



ROMGAZ

9M/Q3 2016 Results

November 2016



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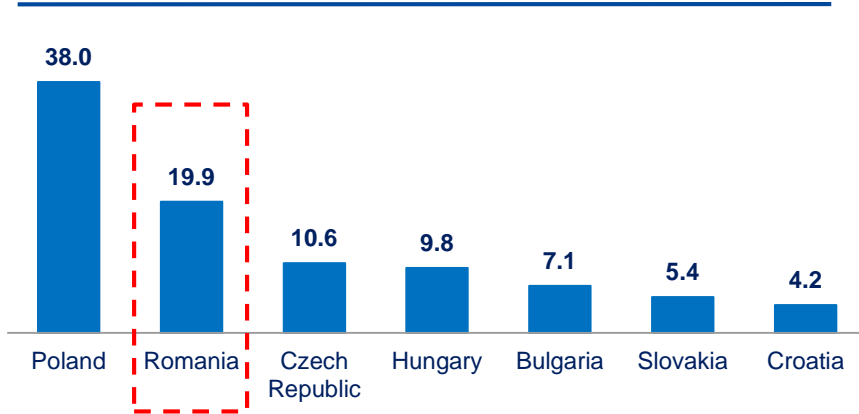
All figures included in this presentation are rounded ("round to nearest" method).

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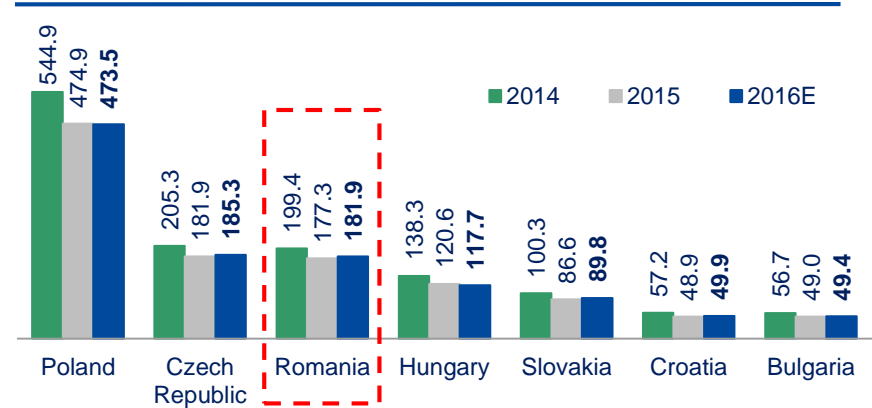
Economic context and gas market

Romania: Large country, favourable economy status, growth perspectives

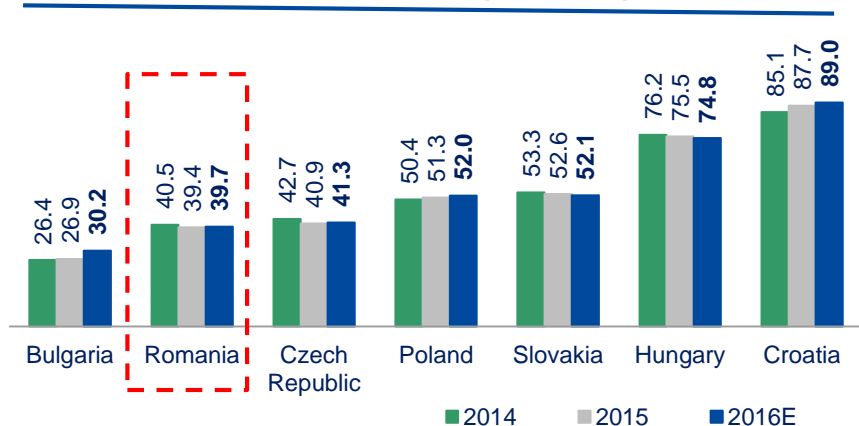
2016E Population (m)



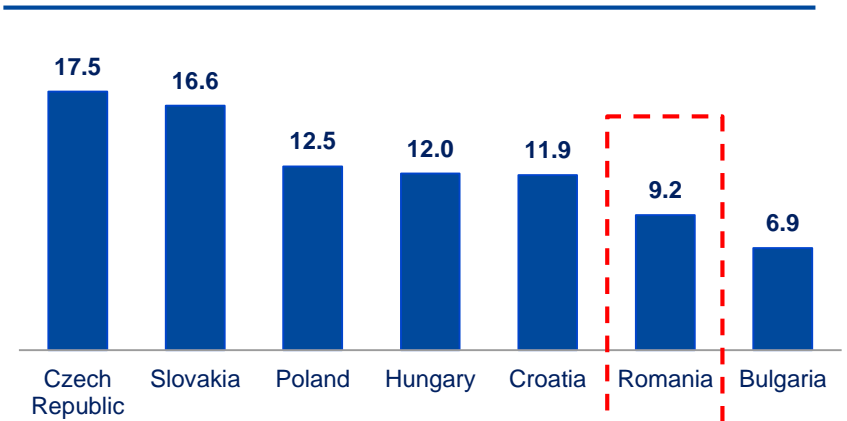
2016E GDP¹ (USD bn)



Public debt² (% of GDP)



2016E GDP per capita³ (USD '000)



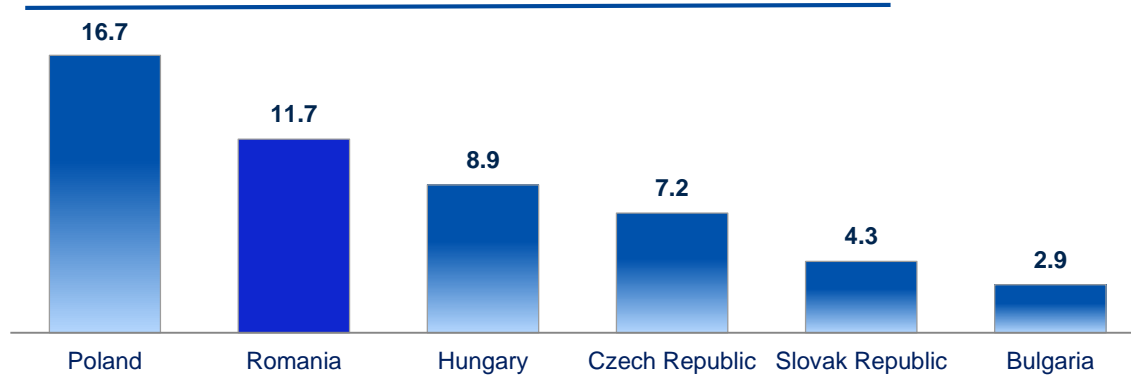
Source: IMF World Economic Outlook as of April 2016

¹ Gross domestic product, current prices ² General government gross debt, % of GDP ³ Gross domestic product per capita, current prices

Economic context and gas market

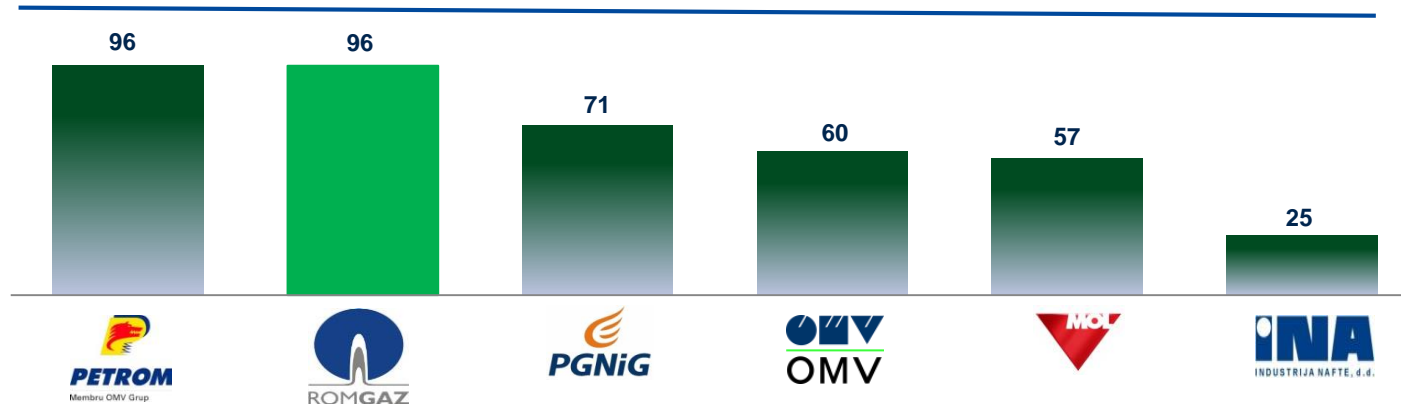
Romania: Well-positioned Gas Market

Gas consumption in CEE¹ (2015, bcm)



- Gas represents an important clean source of energy
- Romgaz is among top gas producers in the region

Gas Producers in the region² (2015 output, kboepd)



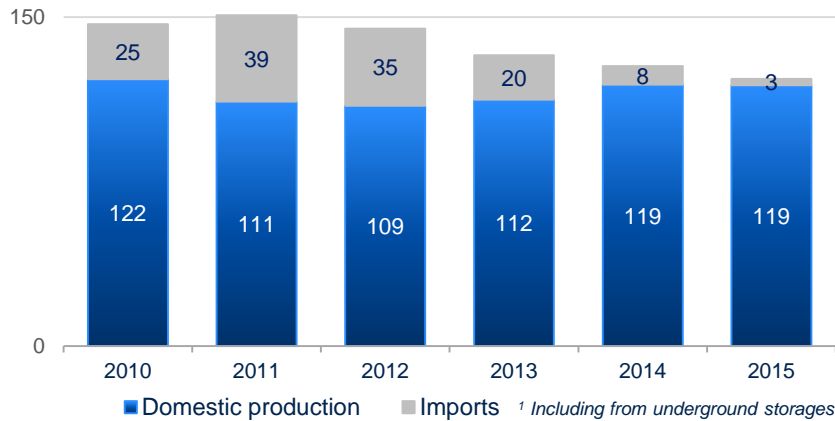
Source: ¹ BP Statistical Review of World Energy (June 2016), Romgaz computation based on ANRE data for Romania;

² Romgaz computation based on companies' reports, Petrom: Romania+abroad, OMV excluding Petrom

