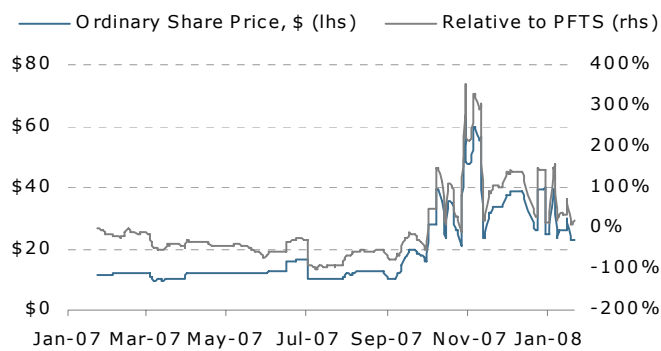
Khmelnitskgaz (HGAZ UZ)

BUY

INVESTMENT CASE

- Most liquid GasCo stock
- Most stable annual margins over time in the sector; 9M07 EBITDA margin was 13.3%, net margin was 7.9%
- Ukrgaz-Energo controls 50% of the company after acquiring former majority shareholder GAZTEK in August 2007
- Highest share of polyethylene pipelines in Ukraine (26%) provides the lowest gas losses in the sector

SHARE PRICE PERFORMANCE*



Listed on PFTS since 08.01.2004

BUSINESS OVERVIEW

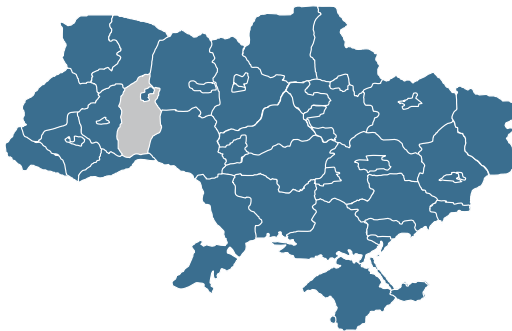
Gas distribution company responsible for the transportation and retail supply of natural gas and bottled liquid gas (LNG) to Khmelnytsk region.

Networks length: 12.2 ths km

Volumes of gas transportation: 1 420 mln cm

Volumes of gas supply: 630 mln cm

LNG supply: 5.2 ths mt



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3: All other stocks (quoted)

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Utilities

12M target (USD)	100.0
Upside*	106%

MARKET INFORMATION

Market Price*, USD	48.5
Price impact**	3
Chg 12M	109%
12M Tr Vol, USD ths	1437
MCap, USD mln	17.9
Free float	13%
FF Mcap, USD mln	2.3

No of shares, mln	0.37
Par Value, UAH	15

STOCK OWNERSHIP

Naftogaz Ukraine	26%
GAZTEK	50%
Other	24%

CORPORATE GOVERNANCE

Concorde Rating ***	n/a
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MARKET MULTIPLES

	2007E	2008E
EV/Sales	0.4	0.3
EV/EBITDA	3.5	1.7
EV/Gas, USD/thc cm	14.9	13.8
EV/Network, USD/m	1.71	1.50

KEY FINANCIALS, USD mln

	2006	2007E	2008E
Net Revenues	44.7	60.1	69.7
EBITDA	4.1	6.0	12.6
Depreciation	(3.3)	(3.6)	(4.0)
Net Income	1.3	1.8	6.5
Current assets	13.1	10.6	n/a
Cash & Equivalents	0.5	0.5	n/a
Trade Receivables	5.4	5.1	n/a
Other	5.9	3.2	n/a
Fixed assets	38.7	43.2	n/a
Total assets	51.8	53.8	n/a

Shareholders' Equity	30.9	32.7	n/a
Current Liabilities	20.9	21.1	n/a
ST Interest Bearing Debt	1.5	1.1	n/a
Trade Payables	13.5	10.0	n/a
Other	4.6	4.7	n/a
LT Liabilities	-	-	n/a
Total			
Liabilities & Equity	51.8	53.8	n/a

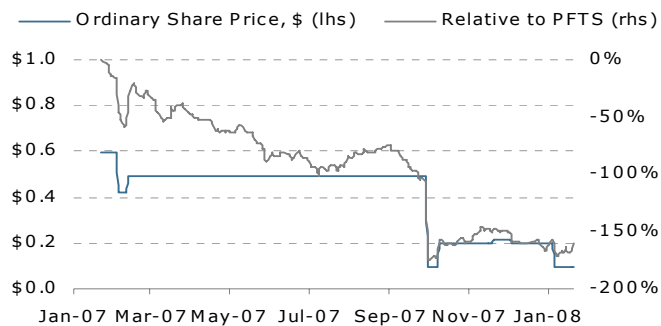
Kyivoblgaz (KIGA UZ)

