VERIFICATION REPORT

CARBON MARKETING AND TRADING LTD

VERIFICATION OF THE

"ABANDONED COAL MINE METHANE UTILIZATION AT "NPK-KONTAKT" LTD"

Initial and 1st periodic

REPORT NO. UKRAINE-VER/0177/2010

REVISION NO. 01

BUREAU VERITAS CERTIFICATION

Report No: UKRAINE-ver/0177/2010

VERIFICATION REPORT

Date of first issue: 25/04/2011	Organizational unit: Bureau Veritas Certification Holding SAS
Client: Carbon Marketing and Trading Ltd	Client ref.: Tahir Musayev

Summary:

Bureau Veritas Certification has made the initial and 1st periodic verification for the period from 01 January 2008 to 31 December 2010 of the "Abandoned Coal Mine Methane Utilization at "NPK-Kontakt" Ltd", project of Carbon Marketing and Trading Ltd located in the city of Lysychansk, Luhansk region, Ukraine, and applying the JI specific approach, on the basis of UNFCCC criteria for the JI, as well as criteria given to provide for consistent project operations, monitoring and reporting. UNFCCC criteria refer to Article 6 of the Kyoto Protocol, the JI rules and modalities and the subsequent decisions by the JI Supervisory Committee, as well as the host country criteria.

The verification scope is defined as a periodic independent review and ex post determination by the Accredited Entity of the monitored reductions in GHG emissions during defined verification period, and consisted of the following three phases: i) desk review of the project design and the baseline and monitoring plan; ii) follow-up interviews with project stakeholders; iii) resolution of outstanding issues and the issuance of the final verification report and opinion. The overall verification, from Contract Review to Verification Report & Opinion, was conducted using Bureau Veritas Certification internal procedures.

The first output of the verification process is a list of Clarification, Corrective Actions Requests, Forward Actions Requests (CR, CAR and FAR), presented in Appendix A.

In summary, Bureau Veritas Certification confirms that the project is implemented as per determined changes. Installed equipment being essential for generating emission reduction runs reliably and is calibrated appropriately. The monitoring system is in place and the project is generating GHG emission reductions. The GHG emission reduction is calculated accurately and without material errors, omissions, or misstatements, and the totalize 50924 tons of CO_2eq for the monitoring period from 01/01/2008 to 31/12/2010 (18931 tCO_2eq for the period from 01/01/2008 to 31/12/2008; 17812 tCO_2eq for the period from 01/01/2009 to 31/12/2009; and 14181 tCO_2eq for the period from 01/01/2010 to 31/12/2010).

Our opinion relates to the project's GHG emissions and resulting GHG emission reductions reported and related to the approved project baseline and monitoring, and its associated documents.

Report No.: UKRAINE-ver/0177/2010	Subject Group: JI	
Project title: Abandoned Coal Mine Methane Utilization at "NPK-Kontakt" Ltd		
Work carried out by: Team Leader, Lead Verifier: Oleg Skoblyk Team Member, Verifier : Victoria Legka Team Member, Technical Specialist : Igor Antipko		
Work reviewed by: Ivan Sokolov – Internal technical reviewer		
Work approved by: Flavio Gomes – Operational Manager		
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Abbreviations

AIE	Accredited Independent Entity
BVCH	Bureau Veritas Certification Holding SAS
CAR	Corrective Action Request
CDM	Clean Development Mechanism
CH_4	Methane
CL	Clarification Request
CMM	Coal Mine Methane
CO_2	Carbon Dioxide
DVM	Determination and Verification Manual
FAR	Forward Action Request
GHG	Green House Gas(es)
GWP	Global Warming Potential
IPCC	Intergovernmental Panel on Climate Change
JI	Joint Implementation
JISC	Joint Implementation Supervisory Committee
MP	Monitoring Plan
MR	Monitoring Report
DFP	Designated Focal Point
NMHC	Non methane hydrocarbons
PDD	Project Design Document
UNFCCC	United Nations Framework Convention for Climate Change

1 INTRODUCTION

Carbon Marketing and Trading Ltd has commissioned Bureau Veritas Certification to verify the emissions reductions of its JI project "Abandoned Coal Mine Methane Utilization at "NPK-Kontakt" Ltd" (hereafter called "the project") at Lysychansk, Luhansk region, Ukraine.

This report summarizes the findings of the verification of the project, performed on the basis of UNFCCC criteria, as well as criteria given to provide for consistent project operations, monitoring and reporting.

The verification covers the period from 1st January 2008 to 31st December 2010.

1.1 Objective

Verification is the periodic independent review and ex post determination by the Accredited Independent Entity (AIE) of the monitored reductions in GHG emissions during defined verification period.

The objective of verification can be divided in Initial Verification and Periodic Verification.

UNFCCC criteria refer to Article 6 of the Kyoto Protocol, the JI rules and modalities and the subsequent decisions by the JI Supervisory Committee, as well as the host country criteria.

1.2 Scope

Verification scope is defined as an independent and objective review and ex post determination by the Accredited Independent Entity of the monitored reductions in GHG emissions. The verification is based on the submitted monitoring report, the determined project design document including the project's baseline study, revised monitoring plan and other relevant documents. The information in these documents is reviewed against Kyoto Protocol requirements, UNFCCC rules and associated interpretations.

The verification is not meant to provide any consulting towards the Client. However, stated requests for clarifications, corrective and/or forward actions may provide input for improvement of the project monitoring towards reductions in the GHG emissions.

1.3 Verification Team

The verification team consists of the following personnel:

Oleg Skoblyk

Bureau Veritas Certification Team Leader, Climate Change Lead Verifier

Victoria Legka

Bureau Veritas Certification Team Member, Climate Change Verifier

Igor Antipko

Bureau Veritas Certification Team Member, Technical Specialist

This verification report was reviewed by:

Ivan Sokolov
Bureau Veritas Certification, Internal Technical Reviewer

2 METHODOLOGY

The overall verification, from Contract Review to Verification Report & Opinion, was conducted using Bureau Veritas Certification internal procedures.

In order to ensure transparency, a verification protocol was customized for the project, according to the version 01 of the Joint Implementation Determination and Verification Manual, issued by the Joint Implementation Supervisory Committee at its 19 meeting on 04/12/2009. The protocol shows, in a transparent manner, criteria (requirements), means of verification and the results from verifying the identified criteria. The verification protocol serves the following purposes:

- It organizes, details and clarifies the requirements a JI project is expected to meet;
- It ensures a transparent verification process where the verifier will document how a particular requirement has been verified and the result of the verification.

The completed verification protocol is enclosed in Appendix A to this report.

2.1 Review of Documents

The Monitoring Report (MR) submitted by Carbon Marketing and Trading Ltd and additional background documents related to the project design, baseline, and monitoring plan, i.e. country Law, Project Design Document (PDD), Guidance on criteria for baseline setting and monitoring, Host

party criteria, Kyoto Protocol, Clarifications on Verification Requirements to be checked by an Accredited Independent Entity were reviewed.

The verification findings presented in this report relate to the Monitoring Report version 1.3 dated 10 February 2011, version 1.4 of 14 April 2011 and version 1.5 of 26 April 2011 and project as described in the determined PDD.

2.2 Follow-up Interviews

On 24/11/2010 Bureau Veritas Certification verification team conducted a visit to the project site ("Tomashivska South" and "Tomashivska North" coal mines) and performed (on-site) interviews with project stakeholders to confirm selected information and to resolve issues identified in the document review. Representatives of Carbon Marketing and Trading Ltd and NPK-Kontakt Ltd. were interviewed (see References). The main topics of the interviews are summarized in Table 1.

Table 1 Interview topics

Interviewed organization	Interview topics
NPK-Kontakt Ltd.	Organizational structure Responsibilities and authorities Roles and responsibilities for data collection and processing Installation of equipment Data logging, archiving and reporting Metering equipment control Metering record keeping system, database IT management Training of personnel Quality management procedures and technology
Consultant: Carbon Marketing and Trading Ltd	Baseline methodology Monitoring plan Monitoring report Deviations from PDD.

2.3 Resolution of Clarification, Corrective and Forward Action Requests

The objective of this phase of the verification is to raise the requests for corrective actions and clarification and any other outstanding issues that

needed to be clarified for Bureau Veritas Certification positive conclusion on the GHG emission reduction calculation.

If the Verification Team, in assessing the monitoring report and supporting documents, identifies issues that need to be corrected, clarified or improved with regard to the monitoring requirements, it should raise these issues and inform the project participants of these issues in the form of:

(a) Corrective action request (CAR), requesting the project participants to correct a mistake that is not in accordance with the monitoring plan;

(b) Clarification request (CL), requesting the project participants to provide additional information for the AIE to assess compliance with the monitoring plan;

(c) Forward action request (FAR), informing the project participants of an issue, relating to the monitoring that needs to be reviewed during the next verification period.

To guarantee the transparency of the verification process, the concerns raised are documented in more detail in the verification protocol in Appendix A.

3 VERIFICATION CONCLUSIONS

In the following sections, the conclusions of the verification are stated.

The findings from the desk review of the original monitoring documents and the findings from interviews during the follow up visit are described in the Verification Protocol in Appendix A.

The Clarification and Corrective Action Requests are stated, where applicable, in the following sections and are further documented in the Verification Protocol in Appendix A. The verification of the Project resulted in 22 Corrective Action Requests, 2 Clarification Requests and 1 Forward Action Request.

The number between brackets at the end of each section corresponds to the DVM paragraph.

3.1 Project approval by Parties involved (90-91)

The project was approved by the host Party, Ukraine, which is confirmed by the Letter of Approval № 464/23/7 of 02/03/2011 issued by National Environmental Investment Agency of Ukraine. The written project approval by Switzerland, the other Party involved, has been issued by the DFP of that Party when submitting the first verification report to the secretariat for publication in accordance with paragraph 38 of the JI guidelines, at the latest (Letter of approval for a project under article 6 of the Kyoto Protocol (JI) of the Federal Office for the Environment (FOEN) of Switzerland No J294-0485, issued on 24/01/2011).

The abovementioned written approvals are unconditional.