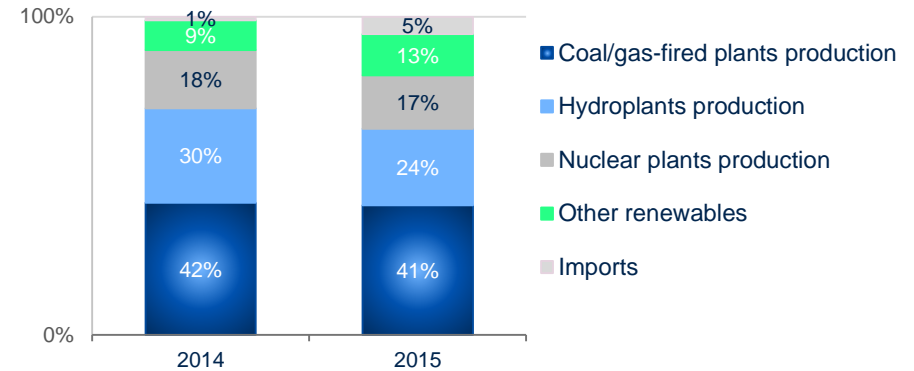
Economic context and gas market

Romania: Resilient production levels, High weight of industrials*

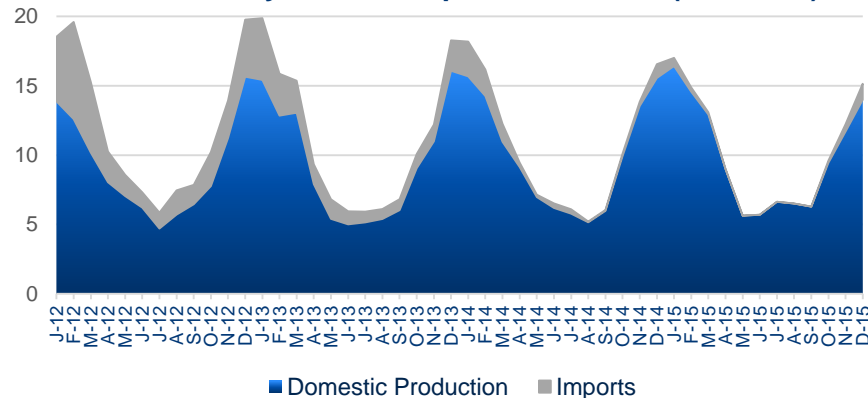
Natural Gas Consumption¹ (mln MWh)



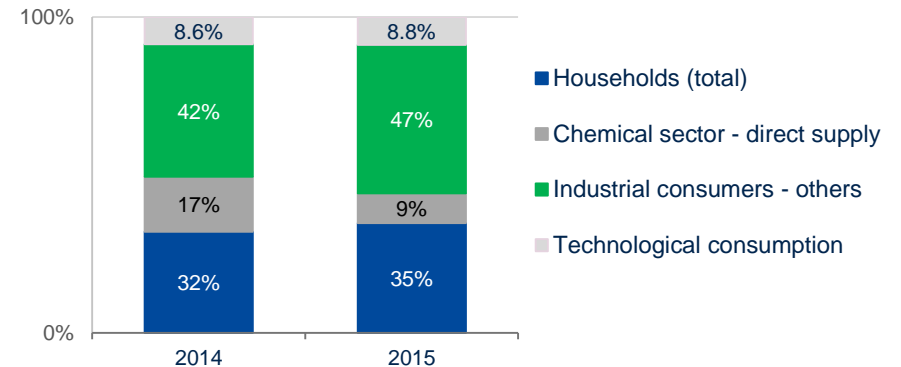
Energy resources



Seasonality of Consumption 2012-2015 (mln MWh)



Gas Consumption by Sector**



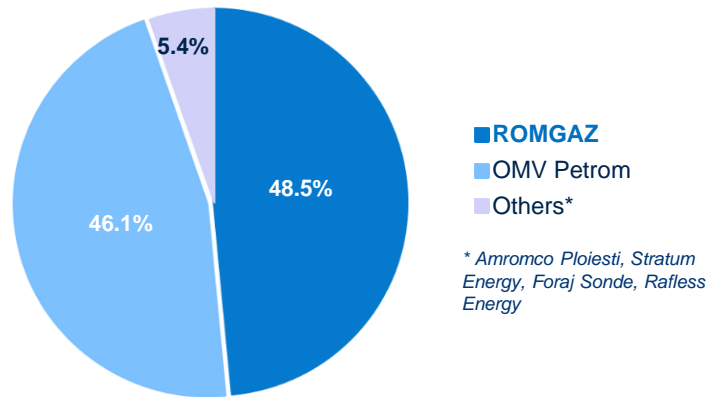
* Source: ANRE, Statistics Institute, Romgaz computation

** ANRE - Annual Monitorisation Reports

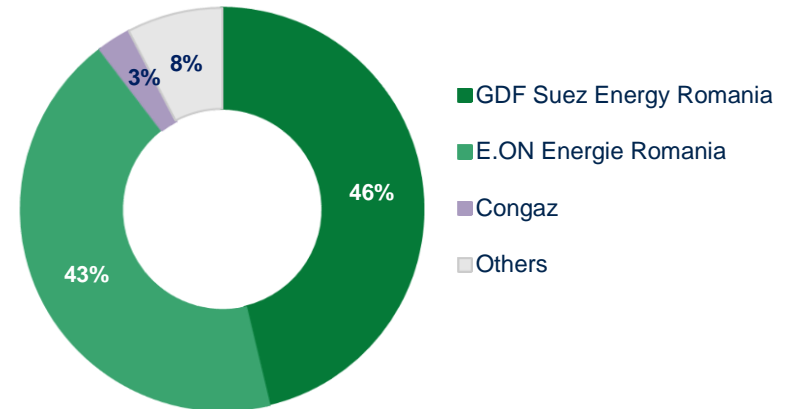
Economic context and gas market

Romania: Gas Producers and Prices, Main Suppliers

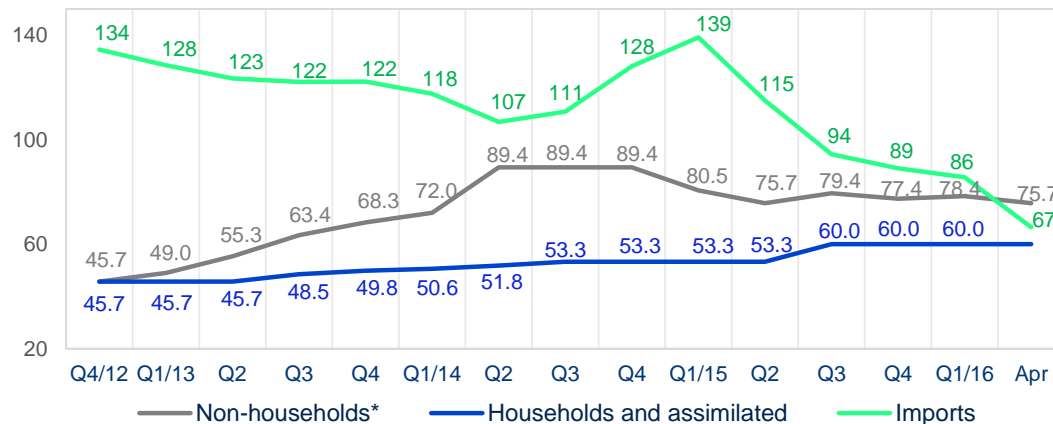
Producers of gas in Romania (2015)



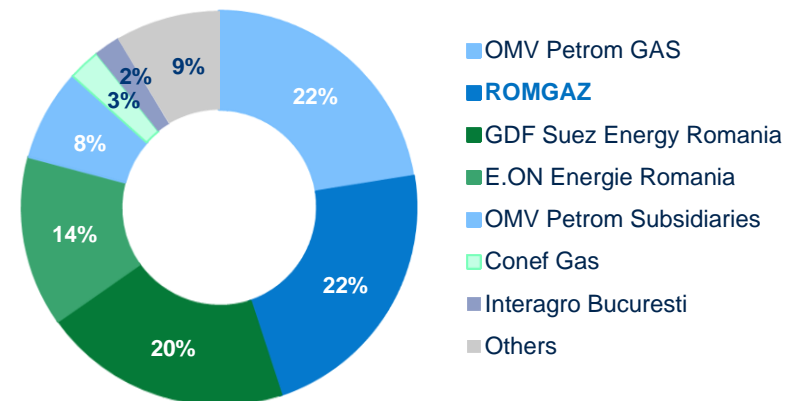
Gas Suppliers on the Regulated Market 2015



Regulated Prices for Production vs Imports (RON/MWh)



Gas Suppliers on the Eligible Market 2015

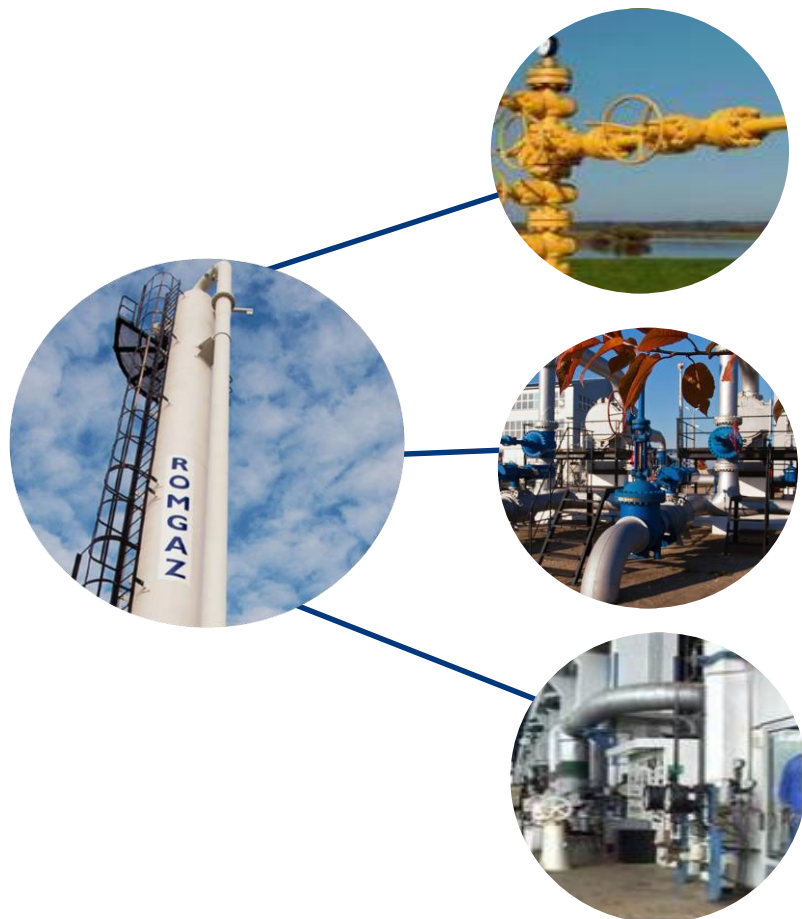


* Regulated gas production price until Q4/2014 inclusively; Price of gas sold by producers to suppliers of final clients on the competitive market afterwards, weighed with volumes (Romgaz computation based on ANRE's Monitorisation Report 2015 and 2016 Monthly Reports)

Source: ANRE

ROMGAZ: Company Overview

Largest Producer and Supplier of Natural Gas in Romania



Gas Exploration, Production & Supply

- Over 140 commercial gas fields - significant onshore and offshore exploration potential, important discoveries and enhancements made lately
- Largest gas producer in 2015 - 49% market share (output of 5.6 bcm)
- Market share of c. 45% in the total gas supply in Romania in 2015

