

In order to finance some key gas infrastructure projects, such as the construction of a Bulgarian section of TurkStream gas pipeline extension, Bulgarian state-owned natural gas transmission system operator Bulgartransgaz said that it is seeking to obtain a loan of up to 400 million euros.

The company already published an invitation to tender for obtaining a loan with a repayment term of six years, which will be used to cover its operating and investment costs related to this and other gas infrastructure projects: gas interconnection between Bulgaria and Serbia, the expansion of Chiren underground gas storage facility and the construction of gas transmission pipelines. The lowest price, offered by the selected contractors for the construction of the Bulgarian TurkStream section, namely 3.9 % per annum, serves as a benchmark for the price of the prospective loans. The deadline for the submission of offers is 30 June.

According to Bulgartransgaz, this procedure will raise financial resources for the implementation of its investment program, aimed to diversify the sources, increase the security of gas supply and position Bulgaria as a regional gas distribution hub.

Last September, Bulgartransgaz and Saudi-based Arkad Consortium have signed a contract for the delivery of materials, investment project design, development and commissioning of the the Bulgarian section of TurkStream extension. The contract is worth 1.1 billion euros and has to be implemented within 615 days after its conclusion. The new pipeline will allow Bulgartransgaz to supply gas to Serbia, Hungary and finally, the hub in Austria.

Bulgartransgaz also signed a contract, worth 197.5 million euros, with a consortium consisting of German FerroStaal and two local companies for the construction of two gas compressor stations.

In early 2020, Bulgarian Government approved the acquisition of 20 % stake in the project for the construction of liquefied natural gas (LNG) terminal in Alexandroupoli in northern Greece by Bulgartransgaz. The participation in the LNG terminal project is in line with Bulgaria's long-term energy strategy for diversification of gas supply sources and routes, and will support the development of the country's Balkan Gas Hub project. Bulgartransgaz will acquire the shareholding interest by financing 20% of the cost of construction of the LNG terminal.

Bulgartransgaz recorded a net profit in the amount of 53.5 million euros in 2019, which is more than double compared to 24.2 million euros profit recorded in 2018. Operating revenues of the company decreased to 183 million euros in 2019 from 190.6 million euros in the previous year. Expenditures also dropped to 129.7 million euros, compared to 168.4 million euros in the previous year. Revenues from gas transit to the borders with Greece, Turkey and North Macedonia rose to 115 million euros from 103.7million euros a year earlier.