3.2 Project implementation (92-93)

The present JI project implies utilization and/or destruction of the coal mine methane (CMM) being vented to atmosphere from the “Tomashivska South” and “Tomashivska North” abandoned mines, located in the Lysychansk, Luhansk region, Ukraine. According to the final PDD ver. 1.3 of 03/03/2011 the CMM is expected to be used for displacing natural gas in a pipeline and being destroyed in flares (2 units). The utilization and destruction of methane and conversion of methane to CO_2 significantly reduces greenhouse gas emissions.

Prior to the implementation of the project activity, the CMM was released into the atmosphere and natural gas was used from the gas pipeline. Without the implementation of the project, this scenario would have continued and is considered the baseline scenario.

The starting date of the project activity is the date of the licence for gas utilisation, covering both mines; the actual start of the equipment installation was shortly after. The gas exploration wells of the first phase were completed in December 2003. During the present monitoring period of 2008-2010 the CMM was utilized through supply of gas to the pipeline only, as no flares or cogeneration units for gas destruction were installed. Gas is extracted and sent to the gas preparation station, where it is cleaned and prepared and then fed into the gas supply grid, which supplies local industry. Gas was first supplied to the gas preparation station from January 2004. Two containerized flares for CMM destruction, as planned in the PDD, will be installed in 2011 and 2012.

The status of project activity implementation during considered monitoring period for the most part complies with the final PDD ver.1.3. The project implementation status as for the time being compared with the PDD is presented in the table below:

Table 2. Project implementation status

Action	**Implementation date**	**Planned (from PDD)**
Gas utilisation licence, covering both mines	08/09/2003	08/09/2003
Tomashivska South		
Activity	**Status**	**Status**
First stage, degassing wells	24/10/2002 to 25/11/2004	12/2003
Supply to gas preparation station	Start from 08/09/2003	Start from 01/01/2004
Planned commissioning of Flare #1	01/07/2011	01/01/2011
Planned commissioning of Flare #2	01/07/2012	01/01/2012
Tomashivska North		
Activity	**Status**	**Status**
First stage, degassing wells	29/01/2004 to 01/03/2005	12/2003
Supply to gas preparation station	01/03/2005 to 16/06/2005 only	Start from 01/01/2004

The verification team can confirm, through the visual inspection that all physical features of the proposed JI project activity including data collecting and storage systems have been implemented according to the PDD.

3.3 Compliance of the monitoring plan with the monitoring methodology (94-98)

The monitoring occurred in accordance with the PDD regarding which the determination has been deemed final and minor revision of the monitoring plan which was positively determined in course of the current verification.

For calculating the emission reductions, key factors, such as availability and amount of extracted CMM, concentration of methane in the extracted gas and others, influencing the baseline emissions and the activity level of the project and the emissions as well as risks associated with the project were taken into account, as appropriate.

Data sources used for calculating emission reductions such as appropriately calibrated measuring equipment, laboratory analysis, the study of standardized emission factors for the Ukrainian electricity grid, national standards of Ukraine, IPCC guidelines, are clearly identified, reliable and transparent.

Emission factors, including default emission factors, are selected by carefully balancing accuracy and reasonableness, and appropriately justified of the choice.

The calculation of emission reductions is based on conservative assumptions and the most plausible scenarios in a transparent manner.

3.4 Revision of monitoring plan (99-100)

After the determination has been deemed final the original monitoring plan described in the registered PDD ver.1.3 of 03/03/2011 was revised by the project participants. Modifications that were introduced related to the gas conditions of temperature and pressure and methane density applied for measuring the gas volumes supplied to consumers and monitoring device used at one of the end consumer during 01/01/2008 – 28/02/2009 of this monitoring period. The project participants described the changes in the Monitoring Report for 2008–2010 and provided an appropriate justification for the proposed revision:

- The monitoring during 2008-2010 at two end consumer sites (CJSC Lisichanskiy Glassworks Plant “Proletary” and CJSC “Lispy”) was carried out in accordance with State Standard ГОСТ 30319.1-96 for measuring volumes of gas for consumers prescribing conditions of 20℃ (293.15 K) gas temperature, 1 atm (101.3 kPa) pressure, and density of 0,6682 kg/m3. However, the PDD referred to conditions of temperature 0℃ (273.15 K), pressure 1 atm (101.3 k Pa), and density of 0.717kg/m3, which is applied in the flaring equipment electronic monitoring system. The PDD failed to indicate that the domestic monitoring standard applies for measuring the volumes of gas for consumers which caused overestimation of the methane mass supplied to the gas consumers in the PDD and the difference in the methane density, and thus the emission reductions overestimation;
- The actual monitoring device used at one of two end consumer sites, namely CJSC “Lispy”, during first part of this monitoring period (01/01/2008 – 28/02/2009) was gas flow corrector B25. Flow Nek, as stated in the PDD, was installed on 28/02/2009 only to replace the old equipment as part of normal maintenance. The detailed information on the actual device used is presented in the Monitoring Report and shows that both devices are very similar.

Changes that have been implemented do not affect conservativeness of the approach to the emission reductions calculations.

The proposed revision improves the accuracy and applicability of information collected compared to the original monitoring plan without

changing conformity with the relevant rules and regulations for the establishment of monitoring plans.

3.5 Data management (101)

The data and their sources, provided in monitoring reports, are clearly identified, reliable and transparent.

The implementation of data collection procedures is in accordance with the PDD and revision to the monitoring plan, including the quality control and quality assurance procedures. During this monitoring period, no flares were installed. Therefore, only the methane sent to the gas pipeline was monitored. The manual recording of the monitored data concerns the monitoring of operation data and is relevant for safety and proper operation of the wells and gas preparation unit, and thus the supply of gas to the gas pipeline. The data (temperatures, pressures etc.) are continuously recorded to memory by electronic devices Flow Tec (ФЛОУТЕК) and Flow Nek (ФЛОИНЭК), and gas flow corrector B25 (during 01/01/2008-28/02/2009). The electronic memory can store the data for the last 6 month only. Paper records are available for the whole period. Methane concentrations of the gas supply into the pipeline are determined monthly by laboratory analysis.

As stated in the PDD, the monitoring procedure which is applied during the initial monitoring period (prior to installation of electronic data storage system) provides mainly handwritten data. The monitoring and recording has followed the conventional processes within the industry. Although the electronic measuring equipment has been installed, no electronic storage of the data took place prior to registration. The data have been manually read from the electronic devices and hand written in journals. The electronically data storage system is planned to be put in operation in July 2011.

The function of the monitoring equipment, including its calibration status, is in order. The measurement equipment used for project monitoring is serviced, calibrated and maintained in accordance with the original manufacturer's instructions and industry standards; relevant records are kept as required.

The evidence and records used for the monitoring are maintained in a traceable manner. All necessary information for monitoring of GHGs emission reductions are stored in paper or/and electronic formats and will be saved till the end of the crediting period and for two years after the last operation with emission reductions from the project.

The data collection and management system for the project is in accordance with the PDD and revision to the monitoring plan. The operational and management structure and the responsibilities of the principals are sufficiently described in the section C of the Monitoring

Report. Ultimate responsibility for the project rests with the JI Project Manager (Andrei Pavelkov, Director of "NPK-Kontakt" Ltd).

The Monitoring Report provides sufficient information on the assigning roles, responsibilities and authorities for implementation and maintenance of monitoring procedures including control of data. The verification team confirms effectiveness of the existing management and operational systems and found them eligible for reliable project monitoring.

3.6 Verification regarding programmes of activities (102-110)

Not applicable.

4 VERIFICATION OPINION

Bureau Veritas Certification has performed the initial and 1st periodic verification for the period from 01 January 2008 to 31 December 2010 of the "Abandoned Coal Mine Methane Utilization at "NPK-Kontakt" Ltd" JI project in Ukraine, which applies the JI specific approach. The verification was performed on the basis of UNFCCC criteria and host country criteria and also on the criteria given to provide for consistent project operations, monitoring and reporting.

The verification consisted of the following three phases: i) desk review of monitoring reports, project design and the baseline and monitoring plan; ii) follow-up interviews with project stakeholders; iii) resolution of outstanding issues and the issuance of the final verification report and opinion.

The management of Carbon Marketing and Trading Ltd is responsible for the preparation of the GHG emissions data and the reported GHG emissions reductions of the project on the basis set out within the project Monitoring and Verification Plan indicated in the final PDD version 1.3 and revision to the monitoring plan. The development and maintenance of records and reporting procedures in accordance with that plan, including the calculation and determination of GHG emission reductions from the project, is the responsibility of the management of the project.

Bureau Veritas Certification verified the Project Monitoring Report, version 1.5, for the reporting period as indicated below. Bureau Veritas Certification confirms that the project is implemented as per determined changes. Installed equipment being essential for generating emission

reduction runs reliably and is calibrated appropriately. The monitoring system is in place and the project is generating GHG emission reductions.

Bureau Veritas Certification can confirm that the GHG emission reduction is accurately calculated and is free of material errors, omissions, or misstatements. Our opinion relates to the project's GHG emissions and resulting GHG emissions reductions reported and related to the approved project baseline and monitoring, and its associated documents. Based on the information we have seen and evaluated, we confirm, with a reasonable level of assurance, the following statement:

Reporting period: From 01/01/2008 to 31/12/2010

For the period from 01/01/2008 to 31/12/2008

Baseline emissions	: 21784	t CO_2 equivalents;
Project emissions	: 2853	t CO_2 equivalents;
Emission Reductions	: 18931	t CO_2 equivalents.

For the period from 01/01/2009 to 31/12/2009

Baseline emissions	: 20497	t CO_2 equivalents;
Project emissions	: 2685	t CO_2 equivalents;
Emission Reductions	: 17812	t CO_2 equivalents.

For the period from 01/01/2010 to 31/12/2010

Baseline emissions	: 16318	t CO_2 equivalents;
Project emissions	: 2137	t CO_2 equivalents;
Emission Reductions	: 14181	t CO_2 equivalents.

Total for the period from 01/01/2008 to 31/12/2010:

Baseline emissions	: 58599	t CO_2 equivalents;
Project emissions	: 7675	t CO_2 equivalents;
Emission Reductions	: 50924	t CO_2 equivalents.