Underground Gas Storage

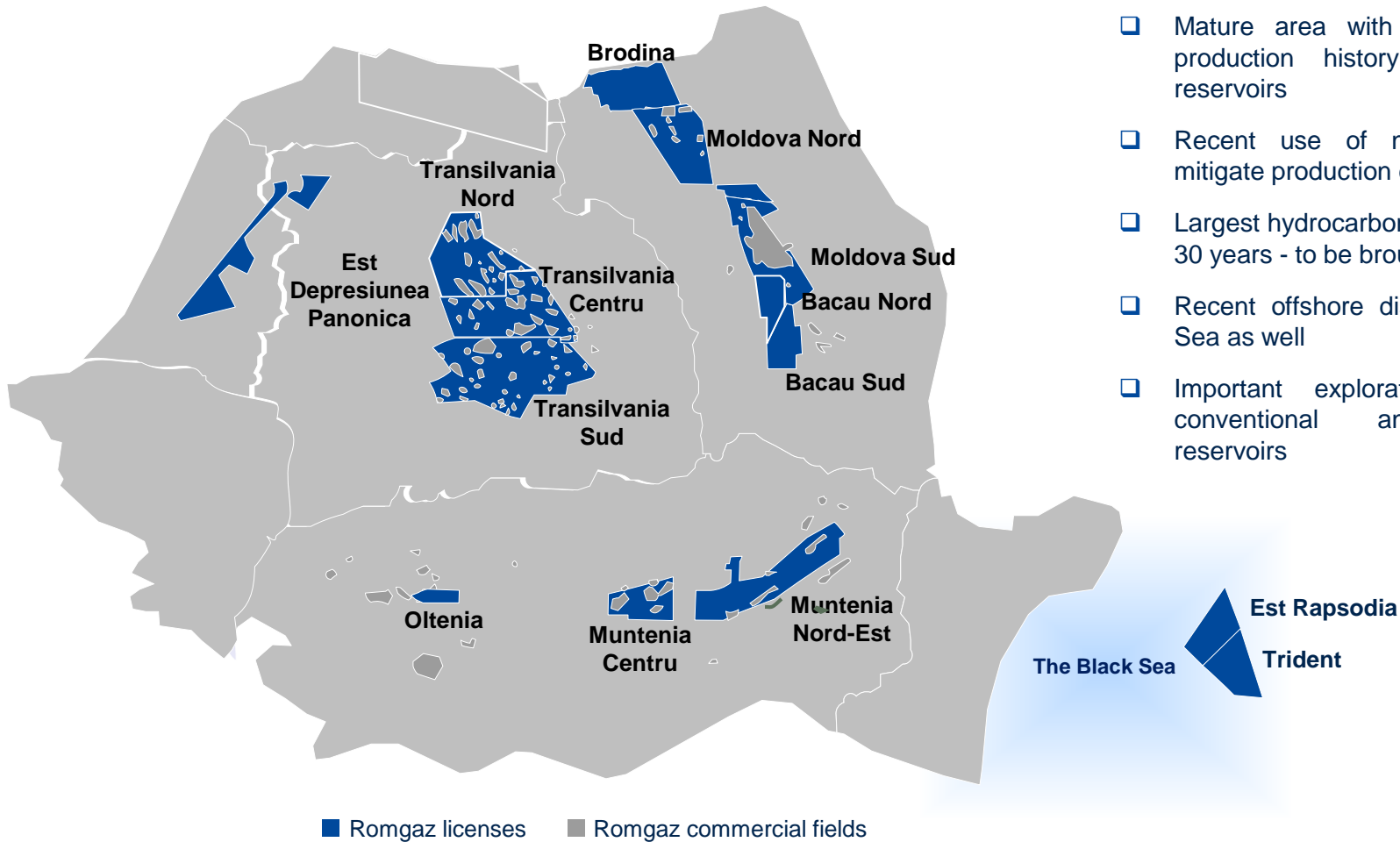
- Working capacity: 2.92 bcm, recently upgraded from 2.77 bcm
- Market share of 91% in Romania
- Regulated activity (revenue-cap methodology, RR on RAB)

Electricity Production

- 800 MW nameplate capacity, investment plans ongoing
- Market share of 2.86% in 2015 in terms of electricity issued in the grid according to ANRE, production higher by 17% y/y in 2015

Company Overview

Largest Producer and Supplier of Natural Gas in Romania

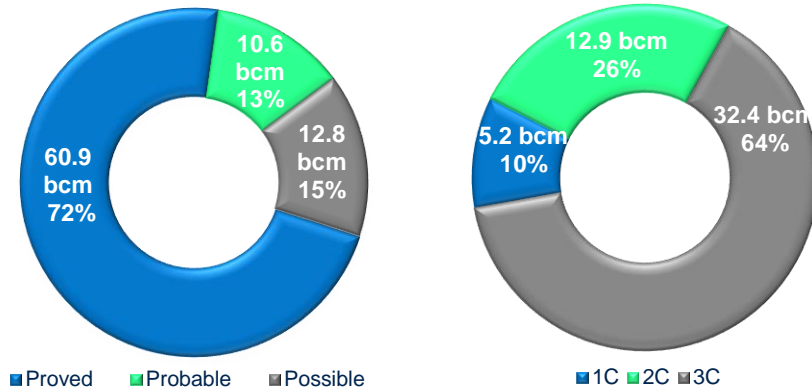


- ❑ Mature area with over 100 years of production history from conventional reservoirs
- ❑ Recent use of new technologies to mitigate production decline
- ❑ Largest hydrocarbon discovery in the past 30 years - to be brought on stream
- ❑ Recent offshore discovery in the Black Sea as well
- ❑ Important exploration potential from conventional and unconventional reservoirs

Company Overview

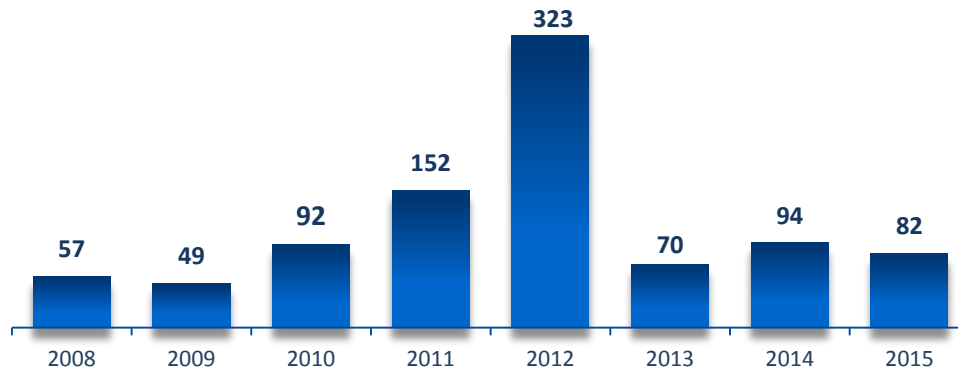
External audit completed – Contingent resources +88%, avg annual RRR over 83%

Audited Reserves¹ and Contingent Resources² Dec 31, 2015 (bcm, % of total)



- ❑ External audit of gas reserves and resources by DeGolyer&MacNaughton, US completed in H1 2016: total Contingent Resources of 50.5 bcm vs 26.8 bcm in 2013 (+88%), RRR exceeded our target
- ❑ Overall: three production areas - **Transylvanian Basin (around 90% of production)**; Muntenia Moesian Platform and Moldavia Platform
- ❑ **25 fields hold about 70% of Romgaz reserves** (average size of proved reserves per average field is of 0.450 bcm, with 15 fields with over 1bcm)
- ❑ **Recovery factors between 55% and 85%** for most fields (90% in the more mature fields)

Annual Reserves Replacement Rates (%)



- ❑ Reevaluation driven by investment in well workovers and installation of compressors
- ❑ Bringing existing discoveries on-stream
- ❑ New discoveries

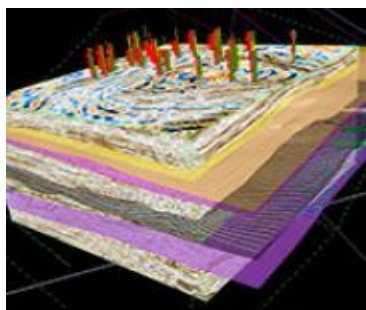
Source: External audit prepared by DeGolyer&MacNaughton as of Dec 31, 2015

¹ Probable and possible reserves have not been risk adjusted to make them comparable to proved reserves

² Application of any risk factor to contingent resources quantities does not equate contingent resources with reserves

Efforts undertaken to unlock significant resource potential

Romgaz: Exploration Works 2012-2015 in the Key Nine Blocks



	2012 (units)	2013 (units)	2014 (units)	2015 (units)	2012 (RON mln)	2013 (RON mln)	2014 (RON mln)	2015 (RON mln)
3D (km ²)	700	1,830	1,218	912	52	145	82	79
2D (km)	517	224	451	-	23	9	20	-
Well drilling	5	25	20	31	66	206	260	290
Other works ⁽¹⁾	-	-	-	-	9	7	5	14
TOTAL					150	367	348	383

- ❑ Petroleum agreements for 9 onshore exploration blocks (about 17,650 km² across the Transylvania, Moldova, Oltenia and Muntenia basins), with 100% working interests
- ❑ 2 agreements for offshore E&P in the Black Sea (with Lukoil, and with OMV Petrom and Exxon respectively)
- ❑ Major projects in deep reservoirs in:
 - Transylvania (Laslau Mare, Deleni Deep)
 - Moldova (Frasin Deep)
 - Muntenia (Caragele Deep)

Exploration programme in the main 8 blocks - extended over Oct / 2016 – Oct / 2021, by:

- ✓ 3D seismic services on an area of over 1,000 km²
- ✓ Drilling of at least 43 new exploration wells
- ✓ Total value of over USD 289 mln (c. RON 1,000 mln)

¹ Other works: MT sounding, Gore-Sorber surveys and development for experimental production

Exploration Activities

Efforts undertaken to unlock significant resource potential

- ❑ 3D seismic interpretation in progress for the volume acquired in all period
- ❑ Development programme in progress for 36 new wells successfully tested; 15 wells already in production test to evaluate c.14bcm of 2C contingent resources
- ❑ Progress in the 10% partnership held with Lukoil in the Black Sea (Trident block): Lira discovery new data assessment, geological background reanalysis and future appraisal wells design
- ❑ Consistent 2016 drilling work program for c. 20 new potential accumulations as mentioned in the table herein