BUY

INVESTMENT CASE

- Liquidity is low but could be improved on M&A news in 2008
- One of the largest gas networks in the sector (28 ths km); still more than 16% growth potential likely to be realized in 2008-2009
- Large gas transportation volumes (3.0 bln cm/year) and good network condition make the company a valuable acquisition target
- Polymer-pipe production unit supports new pipeline construction

SHARE PRICE PERFORMANCE*



Listed on PFTS since 18.12.2006

BUSINESS OVERVIEW

Gas distribution company responsible for the transportation and retail supply of natural gas and bottled liquid gas (LNG) to most of Kyiv region. Currently it is working on establishing a captive production base including production of polymer pipes.

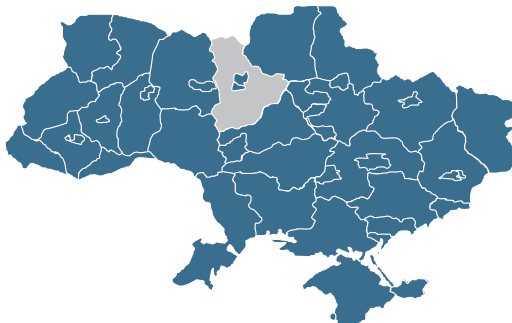
Gasification level: 69%

Networks length: 28 ths km

Volumes of gas transportation: 3 000 mln cm

Volumes of gas supply: 750 mln cm

LNG supply: 9.5 ths mt



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3: All other stocks (quoted)

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Utilities

12M target (USD)	2.00
Upside*	102%

MARKET INFORMATION

Market Price* , USD	0.99
Price impact**	3
Chg 12M	-83%
12M Tr Vol, USD ths	148
MCap , USD mln	33.4
Free float	15%
FF Mcap, USD mln	5.0
No of shares , mln	33.7
Par Value, UAH	0.05

STOCK OWNERSHIP

Naftogaz Ukraine	33.2%
Management	30.1%
Other	36.7%

CORPORATE GOVERNANCE

Concorde Rating ***	n/a
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MARKET MULTIPLES

	2007E	2008E
EV/Sales	0.1	0.1
EV/EBITDA	10.9	2.3
EV/Gas, USD/thcs cm	8.0	7.7
EV/Network, USD/m	0.7	0.6

KEY FINANCIALS, USD mln

	2006	2007E	2008E
Net Revenues	97.8	146.2	158.9
EBITDA	2.8	1.9	8.9
Depreciation	(1.9)	(1.3)	(1.4)
Net Income	0.6	0.5	5.6
Current assets	34.5	34.1	n/a
Cash & Equivalents	10.1	13.4	n/a
Trade Receivables	16.4	12.9	n/a
Other	5.6	5.3	n/a
Fixed assets	43.7	45.8	n/a
Total assets	78.1	79.9	n/a
Shareholders' Equity	49.7	48.20	n/a
Current Liabilities	28.4	31.7	n/a
ST Interest Bearing Debt	-	-	n/a
Trade Payables	14.9	14.0	n/a
Other	12.1	16.2	n/a
LT Liabilities	-	-	n/a
Total			
Liabilities & Equity	78.1	79.9	n/a

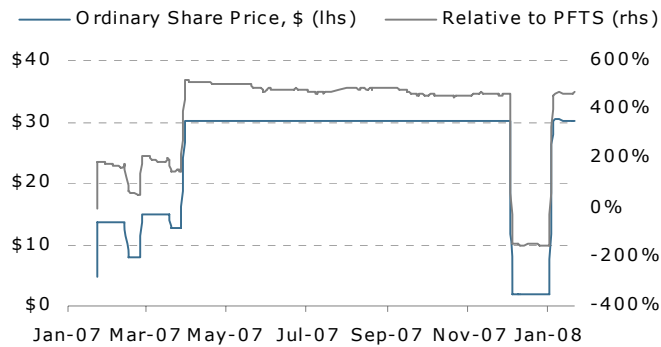
Lvivgaz (LGAZ UZ)

N/R

INVESTMENT CASE

- Illiquid stock: only bid prices on the PFTS, few technical deals
- Highest gasification level (88%) in the sector: No growth is expected
- Likely to secure gas supplies as main owner of gas sources in Ukraine, Ukrgaz-Energo has gained control over the company
- Peer valuation implies downside, while asset-based valuation yields long-term value appreciation – we do not rate stock

SHARE PRICE PERFORMANCE*



Relisted on PFTS since 25.12.2006

BUSINESS OVERVIEW

Gas distribution company responsible for the transportation and retail supply of natural gas and bottled liquid gas (LNG) to Lviv region.