5 REFERENCES

Category 1 Documents:
Documents provided by project participants that relate directly to the GHG components of the project.

/1/	Project Design Document of the JI project “Abandoned Coal Mine Methane Utilization at “NPK-Kontakt” Ltd”, version 1.3 dated 03/03/2011
/2/	Monitoring Report for the period from 01/01/2008 to 31/12/2010 version 1.3 dated 10/02/2011
/3/	Monitoring Report for the period from 01/01/2008 to 31/12/2010 version 1.4 dated 14/04/2011
/4/	Monitoring Report for the period from 01/01/2008 to 31/12/2010 version 1.5 dated 26/04/2011
/5/	Calculation of Emission Reductions (Excel file), version 1.3 of 10/02/2011
/6/	Calculation of Emission Reductions (Excel file), version 1.4 of 14/04/2011
/7/	Calculation of Emission Reductions (Excel file), version 1.5 of 26/04/2011
/8/	Determination Report “Abandoned Coal Mine Methane Utilization at “NPK-Kontakt” Ltd” No.UKRAINE/0175/2010, revision 02 of 03/03/2011, issued by Bureau Veritas Certification
/9/	Letter of Approval № 464/23/7 of 02/03/2011 issued for the project “Abandoned Coal Mine Methane Utilization at “NPK-Kontakt” Ltd” by National Environmental Investment Agency of Ukraine
/10/	Letter of approval for a project under article 6 of the Kyoto Protocol (JI) of the Federal Office for the Environment (FOEN) of Switzerland No J294-0485, issued for the project “Abandoned Coal Mine Methane Utilization at “NPK-Kontakt” Ltd” on 24/01/2011
/11/	Approved consolidated baseline methodology ACM0008 version 03 “Consolidated baseline methodology for coal bed methane and coal mine methane capture and use for power (electrical or motive) and heat and/or destruction by flaring”
/12/	Letter № 462/23/7 of 02/03/2011 regarding issuance of Letter of Approval for the JI project from National Environmental Investment Agency of Ukraine

Category 2 Documents:
Background documents related to the design and/or methodologies employed in the design or other reference documents.

/1/	Statement dated 31/01/2008 on the amount of supplied (consumed) gas in January 2008 according to the Agreement on CMM consumption #01\07 of 20/12/2006
/2/	Statement dated 31/01/2008 on the amount of supplied (consumed) gas in January 2008 according to the Agreement #520087/ОТЭ of 28/12/2004
/3/	Register sheet of gas consumption, daily data for January 2007, Lispi CJSC
/4/	Commercial report, daily measurements data for January 2007 (Proletarii pipeline)
/5/	Statement dated 28/02/2008 on the amount of supplied (consumed) gas in February 2008 according to the Agreement on CMM consumption #01\07 of 20/12/2006
/6/	Statement dated 29/02/2008 on the amount of supplied (consumed) gas in February 2008 according to the Agreement #520087/ОТЭ of 28/12/2004
/7/	Register sheet of gas consumption, daily data for February 2008, Lispi CJSC
/8/	Commercial report, daily measurements data for February 2008 (Proletarii pipeline)
/9/	Statement dated 31/03/2008 on the amount of supplied (consumed) gas in March 2008 according to the Agreement on CMM consumption #01\07 of 20/12/2006
/10/	Statement dated 31/03/2008 on the amount of supplied (consumed) gas in March 2008 according to the Agreement #520087/ОТЭ of 28/12/2004
/11/	Register sheet of gas consumption, daily data for March 2008, Lispi CJSC
/12/	Commercial report, daily measurements data for March 2008 (Proletarii pipeline)
/13/	Office memo concerning the correction of data on gas amounts consumed in March 2007 at Lispi CJSC
/14/	Statement dated 30/04/2008 on the amount of supplied (consumed) gas in April 2008 according to the Agreement on CMM consumption #01\07 of 20/12/2006
/15/	Statement dated 30/04/2008 on the amount of supplied (consumed) gas in April 2008 according to the Agreement #520087/ОТЭ of 28/12/2004
/16/	Register sheet of gas consumption, daily data for April 2008, Lispi CJSC
/17/	Commercial report, daily measurements data for April 2008 (Proletarii pipeline)

/18/ Annex to the Statement dated 30/04/2007. Agreement on gas consumption amounts at Lispi CJSC for April 2008

/19/ Statement dated 31/05/2008 on the amount of supplied (consumed) gas in May 2008 according to the Agreement on CMM consumption #01\07 of 20/12/2006

/20/ Statement dated 31/05/2008 on the amount of supplied (consumed) gas in May 2008 according to the Agreement #520087/ОТЭ of 28/12/2004

/21/ Register sheet of gas consumption, daily data for May 2008, Lispi CJSC

/22/ Commercial report, daily measurements data for May 2008 (Proletarii pipeline)

/23/ Statement dated 30/06/2008 on the amount of supplied (consumed) gas in June 2008 according to the Agreement on CMM consumption #01\07 of 20/12/2006

/24/ Statement dated 30/06/2008 on the amount of supplied (consumed) gas in June 2008 according to the Agreement #520087/ОТЭ of 28/12/2004

/25/ Register sheet of gas consumption, daily data for June 2008, Lispi CJSC

/26/ Commercial report, daily measurements data for June 2008 (Proletarii pipeline)

/27/ Office memo concerning the correction of data on gas amounts consumed in June 2007 at Lispi CJSC

/28/ Statement dated 31/07/2008 on the amount of supplied (consumed) gas in July 2008 according to the Agreement on CMM consumption #01\07 of 20/12/2006

/29/ Statement dated 31/07/2008 on the amount of supplied (consumed) gas in July 2008 according to the Agreement #520087/ОТЭ of 28/12/2004

/30/ Register sheet of gas consumption, daily data for July 2008, Lispi CJSC

/31/ Commercial report, daily measurements data for July 2008 (Proletarii pipeline)

/32/ Office memo concerning the correction of data on gas amounts consumed in July 2007 at Lispi CJSC

/33/ Statement dated 31/08/2008 on the amount of supplied (consumed) gas in August 2008 according to the Agreement on CMM consumption #01\07 of 20/12/2006

/34/ Statement dated 31/08/2008 on the amount of supplied (consumed) gas in August 2008 according to the Agreement #520087/ОТЭ of 28/12/2004

/35/ Register sheet of gas consumption, daily data for August 2008, Lispi CJSC

/36/ Commercial report, daily measurements data for August 2008

(Proletarii pipeline)

/37/ Statement dated 31/09/2008 on the amount of supplied (consumed) gas in September 2008 according to the Agreement on CMM consumption #01\07 of 20/12/2006

/38/ Statement dated 30/09/2008 on the amount of supplied (consumed) gas in September 2008 according to the Agreement #520087/ОТЭ of 28/12/2004

/39/ Register sheet of gas consumption, daily data for September 2008, Lispi CJSC

/40/ Commercial report, daily measurements data for September 2008 (Proletarii pipeline)

/41/ Statement dated 31/10/2008 on the amount of supplied (consumed) gas in October 2008 according to the Agreement on CMM consumption #01\07 of 20/12/2006

/42/ Statement dated 31/10/2008 on the amount of supplied (consumed) gas in October 2008 according to the Agreement #520087/ОТЭ of 28/12/2004

/43/ Register sheet of gas consumption, daily data for October 2008, Lispi CJSC

/44/ Commercial report, daily measurements data for October 2008 (Proletarii pipeline)

/45/ Statement dated 30/11/2008 on the amount of supplied (consumed) gas in November 2008 according to the Agreement on CMM consumption #01\07 of 20/12/2006

/46/ Statement dated 30/11/2008 on the amount of supplied (consumed) gas in November 2008 according to the Agreement #520087/ОТЭ of 28/12/2004

/47/ Register sheet of gas consumption, daily data for November 2008, Lispi CJSC

/48/ Clarification letter #101/1 dated 01/12/2008 concerning the correction of data on gas amounts consumed in November 2008 at Lispi CJSC

/49/ Commercial report, daily measurements data for November 2008 (Proletarii pipeline)

/50/ Statement dated 31/12/2008 on the amount of supplied (consumed) gas in December 2008 according to the Agreement on CMM consumption #01\07 of 20/12/2006

/51/ Statement dated 31/12/2008 on the amount of supplied (consumed) gas in December 2008 according to the Agreement #520087/ОТЭ of 28/12/2004

/52/ Register sheet of gas consumption, daily data for December 2008, Lispi CJSC

/53/ Clarification letter #658 dated 16/12/08 concerning the correction of data on gas amounts consumed in December 2008 at Lispi CJSC

/54/ Commercial report, daily measurements data for December 2008 (Proletarii pipeline)

/55/ Statement dated 31/01/2009 on the amount of supplied (consumed) gas in January 2009 according to the Agreement on CMM consumption #01\07 of 20/12/2006

/56/ Statement dated 31/01/2009 on the amount of supplied (consumed) gas in January 2009 according to the Agreement #520087/ОТЭ of 28/12/2004

/57/ Register sheet of gas consumption, daily data for January 2009, Lispi CJSC

/58/ Commercial report, daily measurements data for January 2009 (Proletarii pipeline)

/59/ Statement dated 28/02/2009 on the amount of supplied (consumed) gas in February 2009 according to the Agreement on CMM consumption #01\07 of 20/12/2006

/60/ Statement dated 28/02/2009 on the amount of supplied (consumed) gas in February 2009 according to the Agreement #520087/ОТЭ of 28/12/2004

/61/ Commercial report, daily measurements data for February 2009 (“Boiler house” pipeline #1)

/62/ Register sheet of gas consumption, daily data for February 2009, Lispi CJSC

/63/ Commercial report, daily measurements data for February 2009 (Proletarii pipeline)

/64/ Office memo concerning the correction of data on gas amounts consumed in February 2009 at Lispi CJSC

/65/ Statement dated 31/03/2009 on the amount of supplied (consumed) gas in March 2009 according to the Agreement on CMM consumption #01\07 of 20/12/2006

/66/ Statement dated 31/03/2009 on the amount of supplied (consumed) gas in March 2009 according to the Agreement #520087/ОТЭ of 28/12/2004