Significant developments

- ✓ **Largest hydrocarbon discovery in the past 30 years** (July 2016): located in NE of the Moesian Platform in Caragele structure – production tests completed at 2 exploration wells confirmed an estimated contingent resource of 25-27 bcm; as part of Romgaz’ major exploration projects, the 35 km long Caragele structure has been explored for production units located at depths between 1500 -5000 m;
- ✓ Completed development of Cris discovery (Dec 2015)
- ✓ Large discovery announced in the Black Sea, Trident block (Oct 2015): gas reserves can exceed 30 bcm
- ✓ Successful completion of production tests for 2 discoveries, Tapu and Laslau Deep

Romgaz: 2016 Exploration Drilling Program

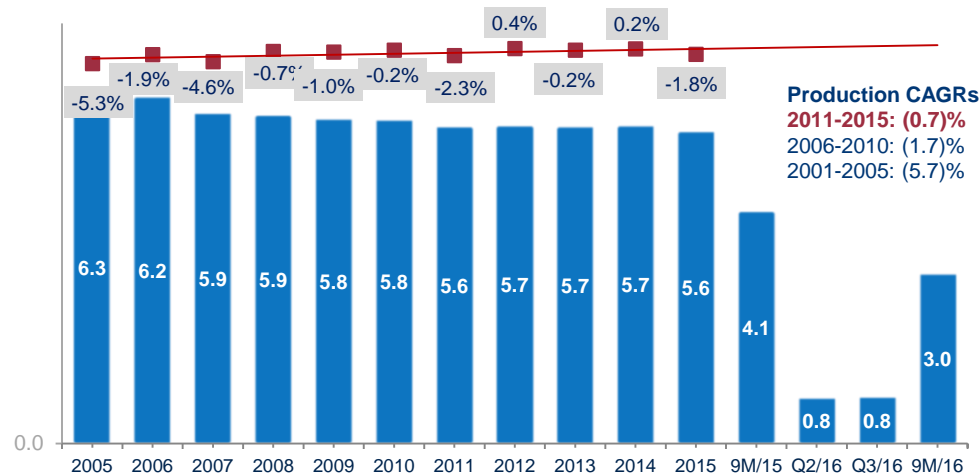
Contingent Resources (2C)	No. of wells	11
	Assessments of resources (bcm) ¹⁾	11
Prospective Resources (P90/P10)	No. of wells	26
	Assessments of resources (bcm) ¹⁾	22 / 66

¹ Based on Romgaz own assessment

Natural Gas Production

Q3/9M developments, Natural decline arrested via application of new technologies

Romgaz: Production Levels (bcm, y/y change)



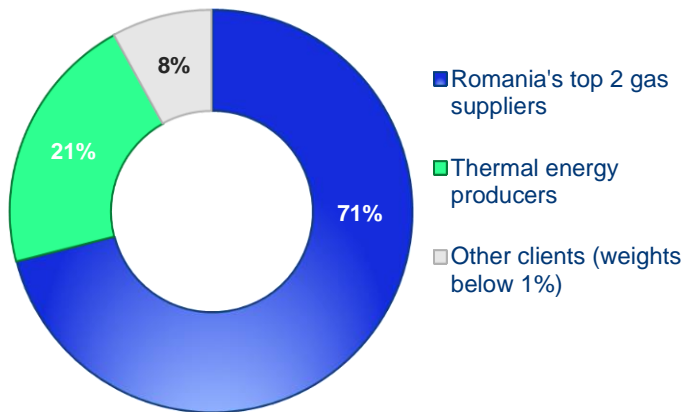
Romgaz: Enhanced Production in Selected Fields

- Main actions include:
 - Adding of compression stations
 - Rehabilitation of production
 - New producing fields
- Production enhancement includes activities focused mainly on well workovers and new completion techniques
- Rehabilitation programme was extended by additional fields during 9M/16

- In Q3 alone, gas production increased by 1.7% compared to Q2
- Overall during 9M/16: Gas output adjusted by 27% y/y as a result of challenging gas market in Romania, international markets on pressure as well
- Favorable production perspective – significant hydrocarbon discovery in 2016 (Caragele structure): further development plans are to stream into production the new wells
- Gas production potential was consolidated to 15.6 mln cm / day in 2015
- Natural production decline rate stabilized at bellow 1% in 2015 due to:
 - Installation of gas compression and production enhancement/rehabilitation
 - Acquisition of 3D seismic data, dynamic and static reservoir modelling
 - Production from new discoveries

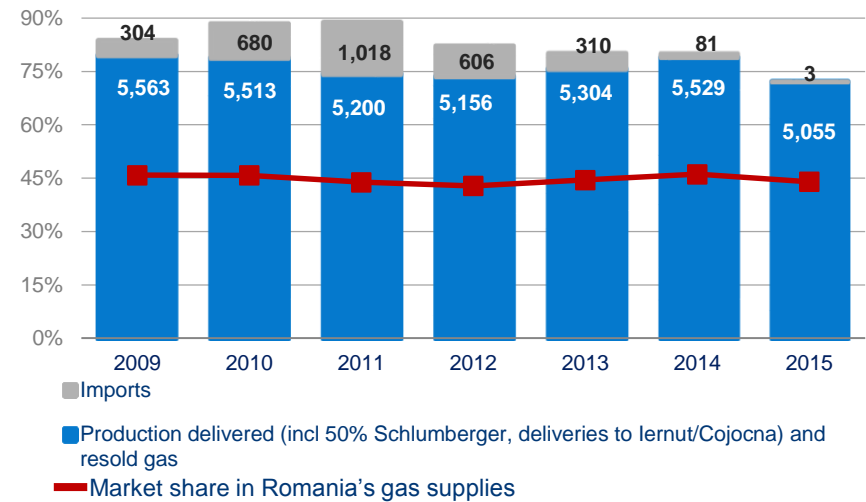
Key clients in 9M/16, Strong market share in supply

Romgaz: Key Clients in 9M/2016 (quantities of gas sold)*



* estimate;
Portfolio breakdown reflects specific quarterly characteristics of gas demand

Romgaz: Gas deliveries in Romania's total supply (mln cm)

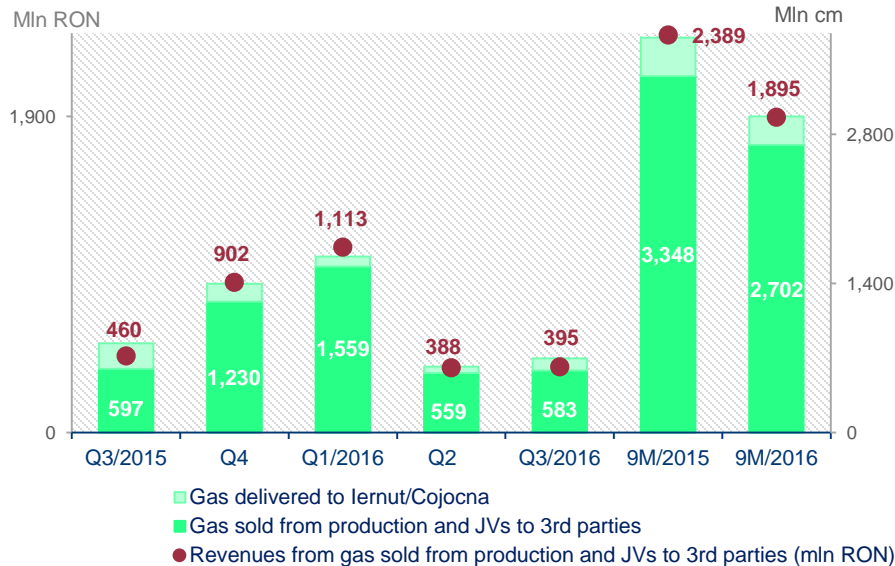


- ❑ Breakdown of gas sales in 9M/2016, estimate: 57.9% at regulated prices to Households (HHs) and thermal plants for the gas used for HHs heating + 42.1% at free prices to other industrial consumers (including quantities delivered from UGS)
- ❑ Around 71% of Romgaz' gas sales were to the largest gas suppliers in Romania
- ❑ Strong market share in Romania's gas supply

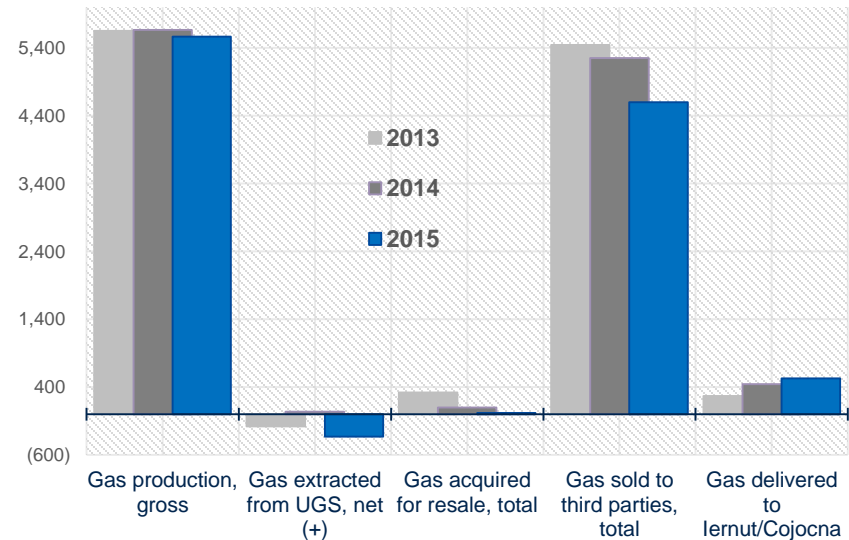
Gas Supply & Sales

Q3/9M developments, Gas Chain Management to mitigate seasonality and demand

Romgaz: Quarterly Seasonality of Gas Supply and Revenues



Romgaz: Gas Chain Management on annual basis (mln cm)

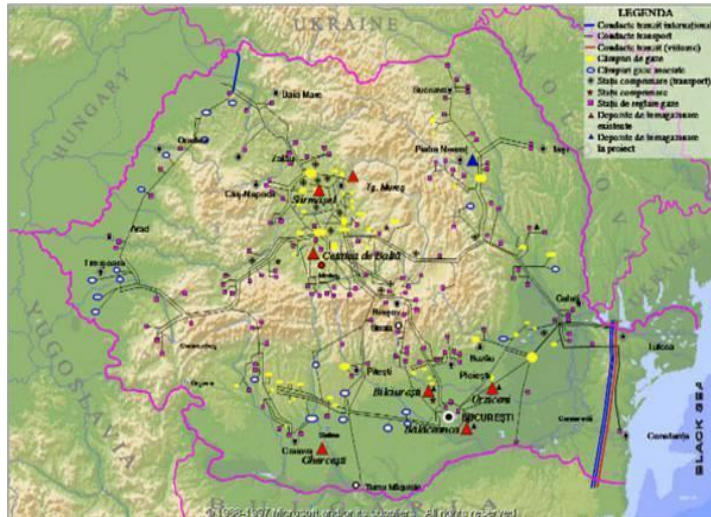


UPSTREAM SEGMENT CONTRIBUTION: 81% in Revenue, 78% in EBITDA in 9M/16

- ❑ In 9M/16, Romgaz gas sales were impacted by mild weather, weak demand from key industrial sectors, unclear regulation for minimum gas stocks, competition from low-price imports and fiscal regulation unfavorable for domestic producers; also, international gas prices decreased by c. 25% during the period
- ❑ In Q3/16 alone, own gas volume sold to third parties and the related revenues were up by 4% and 2% respectively vs Q2 (and -2% and -14% y/y)
- ❑ On quarterly basis, gas sales are generally peaking in Q1 and Q4
- ❑ Quarterly deliveries to CTE Iernut are based on fluctuant energy demand
- ❑ Efforts are undertaken to optimize the gas value chain
- ❑ Management of gas flow from production to clients is a priority
- ❑ Gas sales are accompanied by storage-related revenues
- ❑ Iernut plant is delivering electricity on all power market segments, with a focus on the balancing market to take advantage of higher prices