Gasification level: 88%

Networks length: 21 ths km

Volumes of gas transportation: 2 100 mln cm

Volumes of gas supply: 1 330 mln cm

LNG supply: 8.5 ths mt



*Due to stocks illiquidity we give an indicative price guided by rough estimates from our sales desk

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3: All other stocks (quoted)

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Utilities

12M target (USD) 17.0
Upside* 6%

MARKET INFORMATION

Indicative Price*, USD 16.0
Price impact** 3
Chg 12M 123%
12M Tr Vol, USD ths 3.0
Indicative MCap, USD mln 55.4
Free float 7.2%
FF Mcap, USD mln 3.9

No of shares, mln 3.40
Par Value, UAH 0.05

STOCK OWNERSHIP

Naftogaz Ukraine 27.5%
Individuals 9.4%
Other 65.3%

CORPORATE GOVERNANCE

Concorde Rating *** n/a

MARKET MULTIPLES

	2007E	2008E
EV/Sales	0.5	0.5
EV/EBITDA	neg	17.5
EV/Gas, USD/thc cm	50	46
EV/Network, USD/m	5.5	5.4

KEY FINANCIALS, USD mln

	2006	2007	2008E
Net Revenues	218.3	202.1	211.4
EBITDA	(1.7)	(5.9)	6.0
Depreciation	(3.3)	(2.4)	(2.2)
Net Income	(6.8)	0.0	2.9
Current assets	122.9	149.0	n/a
Cash & Equivalents	10.8	15.3	n/a
Trade Receivables	28.9	32.8	n/a
Other	64.1	101.0	n/a
Fixed assets	48.8	52.7	n/a
Total assets	171.7	201.7	n/a

Shareholders' Equity	8.4	12.5	n/a
Current Liabilities	163.2	189.1	n/a
ST Interest Bearing Debt	4.8	5.9	n/a
Trade Payables	119.7	135.5	n/a
Other	37.9	47.7	n/a
LT Liabilities	0.1	0.1	n/a
Total			
Liabilities & Equity	171.7	201.7	n/a

Ivano-Frankivskgaz (FGAZ UZ)

Utilities

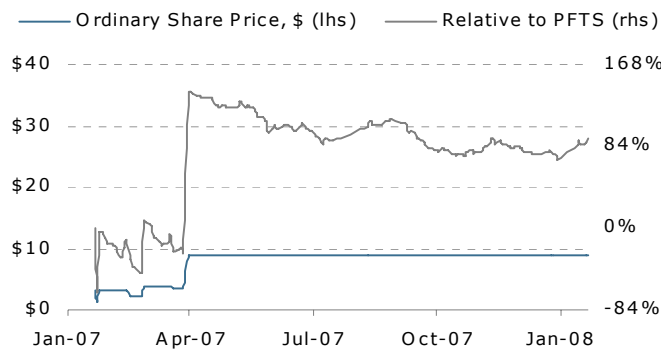
N/R

12M target (USD) 3.0
Upside* -25%

INVESTMENT CASE

- Illiquid stock: only bid prices on the PFTS, few technical deals
- Naftogaz holds a 50% stake in the company and is expected to sell out to a strategic investor
- Likely to have the fastest network expansion rate: Ivano-Frankivsk region is among the priorities of the state's 2008 gasification program
- Peer valuation implies downside, while asset-based valuation yields long-term value appreciation – we do not rate stock

SHARE PRICE PERFORMANCE*



Relisted on PFTS since 25.12.2006

BUSINESS OVERVIEW

Gas distribution company responsible for the transportation and retail supply of natural gas and bottled liquid gas (LNG) to most of Ivano-Frankivsk region.

Gasification level: 62%

Networks length: 12.8 ths km

Volumes of gas transportation: 1600 mln cm

Volumes of gas supply: 870 mln cm

LNG supply: 3.8 ths mt



*Due to stocks illiquidity we give an indicative price guided by rough estimates from our sales desk

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3: All other stocks (quoted)

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MARKET INFORMATION

Market Price*, USD	4.0
Price impact**	3
Chg 12M	172%
12M Tr Vol, USD ths	1.0
MCap, USD mln	60.6
Free float	9.4%
FF Mcap, USD mln	5.7
No of shares, mln	15.15
Par Value, UAH	0.25

STOCK OWNERSHIP

Naftogaz Ukraine	50.0%
Management	31.2%
Other	18.8%

CORPORATE GOVERNANCE

Concorde Rating ***	n/a
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MARKET MULTIPLES

	2007E	2008E
EV/Sales	1.3	1.0
EV/EBITDA	130	15.2
EV/Gas, USD/thc cm	55.0	50.4
EV/Network, USD/m	6.29	5.50