/67/ Commercial report, daily measurements data for February 2009 (“Boiler house” pipeline #1)

/68/ Commercial report, daily measurements data for March 2009 (Proletarii pipeline)

/69/ Statement dated 30/04/2009 on the amount of supplied (consumed) gas in April 2009 according to the Agreement on CMM consumption #01\07 of 20/12/2006

/70/ Statement dated 30/04/2009 on the amount of supplied (consumed) gas in April 2009 according to the Agreement #520087/ОТЭ of 28/12/2004

/71/ Commercial report, daily measurements data for April 2009 (“Boiler house” pipeline #1)

/72/ Clarification letter #40 dated 30/04/2009 concerning the correction of data on gas amounts consumed in April 2009 at Lispi CJSC

/73/ Commercial report, daily measurements data for April 2009 (Proletarii pipeline)

/74/ Statement dated 31/05/2009 on the amount of supplied (consumed) gas in May 2009 according to the Agreement on CMM consumption #01\07 of 20/12/2006

/75/ Statement dated 31/05/2009 on the amount of supplied (consumed) gas in May 2009 according to the Agreement #520087/ОТЭ of 28/12/2004

/76/ Commercial report, daily measurements data for May 2009 ("Boiler house" pipeline #1)

/77/ Clarification letter #28 dated 10/06/2009 concerning the correction of data on gas amounts consumed in May 2009 at Lispi CJSC

/78/ Commercial report, daily measurements data for May 2009 (Proletarii pipeline)

/79/ Statement dated 30/06/2009 on the amount of supplied (consumed) gas in June 2009 according to the Agreement on CMM consumption #01\07 of 20/12/2006

/80/ Statement dated 30/06/2009 on the amount of supplied (consumed) gas in June 2009 according to the Agreement #520087/ОТЭ of 28/12/2004

/81/ Commercial report, daily measurements data for June 2009 ("Boiler house" pipeline #1)

/82/ Clarification letter #56 dated 01/07/2009 concerning the correction of data on gas amounts consumed in June 2009 at Lispi CJSC

/83/ Commercial report, daily measurements data for June 2009 (Proletarii pipeline)

/84/ Statement dated 31/07/2009 on the amount of supplied (consumed) gas in July 2009 according to the Agreement on CMM consumption #01\07 of 20/12/2006

/85/ Statement dated 31/07/2009 on the amount of supplied (consumed) gas in July 2009 according to the Agreement #520087/ОТЭ of 28/12/2004

/86/ Commercial report, daily measurements data for July 2009 (Lispi CJSC pipeline #1)

/87/ Clarification letter #62/1dated 31/07/2009 concerning the correction of data on gas amounts consumed in July 2009 at Lispi CJSC

/88/ Commercial report, daily measurements data for July 2009 (Proletarii pipeline)

/89/ Statement dated 31/08/2009 on the amount of supplied (consumed) gas in August 2009 according to the Agreement on CMM consumption #01\07 of 20/12/2006

/90/ Statement dated 31/08/2009 on the amount of supplied (consumed) gas in August 2009 according to the Agreement #520087/ОТЭ of 28/12/2004

/91/ Commercial report, daily measurements data for August 2009 (Lispi CJSC pipeline #1)

/92/ Clarification letter #72 dated 31/08/2009 concerning the correction of data on gas amounts consumed in August 2009 at Lispi CJSC

/93/ Commercial report, daily measurements data for August 2009 (Proletarii pipeline)

/94/ Statement dated 30/09/2009 on the amount of supplied (consumed) gas in September 2009 according to the Agreement on CMM consumption #01\07 of 20/12/2006

/95/ Statement dated 30/09/2009 on the amount of supplied (consumed) gas in September 2009 according to the Agreement #520087/ОТЭ of 28/12/2004

/96/ Commercial report, daily measurements data for September 2009 (Lispi CJSC pipeline #1)

/97/ Commercial report, daily measurements data for September 2009 (Proletarii pipeline)

/98/ Statement dated 31/10/2009 on the amount of supplied (consumed) gas in October 2009 according to the Agreement on CMM consumption #01\07 of 20/12/2006

/99/ Statement dated 31/10/2009 on the amount of supplied (consumed) gas in October 2009 according to the Agreement #520087/ОТЭ of 28/12/2004

/100/ Commercial report, daily measurements data for October 2009 (Lispi CJSC pipeline #1)

/101/ Commercial report, daily measurements data for October 2009 (Proletarii pipeline)

/102/ Statement dated 30/11/2009 on the amount of supplied (consumed) gas in November 2009 according to the Agreement on CMM consumption #01\07 of 20/12/2006

/103/ Statement dated 30/11/2009 on the amount of supplied (consumed) gas in November 2009 according to the Agreement #520087/ОТЭ of 28/12/2004

/104/ Commercial report, daily measurements data for November 2009 (Lispi CJSC pipeline #1)

/105/ Commercial report, daily measurements data for November 2009 (Proletarii pipeline)

/106/ Statement dated 31/12/2009 on the amount of supplied (consumed) gas in December 2009 according to the Agreement on CMM consumption #01\07 of 20/12/2006

/107/ Statement dated 31/12/2009 on the amount of supplied (consumed) gas in December 2009 according to the Agreement #520087/ОТЭ of 28/12/2004

/108/ Commercial report, daily measurements data for December 2009 (Lispi CJSC pipeline #1)

/109/ Commercial report, daily measurements data for December 2009 (Proletarii pipeline)

/110/ Statement dated 31/01/2010 on the amount of supplied (consumed) gas in January 2009 according to the Agreement on CMM consumption #01\07 of 20/12/2006

/111/ Statement dated 31/01/2010 on the amount of supplied (consumed) gas in January 2010 according to the Agreement #520087/ОТЭ of 28/12/2004

/112/ Commercial report, daily measurements data for January 2010 (Lispi CJSC pipeline #1)

/113/ Commercial report, daily measurements data for January 2010 (Proletarii pipeline)

/114/ Statement dated 28/02/2010 on the amount of supplied (consumed) gas in February 2010 according to the Agreement on CMM consumption #01\07 of 20/12/2006

/115/ Statement dated 28/02/2010 on the amount of supplied (consumed) gas in February 2010 according to the Agreement #520087/ОТЭ of 28/12/2004

/116/ Commercial report, daily measurements data for February 2010 (Lispi CJSC pipeline #1)

/117/ Commercial report, daily measurements data for February 2010 (Proletarii pipeline)

/118/ Statement dated 31/03/2010 on the amount of supplied (consumed) gas in March 2010 according to the Agreement on CMM consumption #01\10 of 28/12/2009

/119/ Statement dated 31/03/2010 on the amount of supplied (consumed) gas in March 2010 according to the Agreement #520087/ОТЭ of 28/12/2004

/120/ Commercial report, daily measurements data for March 2010 (Lispi CJSC pipeline #1)

/121/ Clarification letter #26 dated 01/04/2010 concerning the correction of data on gas amounts consumed in March 2010 at Lispi CJSC

/122/ Commercial report, daily measurements data for March 2010 (Proletarii pipeline)

/123/ Statement dated 30/04/2010 on the amount of supplied (consumed) gas in April 2010 according to the Agreement on CMM consumption #01\10 of 28/12/2009

/124/ Statement dated 30/04/2010 on the amount of supplied (consumed) gas in April 2010 according to the Agreement #520087/ОТЭ of 28/12/2004

/125/ Statement dated 31/05/2010 on the amount of supplied (consumed) gas in May 2010 according to the Agreement on CMM consumption #01\10 of 28/12/2009

/126/ Statement dated 31/05/2010 on the amount of supplied (consumed) gas in May 2010 according to the Agreement #520087/ОТЭ of 28/12/2004

/127/ Commercial report, daily measurements data for May 2010 (Lispi CJSC pipeline #1)

/128/ Clarification letter #81 dated 01/06/2010 concerning the correction of data on gas amounts consumed in May 2010 at Lispi CJSC

/129/ Commercial report, daily measurements data for May 2010 (Proletarii pipeline)

/130/ Statement dated 30/06/2010 on the amount of supplied (consumed) gas in June 2010 according to the Agreement on CMM consumption #01\10 of 28/12/2009

/131/ Statement dated 30/06/2010 on the amount of supplied (consumed) gas in June 2010 according to the Agreement #520087/ОТЭ of 28/12/2004

/132/ Clarification letter #93/1 dated 02/07/2010 concerning the correction of data on gas amounts consumed in June 2010 at Lispi CJSC

/133/ Commercial report, daily measurements data for June 2010 (Proletarii pipeline)

/134/ Statement dated 31/07/2010 on the amount of supplied (consumed) gas in July 2010 according to the Agreement on CMM consumption #01\10 of 28/12/2009

/135/ Statement dated 31/07/2010 on the amount of supplied (consumed) gas July 2010 according to the Agreement #520087/ОТЭ of 28/12/2004

/136/ Commercial report, daily measurements data for July 2010 (Lispi CJSC pipeline #1)

/137/ Commercial report, daily measurements data for July 2010 (Proletarii pipeline)

/138/ Statement dated 31/08/2010 on the amount of supplied (consumed) gas in August 2010 according to the Agreement on CMM consumption #01\10 of 28/12/2009

/139/ Statement dated 31/08/2010 on the amount of supplied (consumed) gas in August 2010 according to the Agreement #520087/ОТЭ of 28/12/2004

/140/ Commercial report, daily measurements data for August 2010 (Lispi CJSC pipeline #1)

/141/ Commercial report, daily measurements data for August 2010 (Proletarii pipeline)

/142/ Statement dated 30/09/2010 on the amount of supplied (consumed) gas in September 2010 according to the Agreement on CMM consumption #01\10 of 28/12/2009

/143/ Statement dated 30/09/2010 on the amount of supplied (consumed) gas in September 2010 according to the Agreement #520087/ОТЭ of 28/12/2004

/144/ Commercial report, daily measurements data for September 2010 (Lispi CJSC pipeline #1)

/145/ Commercial report, daily measurements data for September 2010 (Proletarii pipeline)

/146/ Statement dated 31/10/2010 on the amount of supplied (consumed) gas in October 2010 according to the Agreement on CMM consumption #01\10 of 28/12/2009