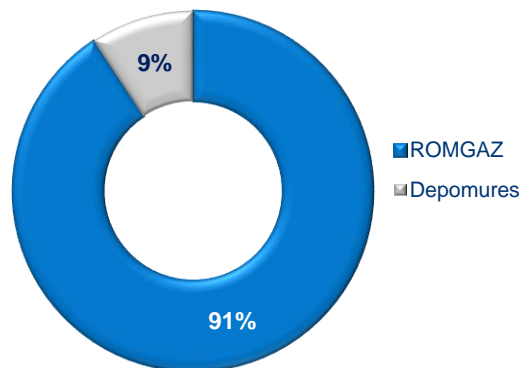
Underground Gas Storage

Romania's Largest Operator of UGS facilities



Romgaz: Underground Gas Storages - working capacities (mln cm/cycle) -			
Bilciuresti	1,310	Cetatea de Balta	100
Sarmasel	950	Ghercesti	150
Urziceni	360	Balaceanca	50
Total Working Capacity: 2,920 (starting July)			

ROMGAZ UGS Market share

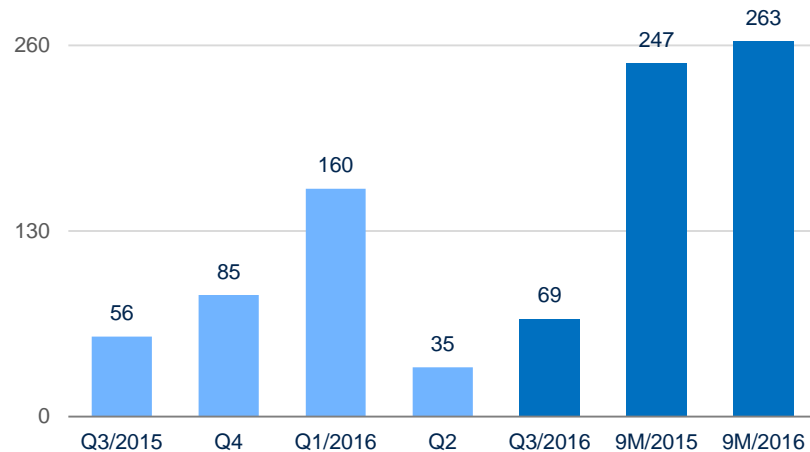


- ❑ The gas storage facilities: native gas acts as cushion gas in the storage process
- ❑ Romgaz operates 6 facilities, with total working capacity of 2.92 bcm; it also owns a 41% stake in Depomures (0.30 bcm), a joint venture with Engie (former Gaz de France)
- ❑ **Capacity expansion:** Sarmasel (to 0.95 bcm/cycle, completed in July/2016) and Urziceni (to 0.360 bcm/cycle, completed in 2014)
- ❑ Activity regulated by ANRE using the revenue-cap methodology – third 5-year regulatory period started in Apr 2013, royalties of 3% of operating revenues

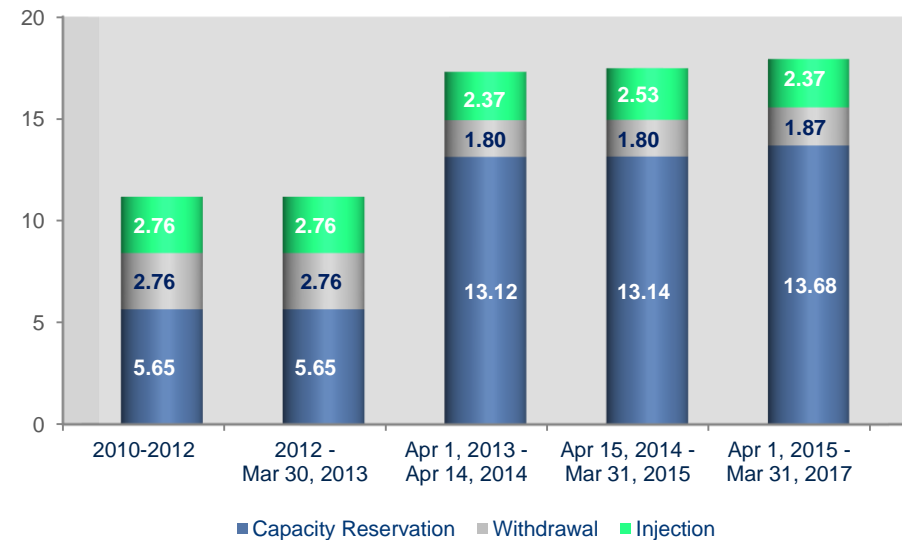
Underground Gas Storage

Seasonality, favorable Q3/9M performance, approved tariffs for 2016

Romgaz: Revenue from Storage Services (mln RON)
- capacity reservation, withdrawal, injection -



Romgaz: Regulated storage tariffs (RON/MWh)



STORAGE SEGMENT CONTRIBUTION: 11% in Revenue, 13% in EBITDA in 9M/16

- ❑ In Q3 alone, UGS revenues recorded a significant increase of 22% y/y and were almost double compared to Q2, due to improved demand of storage services in the market
- ❑ Overall in 9M/16, UGS revenues were up 6% y/y, amounting to RON 263 mln
- ❑ Capacity reservation activity provides the bulk of the UGS revenues (80% in 9M/16)
- ❑ Separation of the UGS activity into a separate legal entity was postponed to April 01, 2017.

Electricity Production & Trading

Player in the Power Sector as well

Romgaz: Electricity Production

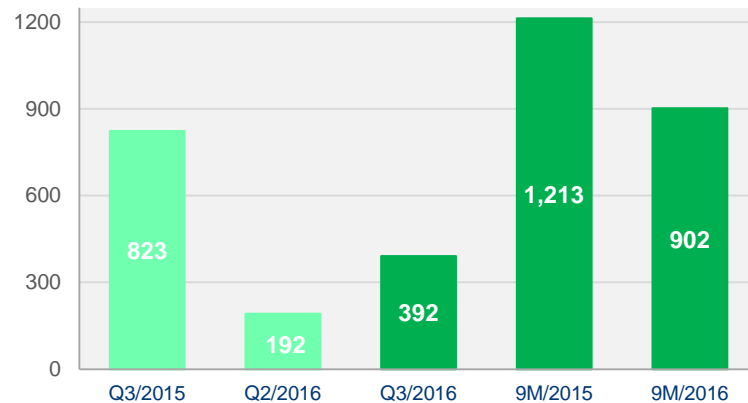


- CTE Iernut power plant enjoys a good strategic positioning in the middle of the Romanian electricity system
- Main roles are to cover national power consumption by acting in the electricity wholesale and balancing markets, ensure ancillary services to the national system, eliminate possible network constraints in NW Romania
- Nameplated capacity of 800 MW built in '60s, with a flexible operational structure (4x100 MW, 2x200 MW)
 - Units 1 & 4 (2x100 MW) being modernized (to reduce NO_x emissions)
 - Units 5 & 6 (2x200 MW) can operate until 2020
 - Units 2 & 3 (2x100 MW) out of service since January 2016 (environmental issues)
- Market share increased to 2.86% in 2015 in terms of electricity issued in the grid (+10% compared to 2014) according to ANRE
- Optimizing gas production - electricity production - storage injection
- Romgaz intends to consolidate its position on energy market. In the field of electric power generation, we plan to improve CTE Iernut Power Plant efficiency to a minimum 55% rate. The Board decided in June to finance Iernut development by our own funds and through the National Investment Plan.

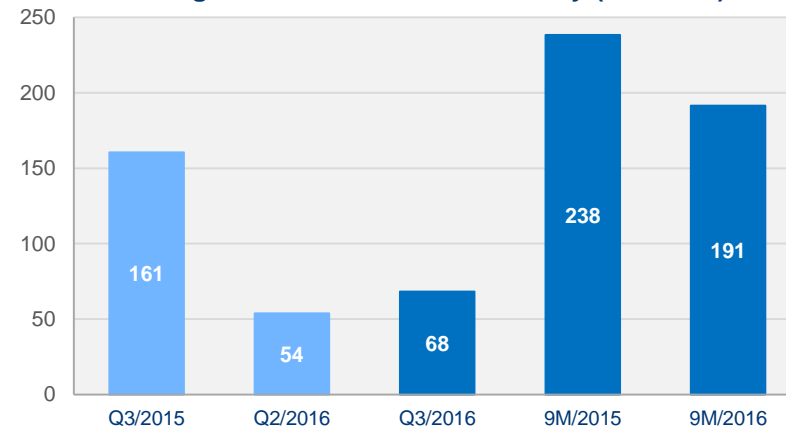
Electricity Production & Trading

Favorable developments in Q3/9M 2016 and 2015

Romgaz: Production of Electricity (GWh)



Romgaz: Revenues from Electricity (mln RON)



Power generation and sale – included in OTHER SEGMENT

OTHER SEGMENT CONTRIBUTION: 8% in Revenue, 9% in EBITDA in 9M/16

□ Main developments in Q3/9M 2016:

- Electricity production in Q3 increased by 103% vs Q2 due to the summer months; compared to the same period of the previous year, higher hydraulicity in Q3/16 led to lower output y/y
- Overall in 9M/16, both production and revenues adjusted downwards
- Recall that CTE Iernut capacity abated by 25% since January

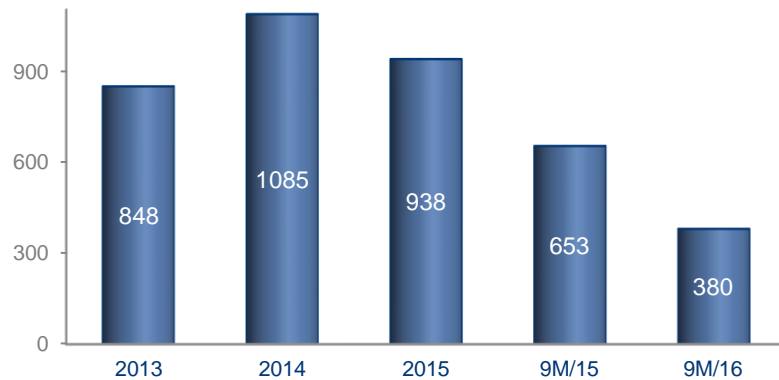
□ Main developments in FY2015:

- Electric power produced by CTE Iernut was 16.4% higher y/y due to lower hydro power availability
- 37% of quantity sold was delivered to the Balancing Market, which consolidated Romgaz position both in terms of electricity production and system services supply on this segment
- Market share advanced to 2.9% (according to ANRE).