KEY FINANCIALS, USD mln

	2006	2007E	2008E
Net Revenues	61.6	71.1	91.7
EBITDA	0.6	0.7	6.0
Depreciation	(2.0)	(2.2)	(2.5)
Net Income	(1.0)	(1.5)	3.5
Current assets	27.6	24.6	n/a
Cash & Equivalents	6.9	6.9	n/a
Trade Receivables	12.5	9.4	n/a
Other	3.1	3.3	n/a
Fixed assets	38.7	40.1	n/a
Total assets	66.3	64.7	n/a
Shareholders' Equity	(3.9)	(5.4)	n/a
Current Liabilities	68.8	70.1	n/a
ST Interest Bearing Debt	2.1	3.7	n/a
Trade Payables	65.4	63.2	n/a
Other	0.8	0.8	n/a
LT Liabilities	1.4	1.4	n/a
Total			
Liabilities & Equity	66.3	64.7	n/a

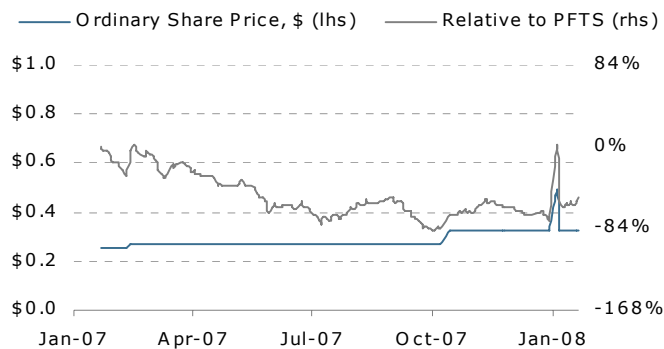
Kirovohradgaz (KGGZ UZ)

BUY

INVESTMENT CASE

- Possible acquisition target: Naftogaz is likely to sell its 51% stake in the company
- One of the lowest gasification levels (49%) make Kirovohrad region a priority of the government's gasification program
- Illiquid stock: technical trades, 70% spread

SHARE PRICE PERFORMANCE*



Relisted on PFTS since 25.12.2006

BUSINESS OVERVIEW

Gas distribution company responsible for the transportation and retail supply of natural gas and bottled liquid gas (LNG) to Kirovohrad region.

Gasification level: 49%

Share of polyethylene pipelines: 24%

Networks length: 4.14 ths km

Volumes of gas transportation: 650 mln cm

LNG supply: 8.1 ths mt



*Market information as of Feb 14, 2008 based on PFTS bid prices

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3: All other stocks (quoted)

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Utilities

12M target (USD) 0.6
Upside* 100%

MARKET INFORMATION

Market Price*, USD 0.3
 Price impact** 3
 Chg 12M 36%
 12M Tr Vol, USD ths 4.8
MCap, USD mln 31.6
 Free float 9.8%
 FF Mcap, USD mln 3.1

No of shares, mln 105
 Par Value, UAH 0.25

STOCK OWNERSHIP

Naftogaz Ukraine 51%
 Institutional investor 16%
 Management 23%

CORPORATE GOVERNANCE

Concorde Rating *** n/a

MARKET MULTIPLES

	2007E	2008E
EV/Sales	0.6	0.3
EV/EBITDA	20.6	4.9
EV/Gas, USD/thm cm	32.4	24.9
EV/Network, USD/m	5.03	3.87

KEY FINANCIALS, USD mln

	2006	2007E	2008E
Net Revenues	36.2	55.8	109.2
EBITDA	1.0	1.5	6.4
Depreciation	(1.3)	(1.4)	(1.5)
Net Income	0.1	0.1	4
Current assets	12.1	8.5	n/a
Cash & Equivalents	0.7	0.7	n/a
Trade Receivables	2.1	1.6	n/a
Other	8.1	5.0	n/a
Fixed assets	23.7	26.8	n/a
Total assets	35.8	35.3	n/a

Shareholders' Equity	27.9	29.4	n/a
Current Liabilities	7.9	5.9	n/a
ST Interest Bearing Debt	0.0	0.4	n/a
Trade Payables	0.5	0.3	n/a
Other	6.9	4.9	n/a
LT Liabilities	-	-	n/a
Total Liabilities & Equity	35.8	35.3	n/a

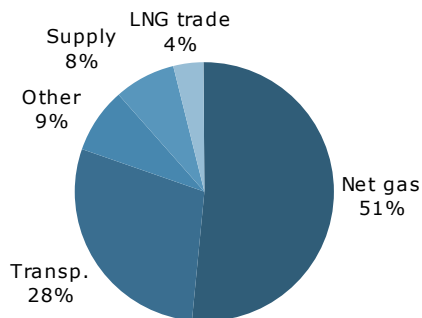
Dnipropetrovskgaz

BUY

INVESTMENT CASE

- One of three largest companies by transportation volumes: (more than 3.5 bln cm/year)
- Highest for the sector share of industrial consumers (51%) secures large gas transportation volumes and provides high payment discipline
- Not listed

REVENUES STRUCTURE



BUSINESS OVERVIEW

Gas distribution company responsible for the transportation and retail supply of natural gas and bottled liquid gas (LNG) to most of Dnipropetrovsk region except the city of Dnipropetrovsk.