/147/ Statement dated 31/10/2010 on the amount of supplied (consumed) gas in October 2010 according to the Agreement #520087/ОТЭ of

28/12/2004

/148/ Commercial report, daily measurements data for October 2010 (Lispi CJSC pipeline #1)

/149/ Commercial report, daily measurements data for October 2010 (Proletarii pipeline)

/150/ Statement dated 30/11/2010 on the amount of supplied (consumed) gas in November 2010 according to the Agreement on CMM consumption #01\10 of 28/12/2009

/151/ Statement dated 30/11/2010 on the amount of supplied (consumed) gas in November 2010 according to the Agreement #520087/ОТЭ of 28/12/2004

/152/ Commercial report, daily measurements data for November 2010 (Lispi CJSC pipeline #1)

/153/ Commercial report, daily measurements data for November 2010 (Proletarii pipeline)

/154/ Statement dated 31/12/2010 on the amount of supplied (consumed) gas in December 2010 according to the Agreement on CMM consumption #01\10 of 28/12/2009

/155/ Statement dated 31/12/2010 on the amount of supplied (consumed) gas in December 2010 according to the Agreement #520087/ОТЭ of 28/12/2004

/156/ Commercial report, daily measurements data for December 2010 (Lispi CJSC pipeline #1)

/157/ Commercial report, daily measurements data for December 2010 (Proletarii pipeline)

/158/ Certificate #47/34 valid till 17/02/2011 on Flow Nek electronic device calibration, serial #301365

/159/ Passport on Flow Nek electronic device, serial #301365, 2001

/160/ Certificate #47/198 valid till 17/09/2011 on Flow Tec electronic device calibration, serial #1-142

/161/ Passport dated 2001 on Flow Tec electronic device, serial #1-142, produced 17/09/2001

/162/ Natural gas analysis dated 26/08/2008, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre

/163/ Natural gas analysis dated 21/04/2008, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre

/164/ Natural gas analysis dated 22/12/2008, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre

/165/ Natural gas analysis dated 23/07/2008, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre

/166/ Natural gas analysis dated 23/06/2008, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre

/167/ Natural gas analysis dated 26/05/2008, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre

/168/ Natural gas analysis dated 24/03/2008, Lispromgas LLC, issued by

Eastern State Regional Geological Enterprise Test Centre
/169/ Natural gas analysis dated 24/11/2008, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre
/170/ Natural gas analysis dated 21/10/2008, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre
/171/ Natural gas analysis dated 22/09/2008, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre
/172/ Natural gas analysis dated 25/02/2008, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre
/173/ Natural gas analysis dated 23/01/2008, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre
/174/ Natural gas analysis dated 21/08/2009, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre
/175/ Natural gas analysis dated 21/04/2009, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre
/176/ Natural gas analysis dated 22/12/2009, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre
/177/ Natural gas analysis dated 20/07/2009, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre
/178/ Natural gas analysis dated 22/06/2009, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre
/179/ Natural gas analysis dated 25/05/2009, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre
/180/ Natural gas analysis dated 23/03/2009, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre
/181/ Natural gas analysis dated 23/11/2009, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre
/182/ Natural gas analysis dated 20/10/2009, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre
/183/ Natural gas analysis dated 22/09/2009, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre
/184/ Natural gas analysis dated 25/02/2009, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre
/185/ Natural gas analysis dated 22/01/2009, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre
/186/ Natural gas analysis dated 17/08/2010, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre
/187/ Natural gas analysis dated 19/04/2010, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre
/188/ Natural gas analysis dated 20/12/2010, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre
/189/ Natural gas analysis dated 20/07/2010, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre
/190/ Natural gas analysis dated 22/06/2010, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre
/191/ Natural gas analysis dated 25/05/2010, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre

/192/ Natural gas analysis dated 22/03/2010, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre

/193/ Natural gas analysis dated 22/11/2010, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre

/194/ Natural gas analysis dated 19/10/2010, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre

/195/ Natural gas analysis dated 22/09/2010, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre

/196/ Natural gas analysis dated 22/02/2010, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre

/197/ Natural gas analysis dated 22/01/2010, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre

/198/ Agreement #01/10 dated 28/12/2006 on CMM supply

/199/ Natural gas analysis dated 22/02/2010, Lispromgas LLC, issued by Eastern State Regional Geological Enterprise Test Centre

/200/ Commercial report, daily measurements data for 23/11/2010 (Lispi CJSC pipeline #1)

/201/ Measurement results at degassing wells 1D and 1K, daily data for the period since 03/01/2006 for 18/10/2010

/202/ Technological logbook started 14/07/2010, Lysychansk Proletarii Glass Works

/203/ Logbook Ж-6.3-48 on registration of gas pressure, density and consumption at GRP-15, of gas pressure at gas network check points, Lysychansk Proletarii Glass Works, data for the period since January 2007 till December 2009

/204/ Certificate #123 dated 17/09/2009 on gas consumption automated unit calibration, issued by Luhanskstandartmetrologiia State Enterprise

/205/ Metrological research results, 2009

/206/ Certificate #47/142 valid till 23/09/2010 on Flow Tec electronic device calibration, serial #1-142, issued by Luhansk Regional Scientific and Production Centre for Standardization, Metrology and Certification State Enterprise

/207/ Certificate #47/198 valid till 17/09/2011 on Flow Tec electronic device calibration, serial #1-142, issued by Luhansk Regional Scientific and Production Centre for Standardization, Metrology and Certification State Enterprise

/208/ Statement on degassing well A3335ª investigation at Tomashevska Southern area in order to put it on a NPK-Kontakt CJSC balance

/209/ Statement #49 dated 28/02/2009 on expertise of gas measuring unit with meter Курс-01 G250 Б, Lispromgas CJSC, issued by Luhanskstandartmetrologiia State Enterprise

/210/ License Series AB #429070 dated 01/08/2008 on natural resources extraction, valid till 01/08/2013 issued by the State Geological Office

/211/ Report #17050704000 on scientific and research work, Development of closed mines degassing means parameters that prevent methane discharging onto the ground surface, 2010

/212/ Certificate #47/84 valid till 17/02/2011 on Flow Nek electronic device calibration, serial #301365, issued by Luhansk Regional Scientific and Production Centre for Standardization, Metrology and Certification State Enterprise

/213/ Certificate #21 dated 16/02/2009, valid till 16/02/2009 on calibration of resistance thermometer type TSM 1188, serial #1 ("Lispi" CJSC boiler house), issued by Luhanskstandartmetrologiia State Enterprise

/214/ Attestation certificate #№РЬ072/2006 dated 23/06/2006 of Chemical and Analytical Laboratory of Donbastransgas UMG, valid till 23/06/2010, issued by Luhanskstandartmetrologiia State Enterprise

/215/ Accreditation certificate #037/2003 dated 20/10/2003 of Eastern State Regional Geological Enterprise Test Centre, valid till 20/10/2008, issued by State Geological Office

/216/ Attestation certificate #РЬ072/2006 dated 23/06/2006 of Chemical and Analytical Laboratory of Donbastransgas UMG, valid till 23/06/2010, issued by Luhanskstandartmetrologiia State Enterprise

/217/ Attestation certificate #067/2008 dated 21/10/2008 of Eastern State Regional Geological Enterprise Test Centre, valid till 20/10/2013, issued by State Geological Office

/218/ Protocol #07 of examination commission meeting on NPK-Kontakt personnel knowledge assessment dated 23/06/2009

/219/ Statement about decommissioning of gas flow corrector B25 from measurement unit of Lispi CJSC dated 28/02/2009

/220/ Order #38 of 27/02/2009 on commissioning of calculation device Flow Nek

Persons interviewed:

List of persons interviewed during the verification or persons that contributed with other information that are not included in the documents listed above.

/1/ Andrey Pavelkov – General Director of "NPK-Kontakt" Ltd

/2/ Yuliya Monogarova – Chief Geologist of "NPK-Kontakt" Ltd

/3/ Igor Monogarov – Deputy Chief Geologists of "NPK-Kontakt" Ltd

/4/ Gennadiy Butkov – measuring equipment Engineer of "Lispromgas" Ltd.

/5/ Vasyl Voynichenko – Chief power engineer CJSC "Lisichanskiy glass plant "Proletariy"

/6/ Ivan Verbitskiy – Head of steam and boiler shop CJSC “Lispi”

/7/ Christiaan Vrolijk – Principal Carbon Emission Specialist of Carbon Resource Management Ltd

/8/ Tahir Musayev – Project Manager of Carbon Marketing and Trading Ltd

/9/ Vladimir Kasyanov – Director of “Eco-Aliance” Ltd.

/10/ Pavel Shelegeda – Deputy Director “Eco-Aliance” Ltd.