Investments

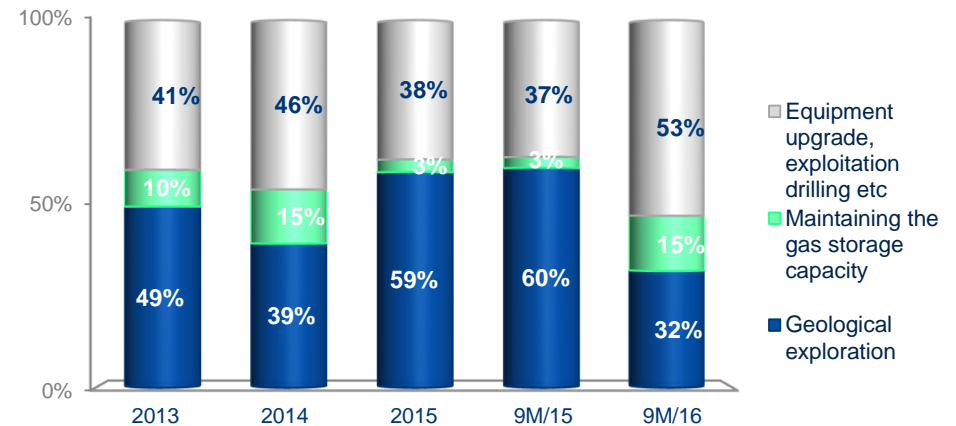
Key role in arresting the production decline, 9M/16 developments

Romgaz: Capital Expenditures (RON mln)



- ❑ In the first nine months of 2016, Romgaz spent RON 380 mln, 50% below the budgeted amount, mainly on the side of geological exploration works (delay in the public procurement process due to changes in legislation, difficult access to wells location, delay of projects with low profitability etc)
- ❑ Objectives fulfilled in Q3 included drilling works for some exploration wells, construction/commissioning of equipment at 11 wells
- ❑ Investments were exclusively financed from the company's own sources

Romgaz: Breakdown of Investments

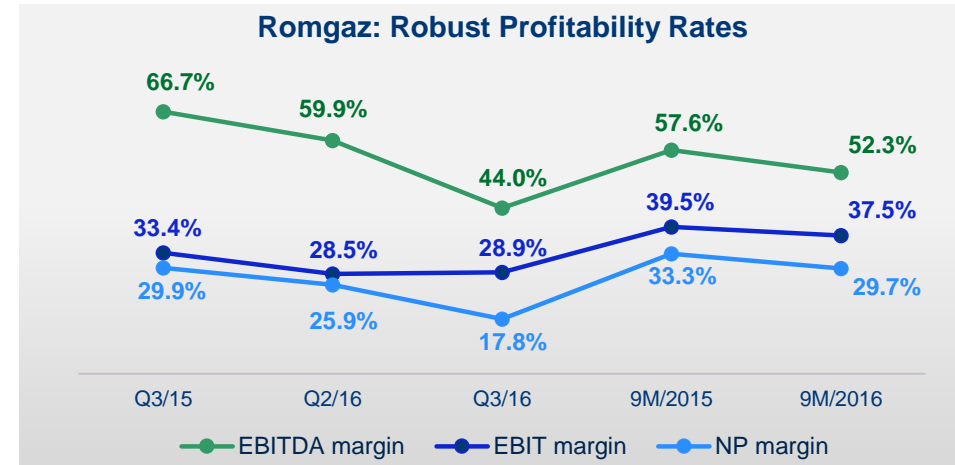
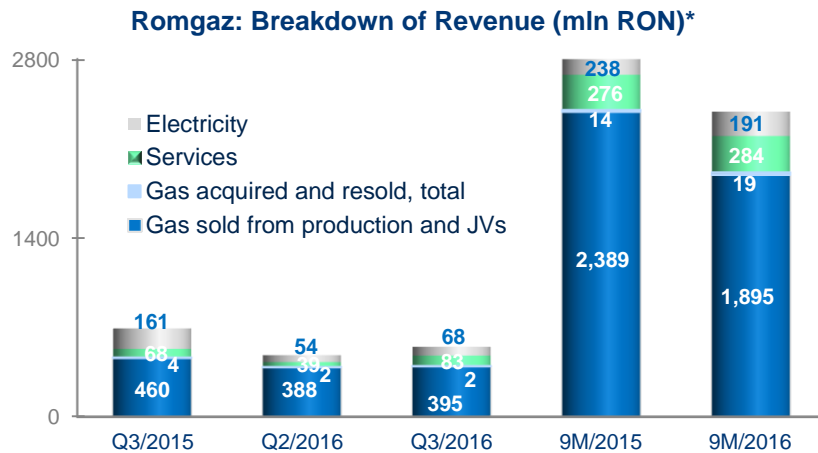


Major investments target projects such as:

- ❑ continue geological research works by surveys and drillings for the discovery of new gas reserves
- ❑ production development by adding new facilities on existing structures
- ❑ improve performance of facilities and equipment and increase production safety
- ❑ increase of UGS capacities, flexibility and security of existing storages

Financial Performance

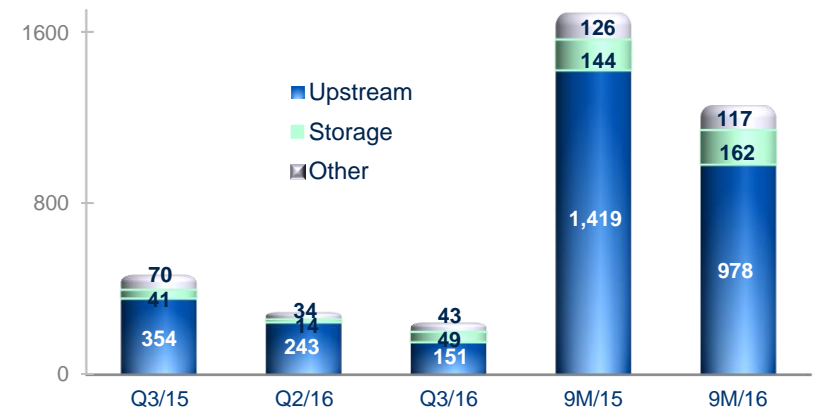
Favourable Profitability levels in Q3/9M



- In 9M/16, total Revenue stood at RON 2,402 mln (-18% y/y) on lower gas sales, impacted by adverse gas prices on international markets and difficult domestic environment
- Positively, revenues from services (mainly UGS) increased by 3% y/y in 9M mostly due to higher demand in Q3
- Total EBITDA came in at RON 1,257 mln in 9M, lower by 26% y/y
- Nevertheless, margins remained robust in 9M (EBITDA rate at over 52%, EBIT rate almost 38% and NP rate at 30%)
- Reason: we met the objective of “0 new overdue receivable” in both Q2 and Q3!

* In 9M/2016, revenue, profit and other indicators were set based on the estimated equivalent value of the natural gas quantities delivered during May - Sept, as the gas balance has not been finalised because of the lack of clear regulations on gas deliveries at regulated prices.

Romgaz: EBITDA Structure by Segments (mln RON)



Financial Performance

Selected P&L items – NP exceeded the budget by 15.5% in 9M/16

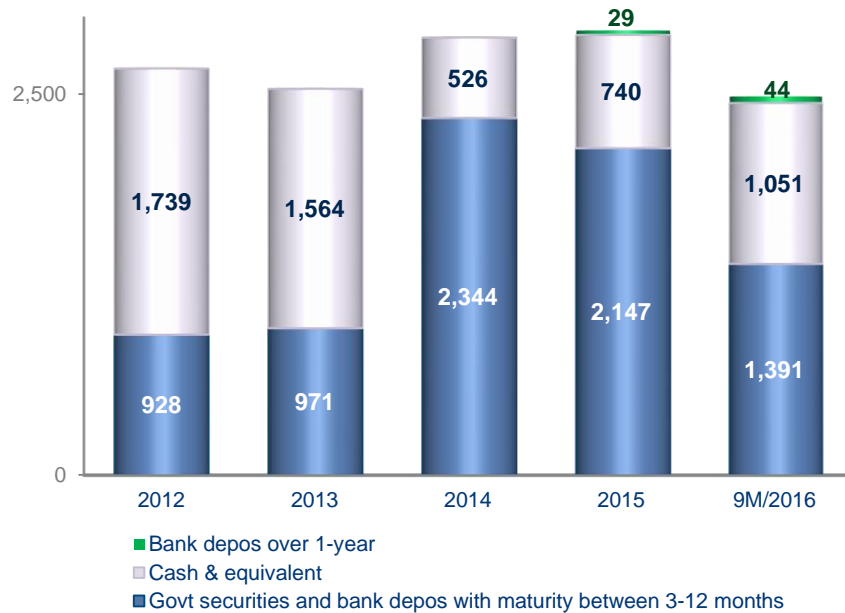
RON mIn	2012	2013	2014	2015	Q3/15	Q3/16	9M/15	9M/16
Revenues - of w hich	3,838	3,894	4,493	4,053	698	552	2,933	2,401
Gas Production	2,508	2,808	3,553	3,291	460	395	2,389	1,895
Gas Resales	1,053	461	131	19	4	2	14	19
Services	270	394	455	365	68	83	276	284
Electricity		207	335	357	161	68	238	191
Other income	134	54	108	80	23	270	44	334
Cost of commodities sold	(905)	(439)	(176)	(40)	(5)	(8)	(33)	(46)
Changes in inventory	111	56	28	138	171	91	130	74
Raw materials	(118)	(79)	(66)	(78)	(18)	(12)	(59)	(41)
Exploration expense	(193)	(59)	(43)	(42)	0	(81)	0	(81)
Headcount expense	(503)	(504)	(523)	(512)	(131)	(126)	(359)	(356)
Other gains and losses	(50)	(204)	(275)	(319)	(25)	(277)	(214)	(408)
Other expenses	(436)	(745)	(1,035)	(1,041)	(243)	(161)	(740)	(606)
EBITDA	1,854	1,960	2,490	2,218	465	243	1,689	1,257
EBITDA margin	48.3%	50.3%	55.4%	54.7%	66.7%	44.0%	57.6%	52.3%
D&A	(606)	(782)	(777)	(794)	(232)	(83)	(529)	(356)
EBIT	1,248	1,177	1,713	1,425	233	159	1,160	901
EBIT margin	32.5%	30.2%	38.1%	35.2%	33.4%	28.9%	39.5%	37.5%
Net Interest income	148	123	75	44	9	4	35	18
Profit before tax	1,396	1,301	1,788	1,469	243	164	1,195	919
Income tax	(276)	(305)	(378)	(275)	(34)	(65)	(219)	(205)
Net Profit	1,119	996	1,410	1,194	209	98	975	714
Net margin	29.2%	25.6%	31.4%	29.5%	29.9%	17.8%	33.3%	29.7%

- ❑ All in all, the Net Profit came in above the approved budget by 15.5% over the first 9M
- ❑ In Q3 alone, “Other gains and losses” include a provision booked in relation to receivables from Elcen Bucuresti (interest, penalties incurred back in 2013); this amount annuls the related income invoiced in the same period; as a result, the overall effect on the EBITDA was 0
- ❑ No new overdue receivables recorded / provisioned in Q2 and Q3 related to this period
- ❑ “Other expenses” include main taxes paid:
 - Gas and storage royalties (9M/16: RON 156 mln)
 - Windfall profit tax on the additional revenues recorded as a result of the gas price deregulation process (9m/16: RON 204 mln)
 - Tax on special constructions due starting with Feb 1, 2014 (9M/16: RON 53 mln)
- ❑ Margins are robust – showing that efforts undertaken by the company’s management to maintain an elevated profitability in a challenging environment were successful.