Gasification level: 70%

Networks length: 21 ths km

Volumes of gas transportation: 3 500 mln cm

Volume of gas supply: 1 100 mln cm

LNG supply: 4 ths mt



*Due to stocks illiquidity we give an indicative price guided by rough estimates from our sales desk

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2: Market price reaction remains within 10% in execution of a market order of about USD 1 mln in size

3: All other stocks (quoted)

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Utilities

12M target (USD) 60
Upside* 100%

MARKET INFORMATION

Indicative Price*, USD 30
Price impact** 3
Chg 12M n/a
12M Tr Vol, USD ths n/a
Implied MCap, USD mln 26
Free float 8%
FF Mcap, USD mln 2.1

No of shares, mln 0.86
Par Value, UAH 2.85

STOCK OWNERSHIP

Naftogaz 51%
GAZTEK 25%
Other 24%

CORPORATE GOVERNANCE

Concorde Rating *** n/a

MARKET MULTIPLES

	2007E	2008E
EV/Sales	0.2	0.2
EV/EBITDA	neg	4.8
EV/Gas, USD/thc cm	7.7	7.3
EV/Network, USD/m	1.2	1.1

KEY FINANCIALS, USD mln

	2006	2007E	2008E
Net Revenues	76.6	108.3	123.8
EBITDA	(3.0)	(2.8)	5.5
Depreciation	(5.1)	(5.6)	(6.1)
Net Income	(5.0)	(6.3)	(0.5)
Current assets	71.1	72.5	n/a
Cash & Equivalents	2.2	2.6	n/a
Trade Receivables	54.5	33.7	n/a
Other	11.7	11.7	n/a
Fixed assets	42.8	44.5	n/a
Total assets	113.9	117.0	n/a

Shareholders' Equity	17.0	10.7	n/a
Current Liabilities	73.1	82.5	n/a
ST Interest Bearing Debt	-	1.3	n/a
Trade Payables	4.2	8.0	n/a
Other	65.6	68.9	n/a
LT Liabilities	23.8	23.8	n/a
Total			
Liabilities & Equity	113.9	117.0	n/a

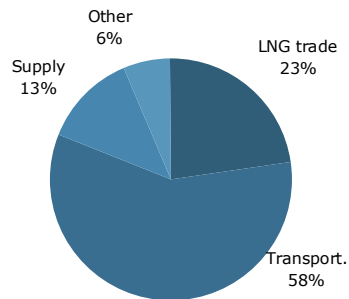
Odesagaz

BUY

INVESTMENT CASE

- Management (94% shareholder) is rumored to be ready to sell its stake to strategic investor
- One of the lowest gasification levels (48%) suggests considerable growth potential for the company's consumer base
- 57% of USD 7 mln raised from additional share issue in Aug. 2007 is scheduled to be spent on network expansion (by about 150-200 km)
- Not listed

REVENUES STRUCTURE



BUSINESS OVERVIEW

Gas distribution company responsible for the transportation and retail supply of natural gas and bottled liquid gas (LNG) to Odesa region.

Gasification level: 48%

Networks length: 31 ths km

Volumes of gas transportation: 2 750 mln cm

Volume of gas supply: 250 mln cm

LNG supply: 11.8 ths mt



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3: All other stocks (quoted)

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Utilities

12M target (USD) 20
Upside* 150%

MARKET INFORMATION

Indicative Price*, USD 8
Price impact** 3
Chg 12M n/a
12M Tr Vol, USD ths n/a
Implied MCap, USD mln 18.5
Free float 1%
FF Mcap, USD mln 0.2

No of shares, mln 2.32
Par Value, UAH 28.73

STOCK OWNERSHIP

Naftogaz 5.0%
Management 94.0%
Individuals 1.0%

CORPORATE GOVERNANCE

Concorde Rating *** n/a

MARKET MULTIPLES

	2007E	2008E
EV/Sales	0.2	0.2
EV/EBITDA	12	3.7
EV/Gas, USD/thc cm	7.9	7.2
EV/Network, USD/m	0.6	0.6