APPENDIX A: VERIFICATION PROTOCOL

BUREAU VERITAS CERTIFICATION HOLDING SAS

VERIFICATION PROTOCOL

Table 1. Check list for verification, according to the JOINT IMPLEMENTATION DETERMINATION AND VERIFICATION MANUAL (Version 01)

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
Project approvals by Parties involved				
90	Has the DFPs of at least one Party involved, other than the host Party, issued a written project approval when submitting the first verification report to the secretariat for publication in accordance with paragraph 38 of the JI guidelines, at the latest?	The project has been approved by both Host Party (Ukraine) and sponsor party (Switzerland). The written project approvals were issued by DFPs of both Parties involved (see chapter 7 References in the verification report). Both Letters of Approval were available at the beginning of 1st verification of the project. **CAR 01**. As per the final PDD version 1.3 of 03/03/2011 the Party involved other than host Party is Switzerland, but not United Kingdom of Great Britain and Northern Ireland as it is indicated in the Monitoring Report (MR) ver. 1.3. Please, correct. **CAR 02**. Please, provide the information on project approval by Parties involved in the MR.	CAR 01 CAR 02 CAR 03	OK OK OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
		CAR 03. Please, provide the project ITL ID number in the MR. Please, also, delete "Dd/mm/yyyy" from the section A.6. If the project has not obtained the ITL ID number yet, please, state so in the MR.		
91	Are all the written project approvals by Parties involved unconditional?	Yes, all the written project approvals by Parties involved are unconditional.	OK	OK
Project implementation				
92	Has the project been implemented in accordance with the PDD regarding which the determination has been deemed final and is so listed on the UNFCCC JI website?	The status of project activity implementation during considered monitoring period (2008-2010) for the most part complies with the final PDD ver.1.3. The starting date of the project activity is the date of the license for gas utilization, covering both mines which is 08/09/2003; the actual start of the equipment installation was shortly after. The project implementation status for the monitoring period at hand and for the time being compared with the PDD is presented in the table 1 of the monitoring report. As for nowadays there is a delay with commissioning of the flare #1 at Tomashivska South; the commissioning is planned for July 2011. **CAR 04.** The unique abbreviation for the gas captured must be used, which is CMM as per final PDD, while AMM is mentioned. Please make appropriate corrections.	CAR 04 CAR 05	OK OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
		CAR 05. In order to reflect the progress achieved in each phase of the project activity at each coal mine more transparently, please, supplement the implementation status table (table 4) with the planned dates from the PDD.		
93	What is the status of operation of the project during the monitoring period?	The starting date of the project activity is the date of the license for gas utilization, covering both mines; the actual start of the equipment installation was shortly after. The gas exploration wells of the first phase were completed in December 2003. During the present monitoring period of 2008-2010 the CMM was utilized through supply of gas to the pipeline only, as no flares or cogeneration units for gas destruction were installed. Gas is extracted and sent to the gas preparation station, where it is cleaned and prepared and then fed into the gas supply grid, which supplies local industry. Two containerized flares for CMM destruction will be installed in 2011 and 2012. As for nowadays there is a delay with commissioning of the flare #1 at Tomashivska South; the commissioning is planned for July 2011. **CAR 06.** More detailed information should be provided in the MR on measures performed under the project during given monitoring period and equipment installed including auxiliary equipment, pipeline system etc., as appropriate. Also, please, state the number of	CAR 06	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
		degassing wells drilled at the territory of Tomashivska North coal mine. Additionally, in course of the site-visit it was revealed that not all degassing wells (specially at Tomashivska North mine) were operational during the monitoring period in question. Please include the information on degassing wells functioning to the respective section of the MR.		
Compliance with monitoring plan				
94	Did the monitoring occur in accordance with the monitoring plan included in the PDD regarding which the determination has been deemed final and is so listed on the UNFCCC JI website?	The monitoring occurred in accordance with the PDD regarding which the determination has been deemed final and minor revision of the monitoring plan which was positively determined in course of the current verification (for further information refer to cl.99 (a) – 99 (b) of this protocol). The Monitoring System is in place and operational. **CAR 07.** The section C, cl.3 of the MR indicates only that parameter which is monitored during the monitoring period at hand, so in order to keep consistency the information on flare efficiency must be excluded from the cl.4 as well, as it is not applicable for this monitoring period **CAR 08.** Please, give a clear reference (i.e., full title) to the baseline methodology ACM0008 in the MR (at least when it is first mentioned).	CAR 07 CAR 08 CAR 09 CAR 10	OK OK OK OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
		CAR 09. Please, provide the information in the MR on trainings undertaken by the staff involved in the project monitoring during considered monitoring period. **CAR 10.** The formula for project emission calculation must be correct according to the PDD.		
95 (a)	For calculating the emission reductions or enhancements of net removals, were key factors, e.g. those listed in 23 (b) (i)-(vii) above, influencing the baseline emissions or net removals and the activity level of the project and the emissions or removals as well as risks associated with the project taken into account, as appropriate?	Key factors, such as availability and amount of extracted CMM, concentration of methane in the extracted gas and others, influencing the baseline emissions and the activity level of the project and the emissions as well as risks associated with the project were taken into account for calculating the emission reductions, as appropriate.	OK	OK
95 (b)	Are data sources used for calculating emission reductions or enhancements of net removals clearly identified, reliable and transparent?	All the data sources used for calculating emission reductions are clearly identified, reliable and transparent. These sources include appropriately calibrated measurement equipment, laboratory analysis of captured gas content, the study of standardized emission factors for the Ukrainian electricity grid, national standards of Ukraine, IPCC guidelines etc. **CAR 11.** The information on the fig.3 in the section C of the MR should be presented in English, and interpretation, where appropriate, should be provided.	CAR 11 CL 01	OK OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
		CL 01. Please, clarify in the MR the name of the laboratory performing methane and NMHC concentration measurements during 2008-2010 and provide its accreditation certificate for this period.		
95 (c)	Are emission factors, including default emission factors, if used for calculating the emission reductions or enhancements of net removals, selected by carefully balancing accuracy and reasonableness, and appropriately justified of the choice?	Emission factors, including default emission factors such as CO2 emission factor for methane combustion (2.75 tCO2e/tCH4), Grid emission factor for electricity consumption (0.896 tCO2e/MWh), GWP of methane (21 tCO2e/tCH4), which are used for calculating the emission reductions, are selected by carefully balancing accuracy and reasonableness, and are appropriately justified of the choice.	OK	OK
95 (d)	Is the calculation of emission reductions or enhancements of net removals based on conservative assumptions and the most plausible scenarios in a transparent manner?	The performed calculation of emission reductions is based on conservative assumptions and the most plausible scenarios in a transparent manner. The continuation of situation exciting before project implementation was proven in the determined PDD to be the most plausible scenario. It is assumed that there is no use or destruction of CMM prior to the implementation of the project activity, thus the amount of methane destroyed in the baseline is assumed to be equal to zero. **CAR 12.** In Excel spreadsheets monthly value of methane concentration for September 2010 does not correspond to the data indicated in the relevant gas analysis certificate. Please correct the information in	CAR 12 CAR 13	OK OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
		Excel file and recalculate the ERU accordingly. **CAR 13.** The comparison of actual emission reduction with estimates in the PDD must be provided per each year of the monitoring period. Please, provide annual values together with total in the respective section of the MR (E.5).		
Applicable to JI SSC projects only				
96	Is the relevant threshold to be classified as JI SSC project not exceeded during the monitoring period on an annual average basis? If the threshold is exceeded, is the maximum emission reduction level estimated in the PDD for the JI SSC project or the bundle for the monitoring period determined?	N/a	N/a	N/a
Applicable to bundled JI SSC projects only				
97 (a)	Has the composition of the bundle not changed from that is stated in F-JI-SSCBUNDLE?	N/a	N/a	N/a
97 (b)	If the determination was conducted on the basis of an overall monitoring plan, have the project participants submitted a common monitoring report?	N/a	N/a	N/a
98	If the monitoring is based on a monitoring plan that provides for overlapping monitoring periods, are the monitoring	N/a	N/a	N/a

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	periods per component of the project clearly specified in the monitoring report? Do the monitoring periods not overlap with those for which verifications were already deemed final in the past?			
Revision of monitoring plan				
Applicable only if monitoring plan is revised by project participants				
99 (a)	Did the project participants provide an appropriate justification for the proposed revision?	After the determination has been deemed final the original monitoring plan described in the registered PDD ver.1.3 of 03/03/2011 was revised by the project participants. The project participants described the changes in the Monitoring Report for 2008-2010 and provided an appropriate justification for the proposed revision. Modifications that were introduced related to the following: - the density of methane applied for measuring the gas amount supplied to consumers was taken for the standard conditions (0,6682 kg/m3) as the monitoring during 2008-2010 at the 2 end consumers was carried out in accordance with State Standard ГОСТ 30319.1-96 prescribing standard conditions of 20℃ (293.15 K) gas temperature, 1 atm (101.3 kPa) pressure, whereas in PDD normal conditions with density of 0.717kg/m3 were applied; - the monitoring device actually used at one of the end consumer sites, namely CJSC “Lispy”, during	CAR 14 CAR 15	OK OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
		01/01/2008-28/02/2009 was gas flow corrector B25, in contrast to the PDD were Flow Nek is indicated (Flow Nek was installed in 2009). Changes that have been implemented do not affect conservativeness of the approach to the emission reductions calculations. The review of the initial MR ver.1.3 revealed some issues which ultimately were resolved by the project participants: **CAR 14**. Due the fact that the density of the gas applied in the project monitoring and actual monitoring device used at Lispy in 2008-2009 are different from those indicated in the monitoring plan in PDD, this is considered as a revision to the approved monitoring plan. Therefore, the information in the section B.2 must be corrected and justification of the revision must be provided. Please note that section B.3 and B.4 of the MR form are not applicable to JI. **CAR 15**. The inconsistency is observed in the MR as to the gas conditions applied. Please note, that the temperature of 20℃ (293.15 K) and pressure 1 atm (101.3 kPa) refers to the standard conditions but not normal (normal conditions: 0℃ (273.15 K), pressure 1 atm (101.3 kPa)) as it is indicated in the section B.3 of the MR ver.1.3. Furthermore, as it was prescribed by		

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
		the Ukrainian NFP (NAEI) for monitoring of the gas supplied to the gas pipeline the standard conditions must be applied (unlike normal conditions for the flaring equipment electronic monitoring system). Please, revised the MR and make the information consistent.		
99 (b)	Does the proposed revision improve the accuracy and/or applicability of information collected compared to the original monitoring plan without changing conformity with the relevant rules and regulations for the establishment of monitoring plans?	The changes introduced to the approved monitoring plan improve the accuracy and applicability of information collected compared to the original monitoring plan without changing conformity with the relevant rules and regulations for the establishment of monitoring plans.	OK	OK
Data management				
101 (a)	Is the implementation of data collection procedures in accordance with the monitoring plan, including the quality control and quality assurance procedures?	The implementation of data collection procedures is in accordance with the PDD and revisions to the monitoring plan, including the quality control and quality assurance procedures. During this monitoring period, no flares were installed, therefore, only the methane sent to the gas pipeline was monitored. The manual recording of the monitored data concerns the monitoring of operation data and the supply of gas to the gas pipeline. As stated in the PDD, the monitoring procedure which is applied during the initial monitoring period (period prior to the installation and commissioning of the electronic data storage system) provides mainly	CAR 16	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
		handwritten data. The monitoring and recording has followed the conventional processes within the industry. Although the electronic measuring equipment has been installed, no electronic storage of the data took place prior to registration. The data have been manually read from the electronic devices and hand written in journals. **CAR 16.** Please, indicate the QA/QC procedures applied to the parameter NMHC concentration.		
101 (b)	Is the function of the monitoring equipment, including its calibration status, in order?	The function of the monitoring equipment, including its calibration status, is in order. The measurement equipment used for project monitoring is serviced, calibrated and maintained in accordance with the original manufacturer's instructions and industry standards; relevant records are kept as required. **CAR 17.** Please, indicate the exact location of each used meter in the MR. **CAR 18.** In the cl.5 of the MR section C, please, indicate that gas flow corrector B25 was used during 2008-2009.	CAR 17 CAR 18	OK OK
101 (c)	Are the evidence and records used for the monitoring maintained in a traceable manner?	The evidence and records used for the monitoring are maintained in a traceable manner. All necessary information for monitoring of GHGs emission reductions are stored in paper or/and electronic formats and will be saved till the end of the crediting period and	CAR 19 CAR 20 CAR 21 CL 02 FAR 01	OK OK OK OK FAR 01 will