Financial Performance

Cash position remained strong at end-September 2016

Romgaz: Cash & equivalent and treasury bonds (RON mln)



Romgaz: Selected Cash Flow Items

RON mln	2014	2015	9M/2015	9M/2016
Net profit for the period	1,410	1,194	975	714
Operating Cash Flow before Δ WC and Income tax	2,824	2,600	1,910	1,749
Movements in working capital	(10)	(123)	(150)	(565)
Net Cash flows from operating activities	2,313	2,131	1,473	950
Net Cash flows from investing activities	(1,758)	(702)	323	402
Net Cash flows from financing activities	(988)	(1,215)	(1,215)	(1041)
Net change in cash and cash equivalents *	(433)	214	582	311

* This line reflects only the change in cash and cash equivalent (i.e. bank accounts with maturity lower than 3 months)

- At September 30, 2016, cash, bank deposits and gov't treasury bonds jointly amounted to RON 2,486 mln following the dividends payment in July.

Financial Performance

Robust B&S Structure, Debt-free in H1/16 as well

Romgaz: Selected Balance Sheet Items

RON mln	Dec 31, 2013	Dec 31, 2014	Dec 31, 2015	Sept 30, 2016
Total non-current assets, thereof	6,246	6,448	6,497	6,351
Property plant and equipment	5,767	5,963	5,996	5,837
Other intangible assets	384	407	400	399
Trade and other receivables	-	-	-	-
Bank depos	-	-	29	43
Total current assets, thereof	4,231	4,364	4,188	3,847
Inventories	464	392	560	634
Trade and other receivables	1,087	1,000	601	607
Govt securities and bank depos (+3mo maturity)	1,575	2,344	2,147	1,391
Cash and equivalents	959	526	740	1,051
Other assets	146	102	140	165
Total assets	10,477	10,812	10,685	10,198
Shareholders' Equity				
Share capital	1,893	385	385	385
Reserves	1,950	2,142	2,582	2,928
Retained earnings	5,450	7,184	6,725	6,052
Total Shareholders' Equity	9,293	9,712	9,692	9,365
Non-current liabilities, thereof	423	431	366	351
Provisions	197	202	201	202
Current liabilities, thereof	762	669	626	482
Trade and other payables	203	217	187	221
Total liabilities	1,184	1,100	992	833
Total equity and liabilities	10,477	10,812	10,685	10,198



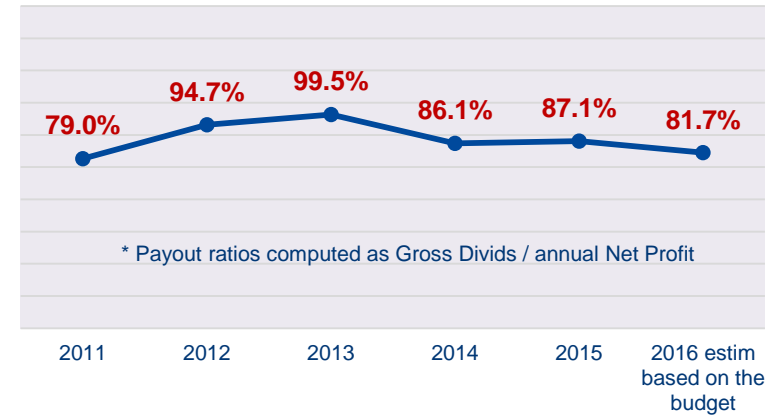
Dividend distribution

+80% Dividend Payout Ratios in the past years

Romgaz: History of Gross Dividend Distribution (RON mln)



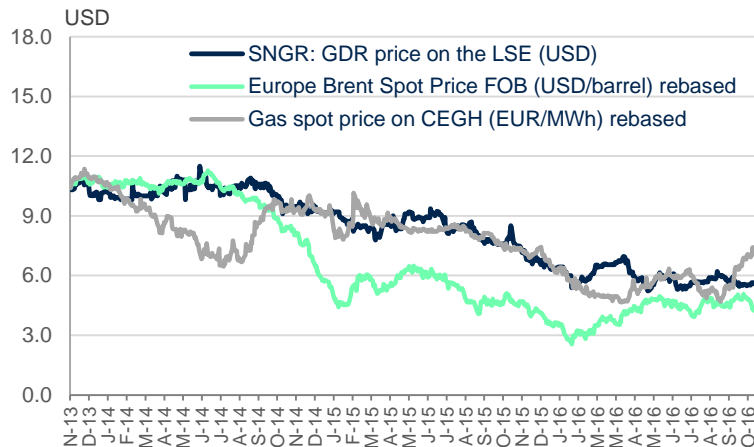
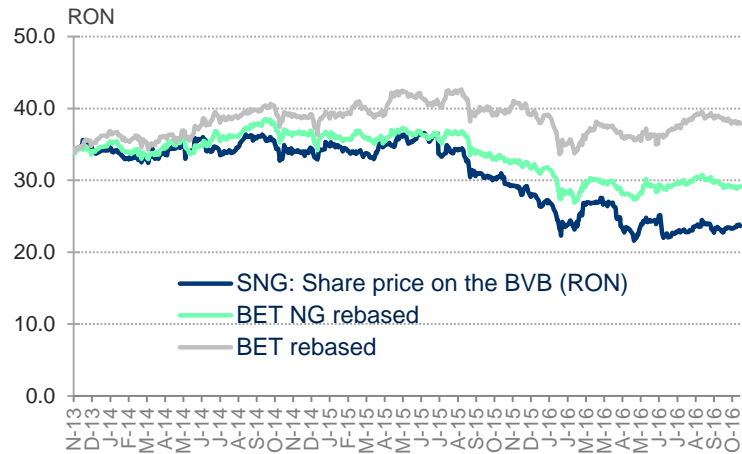
Romgaz: Gross Dividend Payout ratios*



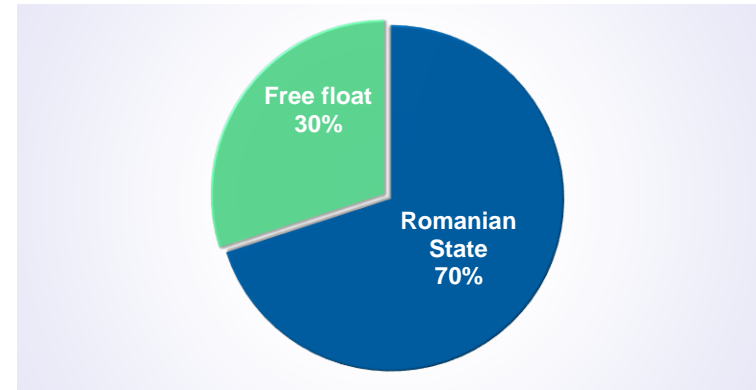
- ❑ Majority state-owned companies are required by law to distribute minimum 50% of the annual net profit to shareholders in the form of dividends
- ❑ For the fiscal years ending Dec 31, 2012 and Dec 31, 2013, the obligation was increased to 85%
- ❑ For the fiscal year ending Dec 31, 2016, the Board of Directors recommended a dividend distribution rate of 70% from the Net Profit, as well as the distribution of dividends from certain equity reserve.

Shareholding Structure and Stock Performance

Upside potential on trading



Romgaz: Shareholding Structure



- ❑ Current shareholding structure: the Romanian State (Ministry of Energy) – majority shareholder with a **70% stake**; Free Float - **30%** (includes shares traded on the BVB and GDRs traded on the LSE)
- ❑ Romgaz ranks the **2nd largest** domestic stock traded on the BVB – with a mktcap of EUR 2.1bn (after OMV Petrom) *)
- ❑ The **3rd most traded** stock on the BVB (after Banca Transilvania and Fondul Proprietatea) *)
- ❑ Included in BVB's main indices (weighing 22% in energy and utilities BET-NG index, and between 7%-11% in BET, BET-XT, BET-TR, ROTX)
- ❑ Included in main global indices with allocation on Romania (such as FTSE, MSCI, S&P, STOXX, Russell Frontier).