KEY FINANCIALS, USD mln

	2006	2007	2008E
Net Revenues	94.2	113.3	130.1
EBITDA	1.1	0.6	6.1
Depreciation	(1.1)	(1.3)	(1.4)
Net Income	0.04	(1.1)	3.5
Current assets	32.6	32.8	n/a
Cash & Equivalents	2.6	1.5	n/a
Trade Receivables	19.9	17.0	n/a
Other	7.7	14.3	n/a
Fixed assets	30.0	45.0	n/a
Total assets	62.7	77.8	n/a
Shareholders' Equity	26.2	40.6	n/a
Current Liabilities			
ST Interest Bearing Debt	-	-	n/a
Trade Payables	28.5	23.4	n/a
Other	5.5	13.8	n/a
LT Liabilities	0.7	-	n/a
Total			
Liabilities & Equity	62.7	77.8	n/a

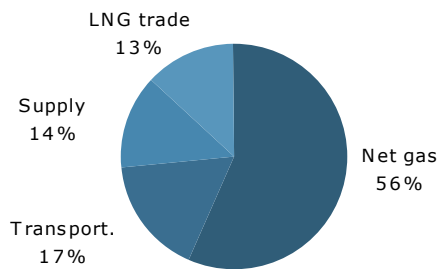
Zhytomyrgaz

BUY

INVESTMENT CASE

- Significantly improved its financials in 9M07; reduced net losses by 16% yoy to USD 1.45 mln
- One of the lowest levels of gas losses in the sector
- Delisted from PFTS due to illiquidity

REVENUES STRUCTURE



BUSINESS OVERVIEW

Gas distribution company responsible for the transportation and retail supply of natural gas and bottled liquid gas (LNG) to Zhytomyr region.

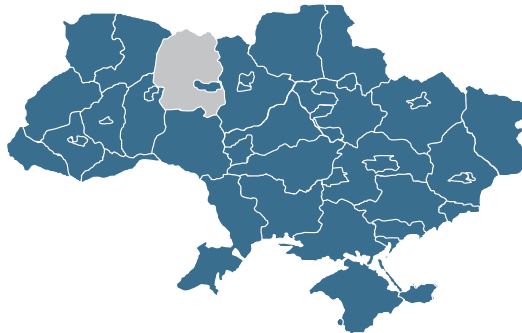
Gasification level: n/a

Networks length: 8.5 ths km

Volumes of gas transportation: 1 050 mln cm

Volume of gas supply: 1 050 mln cm

LNG supply: 9.4 ths mt



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Utilities

12M target (USD) 160
Upside* 60%

MARKET INFORMATION

Indicative Price*, USD 100
Price impact** 3
Chg 12M n/a
12M Tr Vol, USD ths n/a
Implied MCap, USD mln 16.1
Free float 20%
FF MCap, USD mln 3.2

No of shares, mln 0.16
Par Value, UAH 1.5

STOCK OWNERSHIP

GAZTEK 35.1%
Khmelnitskgaz 24.3%
Naftogaz 15.9%
Other 24.8%

CORPORATE GOVERNANCE

Concorde Rating *** n/a

MARKET MULTIPLES

	2007E	2008E
EV/Sales	0.5	0.4
EV/EBITDA	34.5	7.1
EV/Gas, USD/thc cm	29.6	27.0
EV/Network, USD/m	3.4	3.1

KEY FINANCIALS, USD mln

	2006	2007	2008E
Net Revenues	49.1	67.1	75.8
EBITDA	(0.5)	0.1	4.4
Depreciation	(1.3)	(1.9)	(1.6)
Net Income	(1.3)	(2.2)	2.1
Current assets	21.3	21.9	n/a
Cash & Equivalents	0.7	0.6	n/a
Trade Receivables	9.1	9.3	n/a
Other	8.9	12.0	n/a
Fixed assets	31.1	34.9	n/a
Total assets	52.4	56.8	n/a
Shareholders' Equity	10.9	10.4	n/a
Current Liabilities	-	-	n/a
ST Interest Bearing Debt	41.5	46.4	n/a
Trade Payables	-	-	n/a
Other	0.9	1.5	n/a
LT Liabilities	35.8	36.8	n/a
Total Liabilities & Equity	3.2	8.1	n/a

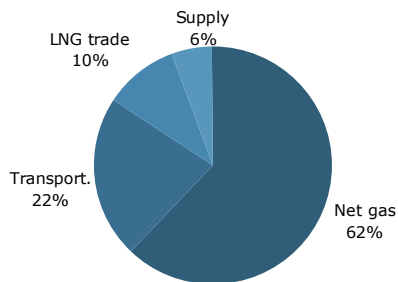
Kharkivgaz

BUY

INVESTMENT CASE

- Main shareholder, GazEKS, is heavily lobbying for the signing of concession agreements for networks: high chance of success in 2008
- Kharkiv region is among the government's priorities for gasification; relatively low gasification level (62%) suggests a potential for its network to increase 20% by 2010
- Delisted from PFTS due to illiquidity

REVENUES STRUCTURE



BUSINESS OVERVIEW

Gas distribution company responsible for the transportation and retail supply of natural gas and bottled liquid gas (LNG) to Kharkiv region except the city of Kharkiv.