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
		for two years after the last operation with emission reductions from the project. **CAR 19.** In the table 6 (section C) of the MR it is stated that the data on CMM volume sent to gas pipeline (1g-backup) is archived electronically, however, electronic data is stored for 6 months only. Please, add the information about arching these data on paper as well. **CAR 20.** It should be noted that data monitored and required for verification are to be kept for 2 years after last transfer of ERUs for the project but not after the end of the last crediting period. Please, correct the information in section C, cl.6. (Also refer to FAR 01). **CAR 21.** Because of the fact that the CDM Monitoring Report Form is used for JI monitoring report preparation, please, provide the justification for usage of this format in the Monitoring Report. Please, also provide numbering in the MR. **CL 02.** The MR in its section C, cl.3, states that the monitoring plan to be applied during the initial monitoring period will provide mainly handwritten data. Moreover, in the PDD it is indicated that handwritten data recording applies to the historical data. Please, clarify what is implied under initial monitoring period and historical data (for what period?).		be checked during the next verification.

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
		FAR 01. The special instruction or management decree on monitoring data archiving should be prepared prescribing that data monitored and required for verification are to be kept for 2 years after last transfer of ERUs for the project. All structures (organizations/entities) involved in the project monitoring should be covered by this document.		
101 (d)	Is the data collection and management system for the project in accordance with the monitoring plan?	The data collection and management system for the project is in accordance with the PDD and revision to the monitoring plan. The operational and management structure and the responsibilities of the principals are sufficiently described in the section C of the Monitoring Report. Ultimate responsibility for the project rests with the JI Project Manager (Andrei Pavelkov, Director of "NPK-Kontakt" Ltd). The verification team confirms effectiveness of the existing management and operational systems and found them eligible for reliable project monitoring. **CAR 22.** The project management and responsibilities as it is described in the section C of the MR is not fully transparent. Some additional information and correction must be provided: a) The operational and management structure presented in the section C of the MR differs from the one described in the final PDD ver.1.3. Please clarify/correct.	CAR 22	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
		b) Due to the fact that several organizations are involved in the project monitoring (the project operator, gas distribution company, end users), please, clearly describe (using flowchart, if deemed necessary) the responsibilities and roles within the project monitoring of each of the entity involved in the monitoring and responsible personnel. c) The surname of the Head Geologist of NPK Kontakt is missing.		
Verification regarding programs of activities (additional elements for assessment)				
102	Is any JPA that has not been added to the JI PoA not verified?	N/a	N/a	N/a
103	Is the verification based on the monitoring reports of all JPAs to be verified?	N/a	N/a	N/a
103	Does the verification ensure the accuracy and conservativeness of the emission reductions or enhancements of removals generated by each JPA?	N/a	N/a	N/a
104	Does the monitoring period not overlap with previous monitoring periods?	N/a	N/a	N/a
105	If the AIE learns of an erroneously included JPA, has the AIE informed the JISC of its findings in writing?	N/a	N/a	N/a
Applicable to sample-based approach only				
106	Does the sampling plan prepared by the AIE: (a) Describe its sample selection, taking	N/a	N/a	N/a

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	into account that: (i) For each verification that uses a sample-based approach, the sample selection shall be sufficiently representative of the JPAs in the JI PoA such extrapolation to all JPAs identified for that verification is reasonable, taking into account differences among the characteristics of JPAs, such as: − The types of JPAs; − The complexity of the applicable technologies and/or measures used; − The geographical location of each JPA; − The amounts of expected emission reductions of the JPAs being verified; − The number of JPAs for which emission reductions are being verified; − The length of monitoring periods of the JPAs being verified; and − The samples selected for prior verifications, if any?			
107	Is the sampling plan ready for publication through the secretariat along with the verification report and supporting documentation?	N/a	N/a	N/a
108	Has the AIE made site inspections of at least the square root of the number of	N/a	N/a	N/a

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	total JPAs, rounded to the upper whole number? If the AIE makes no site inspections or fewer site inspections than the square root of the number of total JPAs, rounded to the upper whole number, then does the AIE provide a reasonable explanation and justification?			
109	Is the sampling plan available for submission to the secretariat for the JISC.s ex ante assessment? (Optional)	N/a	N/a	N/a
110	If the AIE learns of a fraudulently included JPA, a fraudulently monitored JPA or an inflated number of emission reductions claimed in a JI PoA, has the AIE informed the JISC of the fraud in writing?	N/a	N/a	N/a

Table 2 Resolution of Corrective Action and Clarification Requests

Draft report clarifications and corrective action requests by validation team	Ref. to checklist question in table 1	Summary of project participant response	Determination team conclusion
CAR 01. As per the final PDD version 1.3 of 03/03/2011 the Party involved other than host Party is Switzerland, but not United Kingdom of Great Britain and Northern Ireland as it is indicated in the MR ver. 1.3. Please, correct.	90	This was a typo in the MR. MR was corrected.	The issue is closed based on due correction made.
CAR 02. Please, provide the information on project approval by Parties involved in the MR.	90	The information is included in section A.2 of the MR.	The provided information was found appropriate. The issue is closed.

CAR 03. Please, provide the project ITL ID number in the Monitoring Report (MR). Please, also, delete "Dd/mm/yyyy" from the section A.6. If the project has not obtained the ITL ID number yet, please, state so in the MR.	90	*Response #1:* The National Environmental Investment Agency of Ukraine has confirmed this JI project under Track 1 procedure by the Order No. 47 dated April 1, 2011. However, no ITL project ID has been allocated as of 14/04/2011, see http://ji.unfccc.int/JIITLProject/DB/I95JCAATPXTBKYZIREWEBJNJO0VCFV/details. Response #2: ITL number has now been allocated and is added.	*Conclusion on response #1:* As for 21/04/2011 the ITL project ID is indicated at UNFCCC web-site which is UA1000257 (http://ji.unfccc.int/JIITLProject/DB/I95JCAATPXTBKYZIREWEBJNJO0VCFV/details). Please, provide the appropriate information in the MR. *Final conclusion*: The ITL ID number was indicated in the MR ver.1.5. The issue is closed.
CAR 04. The unique abbreviation for the gas captured must be used, which is CMM as per final PDD, while AMM is mentioned. Please make appropriate corrections.	92	Corrections were made as required throughout the MR.	The CMM abbreviation is used throughout the MR ver.1.4 for identifying the gas captured. The issue is closed.
CAR 05. In order to reflect the progress achieved in each phase of the project activity at each coal mine more transparently, please, supplement the implementation status table (table 4) with the planned dates from the PDD.	92	The Tables 1 and 4 were supplemented with data from PDD.	The information in Tables 1 and 4 of the MR ver.1.4 was reviewed and found appropriate. The issue is closed based on amendments made.

CAR 06. More detailed information should be provided in the MR on measures performed under the project during given monitoring period and equipment installed including auxiliary equipment, pipeline system etc., as appropriate. Also, please, state the number of degassing wells drilled at the territory of Tomashivska North coal mine. Additionally, in course of the site-visit it was revealed that not all degassing wells (specially at Tomashivska North mine) were operational during the monitoring period in question. Please include the information on degassing wells functioning to the respective section of the MR.	93	More detailed information was added. Refer to the MR ver.1.4	In the MR ver.1.4 the table with information on degassing wells on the Tomashivska South and Tomashivska North areas was added under the section B.1. The dates of wells in experimental industrial development, conservation dates (where applicable) and status of all wells as for 04/01/2011 are presented in this table. The provided information was found sufficient. The issue is closed.
CAR 07. The section C, cl.3 of the MR indicates only that parameter which is monitored during the monitoring period at hand, so in order to keep consistency the information on flare efficiency must be excluded from the cl.4 as well, as it is not applicable for this monitoring period.	94	The MR was corrected. The inappropriate information was deleted.	The issue is closed based on due corrections made to the MR.
CAR 08. Please, give a clear reference (i.e., full title) to the baseline methodology ACM0008 in the MR (at least when it is first mentioned).	94	The reference to the ACM0008 was provided. Refer to the MR ver.1.4.	The full title of the approved consolidated methodology ACM0008 was added to the MR ver.1.4. The issue is closed.

CAR 09. Please, provide the information in the MR on trainings undertaken by the staff involved in the project monitoring during considered monitoring period.	94	The information was added to the MR ver.1.4 as required.	The information on trainings undertaken was added; it was reviewed together with supporting documentation and found sufficient. The issue is closed.
CAR 10. The formula for project emission calculation must be correct according to the PDD.	94	The correct formula from the final PDD has been provided. The factor for NMHC, which is zero, added.	The issue is closed based on due amendments made to the formula for project emission calculation in the MR ver.1.4.
CAR 11. The information on the fig.3 in the section C of the MR should be presented in English, and interpretation, where appropriate, should be provided.	95 (b)	The figure 3 adds non-essential information and is not available in English, therefore this is now deleted from MR.	Although, the project schematic diagram with indicated monitoring points can bring more transparency and clearness to the project monitoring, the CAR can be considered closed based on deleting the inconsistent information from the MR.