Total no of shares: 385.42m

*) Based on the trading price on Nov 10, 2016, and on BVB's past 6m/12m trading statistics

Main Strategic Goals

Strong Commitment for Business Development

Enhanced recovery and development of already discovered resources

- Extend the life of and the amounts recoverable from existing fields
- Appraisal of substantial contingent resource base and subsequent conversion into reserves
- Continue cooperation with Schlumberger and other partners

Discovery of new resources in established geological plays

- Further exploration program (existing and new licenses)
- Acquire additional blocks for exploration and development of conventional onshore gas resources

Increase the gas resources and reserves portfolio through the discovery of new resources and the improvement of the recovery rate

Frontier Reservoirs

- Further development of on-shore sub-salt reservoirs
- Exploration of unconventional potential in Romania
- Increasing focus on deep water reservoirs (Black Sea)

Potential international opportunities

Seeking new and diversified growth opportunities

Optimizing the Company's Policies and Procedures (monitoring and reporting)
Risk and Controls Management
IT systems

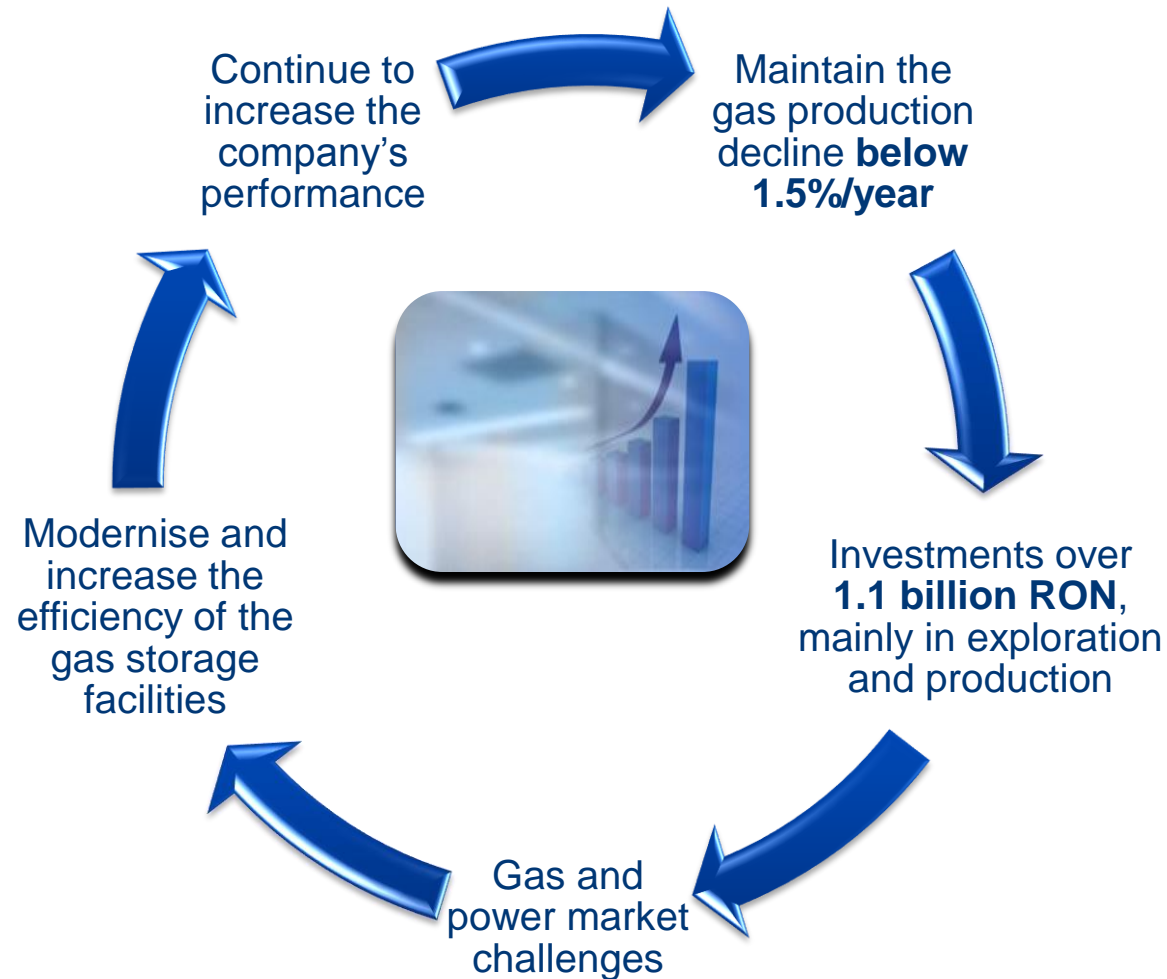
Increasing the company's performance

Increase the efficiency of the gas storage facilities in order to Enhance Gas Trading Capabilities

Optimization, development and diversification of the UGS activity

Main Strategic Goals

Management Agenda 2016



Why to invest in Romgaz shares

<ul style="list-style-type: none"> ➤ Operational excellence / robust margins 	<p>EBITDA margin of over 52% in 9M/16 EBIT margin of almost 38%, Net margin at 30% in 9M/16</p>
<ul style="list-style-type: none"> ➤ High dividend payout ratios to please investors 	<p>87% decided for 2015, 86% achieved in 2014 and over 99% in 2013</p>
<ul style="list-style-type: none"> ➤ Strong cash reserves ➤ Debt free B&S 	<p>We are able to finance by ourselves the investment programme Cash¹ / Mktcap = 27% (at Nov 10, 2016)</p>
<ul style="list-style-type: none"> ➤ Leading gas producer in Romania and among largest ones in the region as well 	<p>49% market share in terms of gas production in Romania in 2015 Main operator of the Underground Gas Storages Holder of large gas reserves among European countries</p>
<ul style="list-style-type: none"> ➤ Strong base of gas reserves in Romania 	<p>By significant investments, we intend to maintain the reserves level and the high RRR</p>
<ul style="list-style-type: none"> ➤ Expected opening of the export gas markets 	<p>Export markets will enlarge our client portfolio and expand revenues</p>
<ul style="list-style-type: none"> ➤ Prudent investment policy for projects abroad 	<p>Minority participations aimed to minimize the operational risk and to avoid the waste of our cash reserves</p>
<ul style="list-style-type: none"> ➤ Strong management team, skilled workforce 	<p>Management team has significant expertise in the sector, overall headcount is strongly committed</p>

¹ considering all cash equivalents

The Board: Balanced Team of Professionals



Dumitru Chisalita
Non-executive Member

- Experience:**
- SNGN Romgaz SA (various roles including Gas Trading Manager and General Manager)
 - SNTGN Transgaz SA (various roles)
 - Lecturer at University of Construction Brasov (since 2008)
 - PhD in Sciences

Ecaterina Popescu
INDEPENDENT Member

- Experience:**
- SC CHIMFOREX SA, CEO (1998-2015)
 - Presently Director at - Bega Minerale Industriale
 - Board member in several companies in the drilling / chemical / equipment sectors

Petrus Antonius Maria Jansen
INDEPENDENT Member

- Experience:**
- GM, board room consultant
 - London School of Business and Finance, Lecturer (since 2012)
 - Cohn & Jansen JWT, Partner (since 2002)
 - Boston Consulting Group in Romania (2006-2008)
 - MBA - NIMBAS, Utrecht, University of Bradford UK

Sebastian Tcaciuc
INDEPENDENT Member

- Experience:**
- Investment Director in Auris Capital (since 2014) and in Advent International (2005-2014)
 - Presently also board member of Nuclearelectrica and SAI Euxinus Capital
 - CFA designation from the CFA Institute US

Aristotel Marius Jude
Non-executive Member

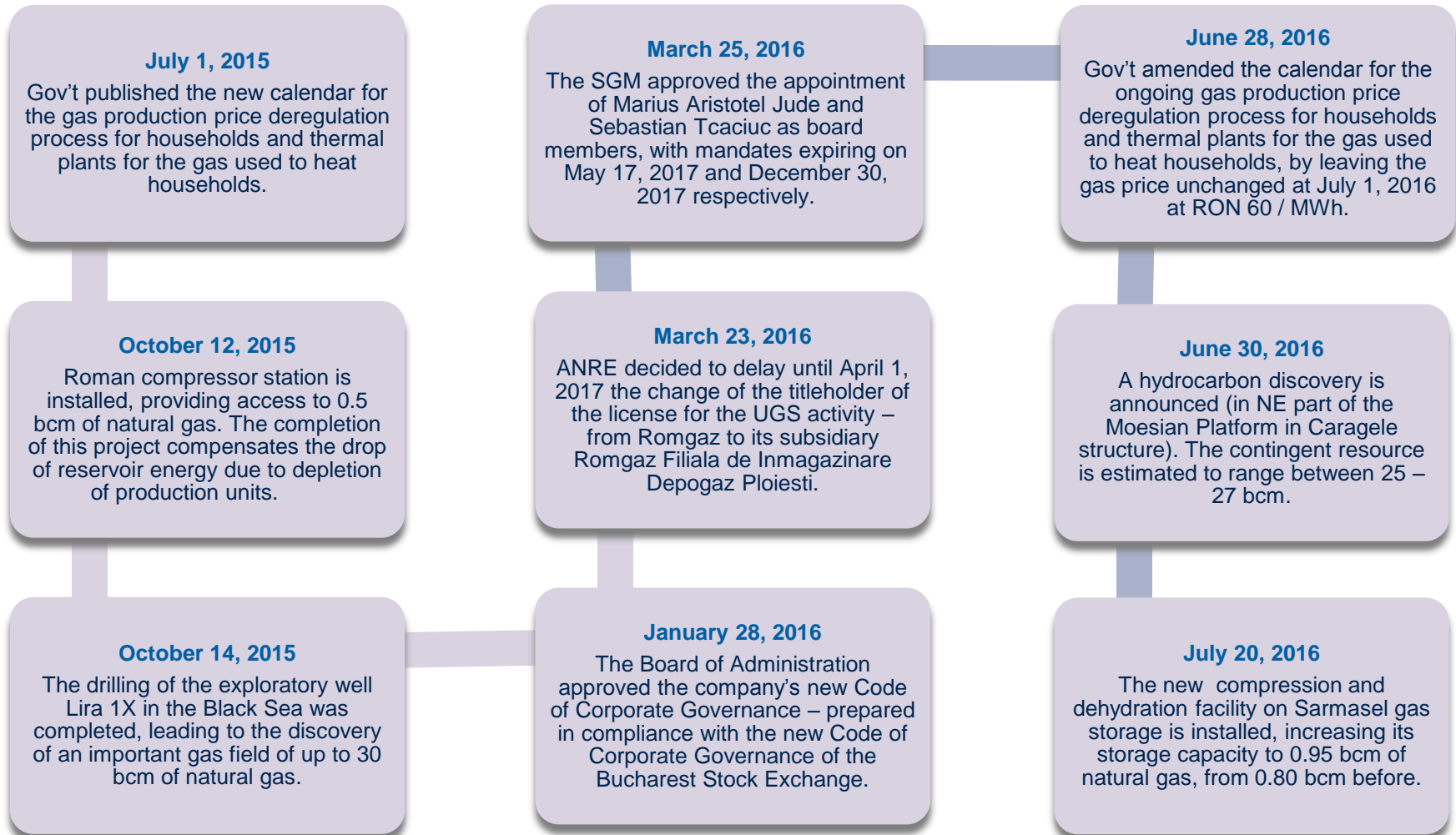
- Experience:**
- Secretary of State for the Ministry of Energy
 - SNGN Romgaz SA (various management positions)
 - Board member of Depomures SA (during 2010-2014)

Virgil Marius Metea
Executive Member

- Experience:**
- 28 years expertise in the gas industry, of which 22 years in top management roles in Romgaz, EON Moldova Distributie, EON Gaz Distributie, EON Gaz Romania, Distrigaz Nord
 - MBA ASE, PhD in Mechanical Engineering

* SGM called on Nov 15, 2016 to reconfirm / elect the board members

Selected Recent Events – important for our activity



THANK YOU FOR YOUR ATTENTION !



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Capital Market: Adina Stefanescu; Cristina Hulpus

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Financial Calendar 2016

Aug 12: Release of the H1/Q2 2016 Financial Results

Aug 12: Conference call with investors / analysts

Nov 11: Release of the 9M/Q3 2016 Financial Results

Nov 14: Conference call with investors / analysts