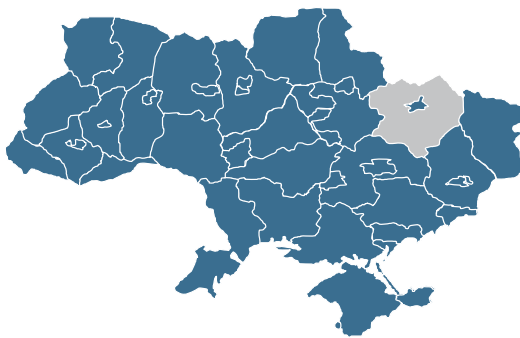
Gasification level: 62%

Networks length: 14 ths km

Volumes of gas transportation: 1 720 mln cm

Volume of gas supply: 980 mln cm

LNG supply: 8 ths mt



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3: All other stocks (quoted)

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Utilities

12M target (USD) 9.0
Upside* 157%

MARKET INFORMATION

Indicative Price*, USD 3.5
Price impact** 3
Chg 12M n/a
12M Tr Vol, USD ths n/a
Implied MCap, USD mln 18.5
Free float 12%
FF Mcap, USD mln 2.0

No of shares, mln 4.9
Par Value, UAH 0.5

STOCK OWNERSHIP

GazEKS 70.1%
Naftogaz 17.7%
Other 12.2%

CORPORATE GOVERNANCE

Concorde Rating *** n/a

MARKET MULTIPLES

	2007E	2008E
EV/Sales	0.3	0.2
EV/EBITDA	9.0	2.9
EV/Gas, USD/thc cm	15.3	14.6
EV/Network, USD/m	1.8	1.5

KEY FINANCIALS, USD mln

	2006	2007E	2008E
Net Revenues	69.9	94.5	121.9
EBITDA	3.5	3.1	9.7
Depreciation	(5.4)	(5.9)	(6.5)
Net Income	(1.1)	(2.8)	2.4
Current assets	13.2	13.1	n/a
Cash & Equivalents	0.5	0.7	n/a
Trade Receivables	7.8	5.4	n/a
Other	2.9	4.9	n/a
Fixed assets	43.6	48.1	n/a
Total assets	56.8	61.2	n/a
Shareholders' Equity	40.2	37.4	n/a
Current Liabilities	16.5	23.8	n/a
ST Interest Bearing Debt	1.5	6.5	n/a
Trade Payables	11.6	14.5	n/a
Other	1.8	1.8	n/a
LT Liabilities	-	-	n/a
Total			
Liabilities & Equity	56.8	61.2	n/a

APPENDIX: M&A monitor

In September 2006, Raiffeisen Bank Aval reported valuations for nine GasCos, which were purchased by offshore companies close to Ukgaz-Energo and Gazprom during summer 2007. We believe the acquisition price of the stakes was close to values calculated by Aval.

Acquisitions for 2007

Target Company	Year	Acquired stake	Stake value USD mln*	Implied MCap USD mln	EV/ Sales	EV/ EBITDA	EV/Gas USD/thrs cm	EV/Netw USD/m
Volyngaz	2007	55.6%	6.5	11.7	1.05	1.9	17.2	2.2
Zakarpagaz	2007	60.0%	10.3	17.2	0.88	2.8	23.4	2.9
Ivano-Frankivskgaz	2007	40.8%	16.6	40.7	2.50	63*	25.3	3.2
Lvivgaz	2007	42.6%	15.1	35.5	0.74	neg	17.1	1.7
Chernihivgaz	2007	52.4%	16.6	31.7	2.50	11.3	29.7	4.4
Chernivtsigaz	2007	56.7%	6.5	11.5	1.16	7.7	24.1	2.3
Rivnegaz	2007	21.4%	1.9	8.9	0.86	neg	10.5	1.1
Sumygaz	2007	22.6%	10.0	44.2	1.21	neg	12.5	4.3
Vinnitsyagaz	2007	26.4%	7.5	28.4	1.36	neg	23.8	3.2

Source: www.securities.com, www.ma-journal.ru, Company data, PFTS, RTS

*According to Bank Aval figures

Analyst Certification

We, Alexander Paraschiy and Elena Sergeyeva, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject securities and issuers. We also certify that no part of our compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