CAR 12. In Excel spreadsheets monthly value of methane concentration for September 2010 does not correspond to the data indicated in the relevant gas analysis certificate. Please correct the information in Excel file and recalculate the ERU accordingly.	95 (d)	*Response #1:* Corrected: the concentration was higher at 89.14% methane. *Response #2:* It was a mistake in the Excel file. The value was corrected according to the gas analysis certificate. The data in MR were updated accordingly.	*Conclusion on response #1:* a) In the gas analysis certificate of 24/09/2010 the methane concentration is equal to 89,87. Please, correct the value in Excel file. b) In the MR ver.1.4 the emissions and emission reductions for 2010 were not updated due to the corrected methane concentration (tables 7, 8, 9, 10 and section E.5). See Excel file. *Final conclusion:* The correct value of methane concentration for September 2010 was stated in the Excel file. The updated information was provided in the MR ver.1.5. The issue is closed.

CAR 13. The comparison of actual emission reduction with estimates in the PDD must be provided per each year of the monitoring period. Please, provide annual values together with total in the respective section of the MR (E.5).	95 (d)	*Response #1:* Annual values have been added to section E.5. *Response #2:* The MR was revised and corrected appropriately.	*Conclusion on response #1:* The annual values for estimated in the PDD and achieved emission reductions were presented. The brief explanation of the deviation was given as well. However, the actual emission reductions for 2010 were not updated (see CAR 12). The issue is pending on the response to CAR 12. *Final conclusion:* The issue is closed based on due amendments made to the MR.

CAR 14. Due the fact that the density of the gas applied in the project monitoring and actual monitoring device used at Lispy in 2008-2009 are different from the one indicated in the monitoring plan in PDD, this is considered as a revision to the approved monitoring plan. Therefore, the information in the section B.2 must be corrected and justification of the revision must be provided. Please note that section B.3 and B.4 of the MR form are not applicable to JI.	99 (a)	*Response #1:* The information was corrected as requested. *Response #2:* The requested information was added. Supporting documents were provided.	*Conclusion of response #1:* Please, clarify the date when B25 was replaced and provide documentation confirming it. *Final conclusion:* The information of B25 decommissioning date and installation date of Flow Nek was provided; this is 28/02/2009. The respective Statement about decommissioning of gas flow corrector B25 from measurement unit of Lispi CJSC dated 28/02/2009 and Order #38 of 27/02/2009 on commissioning of Flow Nek were submitted. The issue is closed.

CAR 15. The inconsistency is observed in the MR as to the gas conditions applied. Please note, that the temperature of 20℃ (293.15 K) and pressure 1 atm (101.3 kPa) refers to the standard conditions but not normal (normal conditions: 0℃ (273.15 K), pressure 1 atm (101.3 kPa)) as it is indicated in the section B.3 of the MR ver.1.3. Furthermore, as it was prescribed by the Ukrainian NFP (NAEI) for monitoring of the gas supplied to the gas pipeline the standard conditions must be applied (unlike normal conditions for the flaring equipment electronic monitoring system). Please, revised the MR and make the information consistent.	99 (a)	The MR consistently applies the gas conditions of 20℃ and 1 atm and this is correctly indicated in the MR. However, the PDD indicated in the monitoring plan that conditions of 0℃ and 1 atm would apply, which is the standard settings on the German-manufactured flares. The PDD failed to indicate that the domestic monitoring standard applies for measuring the volumes of gas for consumers. Therefore, the mass of methane to the gas consumers in the PDD is overestimated due to the difference in the methane density between 0℃ and 20℃, and thus the emission reductions are overestimated in the PDD.	The naming “standard” and “normal” were removed from the MR ver.1.4 in order to omit further confusion with identification of conditions of 20℃ and 1 atm (“standard” according to Ukrainian standards and “normal” according to international standards) which was found appropriate. The information in MR is now consistent. The issue is closed.

		There is an inconsistency between English/international and (translated) Russian naming of the gas conditions. The international convention, as reflected in ACM0008, was used in the PDD and MR. ACM0008 states “density of methane under normal conditions of temperature and pressure is 0.67kg/m3 (Revised 1996 IPCC Reference Manual p 1.24 and 1.16)”. Thus “normal conditions” means 20℃ and 1 atm (and “standard conditions” means 0℃ and 1 atm). However, the State Standard refers to “standards conditions” of 20℃ and 1 atm (and thus “normal conditions” means 0℃ and 1 atm). Therefore, throughout the MR, we will now refer to conditions of 20℃ and 1 atm, rather than using either normal or standard. (This confusion caused the majority of the difference in emission reductions as indicated in E.5.)	
CAR 16. Please, indicate the QA/QC procedures applied to the parameter NMHC concentration.	101 (a)	As indicated, the analysis was carried out by an independent and accredited laboratory.	The provided information was fount appropriate. The issue is closed.

CAR 17. Please, indicate the exact location of each meter used in the MR.	101 (b)	*Response #1:* Locations indicated in 1g CMM volume to gas pipeline table in D.2. *Response #2:* Inappropriate information was deleted.	*Conclusion of response #1:* As to the measuring equipment installed at Lispy, in the table D.2 it is stated that Flownech was used during 2005-2010 (see row "Location") but it was installed in 2009. Please correct. *Final conclusion:* The issue is closed based on due corrections made.
CAR 18. In the cl.5 of the MR section C, please, indicate that gas flow corrector B25 was used during 2008-2009.	101 (b)	Added.	The issue is closed based on due corrections made.
CAR 19. In the table 6 (section C) of the MR it is stated that the data on CMM volume sent to gas pipeline (1g-backup) is archived electronically, however, electronic data is stored for 6 months only. Please, add the information about arching these data on paper as well.	101 (c)	The information was added that records are archived on paper for after 6 months.	The issue is closed based on clarifying information added to the section C of the MR.
CAR 20. It should be noted that data monitored and required for verification are to be kept for 2 years after last transfer of ERUs for the project but not after the end of the last crediting period. Please, correct the information in section C, cl.6. (Also refer to FAR 01).	101 (c)	The statement was corrected. Refer to the MR ver.1.4.	The provided correction was found sufficient. The issue is closed.

CAR 21. Because of the fact that the CDM Monitoring Report Form is used for JI monitoring report preparation, please, provide the justification for usage of this format in the Monitoring Report. Please, also provide numbering in the MR.	101 (c)	*Response #1:* There is no mandatory JI Monitoring Report template; therefore the choice of template does not need to be justified. In accordance with the CDM and JI rules, any document templates used can not be altered. Therefore, no numbering is added as that would alter the template. *Response #2:* The MR template does not have page numbers, see the template (http://cdm.unfccc.int/Reference/PDDs_Forms/Issuance/iss_form05_v01.pdf). However, against the guidelines for the completion of the MR, the page numbers are now added. The version and date are updated.	*Conclusion on response #1:* In the MR ver.1.4 the justification for usage of CDM Monitoring Report template was added which was found appropriate. As per page numbering, it is needed for readers' convenience. Please, add page numbering. Also, please correct the date of the MR (14/04/2011 instead of 14/05/2011). *Final conclusion*: The issue is closed based on due corrections made to the MR.

CAR 22. The project management and responsibilities as it is described in the section C of the MR is not fully transparent. Some additional information and correction must be provided: d) The operational and management structure presented in the section C of the MR differs from the one described in the final PDD ver.1.3. Please clarify/correct. e) Due to the fact that several organizations are involved in the project monitoring (the project operator, gas distribution company, end users), please, clearly describe (using flowchart, if deemed necessary) the responsibilities and roles within the project monitoring of each of the entity involved in the monitoring and responsible personnel. The surname of the Head Geologist of NPK Kontakt is missing.	101 (d)	The MR was amended: a) More detail is added to the operational and management structure than in the PDD, including b) b) Added c) Small typo in the PDD: Last name is Monogarova, first name Yulia, middle name Iosifovna.	The information on management and operational structure is detailed in the MR. The monitoring at end users is clarified. The issue is closed based on appropriate information provided.

CL 01. Please, clarify in the MR the name of the laboratory performing methane and NMHC concentration measurements during 2008-2010 and provide its accreditation certificate for this period.	95 (b)	Test Center Eastern State Regional Geological Enterprise. 91055, Lugansk, st. Sovetskaya, 38. (Испытательный центр Восточного государственного регионального геологического предприятия. 91055, г.Луганск, ул. Советская, 38.) Accredited by the Ministry of Environment and Natural Resources. State Geological Service. Registration number 037/2003 from 20.10.2003 (for 5 years). Accredited by the Ministry of Environmental Protection of Ukraine. State Geological Service. Registration number 067/2008 from 21.10.2008 (for 5 years till 20.11.2013).	The accreditation certification № 067/2008 of 21/10/2008, valid until 20/10/2013, issued by State geological department for Test Center of Eastern State Regional Geological Enterprise was provided to the verification team. The issue is considered resolved.

CL 02. The MR in its section C, cl.3, states that the monitoring plan to be applied during the initial monitoring period will provide mainly handwritten data. Moreover, in the PDD it is indicated that handwritten data recording applies to the historical data. Please, clarify what is implied under initial monitoring period and historical data (for what period?).	101 (c)	The PDD states that new electronic metering equipment will be installed as part of the implementation of the project, expected in 2011, at the supply point into the gas treatment plant, which will be used for the monitoring of the relevant parameters (1g-5g) for gas supply to the gas grid. The MR clarified that the electronic data storage system is planned to be put into operation in 2011 (with the exact date to be presented in the relevant MR). This new equipment is expected to be installed around the same time as the installation of the first flare, which is now expected in July 2011. Thus the "initial monitoring period" covers the period until the installation and commissioning of this new monitoring equipment.	The clarification is found sufficient. The issue is closed.

FAR 01. The special instruction or management decree on monitoring data archiving should be prepared prescribing that data monitored and required for verification are to be kept for 2 years after last transfer of ERUs for the project. All structures (organizations/entities) involved in the project monitoring should be covered by this document.	101 (c)	Archiving instruction will be given following the requirements as per the PDD once registered.	No documented instruction on monitoring data archiving is available on site. Moreover, during site visit it was revealed that monitoring records storage time is not established and not known by all responsible personnel. FAR will be checked in course of the next verification.