Company	Date	Price USD				Date	Price USD			
		Target	Market	Rec'	Action		Target	Market	Rec'	Action
Donetskoblغاز		0.05	0.03	BUY	Initiating		0.10	0.03	BUY	Maintain
Khmel'nitskغاز		59.7	25-35	BUY	Initiating		100	48.5	BUY	Maintain
Kyivoblغاز		1.30	0.8-1.0*	BUY	Initiating		2.0	1.0	BUY	Maintain
Kirovohradغاز	22-Aug-06	N/R	n/a	N/R	-	15-Feb-08	0.6	0.3	BUY	Initiating
Ivano-Frankivskغاز		1.65	0.2-0.5	BUY	Initiating		3.0	4.0*	N/R	-
Lvivغاز		8.8	n/a	BUY	Initiating		17	16*	N/R	-
Dnipropetrovskغاز		45.2	n/a	BUY	Initiating		60	30*	BUY	Maintain
Zhytomyrغاز		N/R	n/a	N/R	-		160	100*	BUY	Initiating
Odesاغاز		38	5.0-6.5*	BUY	Initiating		20	8.0*	BUY	Maintain
Kharkivغاز		6.15	2.0-3.0	BUY	Initiating		9.0	3.5	BUY	Maintain

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Investment Ratings

The time horizon for target prices in Concorde Capital's research is 12 months unless otherwise stated. Concorde Capital employs three basic investment ratings: Buy, Hold and Sell. Typically, Buy recommendation is associated with an upside of 15% or more from the current market price; Sell is prompted by downside from the current market price (upside <0%); Hold recommendation is generally for limited upside within 15%. Though investment ratings are generally induced by the magnitude of upside, they are not derived on this basis alone. In certain cases, an analyst may have reasons to establish a recommendation where the associated range given above does not correspond. Temporary discrepancies between an investment rating and its upside at a specific point in time due to price movement and/or volatility will be permitted; Concorde Capital may revise an investment rating at its discretion. A recommendation and/or target price might be placed Under Review when impelled by corporate events, changes in finances or operations. Investors should base decisions to Buy, Hold or Sell a stock on the complete information regarding the analyst's views in the research report and on their individual investment objectives and circumstances.

Concorde Capital ratings distribution

Buy	43	41%
Hold	29	27%
Sell	13	12%
Under Review	21	20%
Total	106	100%

Investment banking clients*

Buy	7	78%
Hold	1	11%
Sell	0	0%
Under Review	1	11%
Total	9	100%

* Within the last twelve month period, Concorde Capital has obtained compensation from these companies for investment banking services.

Concorde Capital
2 Mechnikova Street
21st Floor
Kyiv 01601, UKRAINE

Tel.: +380 44 391 5577
Fax: +380 44 391 5571
www.concorde.com.ua
office@concorde.com.ua

CEO
Igor Mazepa

im@concorde.com.ua

RESEARCH COVERAGE BY SECTOR

Equity Trading
Jathan Tucker

jt@concorde.com.ua

Strategy

Konstantin Fisun
Oleksandr Klymchuk

kf@concorde.com.ua
ok@concorde.com.ua

Equity Sales
Anastasiya Nazarenko
Zack Watson
Duff Kovacs, CFA
Marina Martirosyan
Andriy Supranonok

an@concorde.com.ua
zw@concorde.com.ua
dk@concorde.com.ua
mm@concorde.com.ua
sap@concorde.com.ua

Metals & Mining

Eugene Cherviachenko
Andriy Gerus

ec@concorde.com.ua
ga@concorde.com.ua

Utilities (Telecom, Energy)

Alexander Paraschiy

ap@concorde.com.ua

Director of Research
Konstantin Fisun, CFA

kf@concorde.com.ua

Oil & Gas, Chemicals

Vladimir Nesterenko

vn@concorde.com.ua

Consumer/Real Estate Group

Andriy Gostik, CFA
Olha Pankiv
Alexander Romanov
Anna Dudchenko

ag@concorde.com.ua
op@concorde.com.ua
ar@concorde.com.ua
ad@concorde.com.ua

Machinery

Eugene Cherviachenko
Inna Perepelytsya

ec@concorde.com.ua
pi@concorde.com.ua

Financial Services, Retail

Alexander Viktorov

av@concorde.com.ua

Macroeconomics

Polina Khomenko

pk@concorde.com.ua

Fixed Income

Oleksandr Klymchuk

ok@concorde.com.ua

Corporate Governance

Nick Piazza

np@concorde.com.ua

News/Production

Nick Piazza
Polina Khomenko

np@concorde.com.ua
pk@concorde.com.ua

Editor

Brad Wells

bw@concorde.com.ua

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