



To the Board of Directors,  
S.N.G.N. ROMGAZ S.A.  
Medias, Romania

## **INDEPENDENT ASSURANCE REPORT ISSUED PURSUANT TO THE REQUIREMENTS OF CNVM REGULATION NO. 1/2006**

### **Scope of report**

We have conducted the procedures agreed upon with you and which are listed herein below (the "Procedures") regarding the current reports of S.N.G.N. ROMGAZ S.A. (the "Company") to the Financial Supervisory Authority ("F.S.A.") and the Bucharest Stock Exchange ("B.S.E.") of July 5, 12 and 21; September 29; October 2, 4, 17, 18, 24, November 2, 3, 6, 8, 16, 29 and December 11, 12, 28, 2017 (the "Reports") in relation to the contracts concluded by the Company with administrators, employees, controlling shareholders, as well as affiliates, whose individual value accounts for at least the RON equivalent of EUR 50,000 (the "Contracts") as provided in article 225 of Law no. 297/2004 until March 31, 2017 and as provided in Article no. 82 of Law no. 24/2017 starting with April 1, 2017. on the capital market and National Stock-Exchange Commission (N.S.C ). Regulation no. 1/2006 on securities issuers and operations, updated and completed through F.S.A. Regulation no. 11/2015. The responsibility for the preparation of the Reports devolves upon the Company's management.

Our engagement was undertaken in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. Under this standard we perform sufficient procedures, in order to obtain limited assurance with respect to the objectives of the specific procedures enumerated below. Because such limited procedures are not considered an audit or review of the financial statements or any parts thereof due to their inherent limitations and accordingly we do not provide any such assurance.

Our procedures were applied solely for the purpose of supporting you in assessing the validity of the information presented in the Reports and are summarized as follows:

- 1) We have obtained the Reports signed by the Company's management.
- 2) We have obtained copies of the Contracts mentioned in the Reports and verified whether they were approved by the contracting parties and included in such Reports.
- 3) We have verified whether the Reports include information on the contracting parties, conclusion date, object of contract, and description of object, total estimated value of the contract, as well as the terms and conditions of the payment. Also, we have verified whether such information disclosed in the Reports complies with the provisions of the Contracts they make reference to.
- 4) Further to talks with the Company's management, we obtained understanding on how the contractual relationship for the reported contracts were established.
- 5) We have discussed with the Company's management the Company's internal policies regarding contracts with administrators, employees, controlling shareholders and affiliates thereof.

Our procedures have been applied only to the contracts included in the Reports filed in the time span July 1, 2017 – December 31, 2017, and having a cumulated value of at least the RON equivalent of EUR 50,000. The procedures have been conducted with the sole purpose of reporting according to art. 113, letter G, paragraph 6 of N.S.C. Regulation no. 1/2006, updated and completed through F.S.A. Regulation number 11/2015.

We have not conducted additional procedures to verify whether the Reports mention all the contracts concluded with administrators, employees, controlling shareholders and affiliates thereof between July 1, 2017 and December 31, 2017 or whether the Reports include all the required information that must be reported according to article 225 of Law no. 297/2004 until March 31, 2017 and according to article 82 of Law no. 24/2017 starting with April 1, 2017

## **Results of procedures conducted**

Our findings are presented below:

As regards item 1, we obtained the Current Reports signed by Management and we agreed the details of the contracts pertaining to 2nd semester of 2017 reported in the Current Reports to the underlying contracts. Our procedures have been applied only to the transactions/contracts that exceeded 50,000 EUR during the 2nd semester of 2017. We have not performed any procedures to verify whether this list include all the transactions to be reported by the Company under the provisions of article 225 of Law no. 297/2004 until March 31, 2017 and under the provision of article 82 of Law no. 24/2017 starting with April 1, 2017.

- a) As regards item 2, we obtained and reviewed the contracts and verified that these have been authorized by the contracting parties and included in such Reports.
- b) As regards item 3, we have verified whether contracts provided for the contracting parties, the contracts date and nature, the description of the purpose, the total value of the document, payment terms and deadlines, comply with the information disclosed in the Reports.  
Exceptions are detailed below:
  - i. In the Report from 29 November 2017, regarding the addendum no. 4/2017 to the contract no. 148/29.09.2017 with Electrocentrale Constanta the company presented the total value of the contract without VAT, while the Report was specifying that the amount includes VAT.
  - ii. In the Report from 6 November 2017, regarding the addendum no. 1/18.10.2017 to the contract no. 147/2017 with Electrocentrale Galați, the company presented a contract value computed for a different quantity than the quantity specified in the contract.
  - iii. In the Report from 4 October 2017, regarding the additional act no. 5/29.09.2017 to the contract no. 37/2015, with Termoficare Oradea, the Company presented the total estimated value of the contract and not the value for the quantity related to the additional act for the period 1 October – 10 October. The Company mentions, in the „Note” included in the Report, that the additional act no. 5/2017 extends the contractual period stipulated in Contract no. 37/2015, with an additional period of 10 days (1 October 2017 to 10 October 2017) and that the total value of the contract remains unchanged, of RON 120,551,510.65.
- c) As regards item 4, we understood that the prices agreed by the parties have been mutually accepted based on the types of products/services and other terms and conditions.
- d) As regards item 5, based on our discussions with the management, we understand that the Company enforces the same internal policies in its contractual relations with affiliates as with other contractual partners with which it does not have special relations.

## **Other aspects**

Since the procedures herein above do not account for an audit or a review in accordance with International Standards on Auditing or International Standards on Review Engagements, we express no assurance on the Reports.

Should we have conducted additional procedures, an audit or a review of the Company's financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters that would have been reported to you would have probably drawn our attention.

The sole purpose of our report is that laid down in the first paragraph hereof, the report is prepared for your information only and must not be used for any other purposes or distributed to any other parties, except for the F.S.A. and the B.S.E. This report relates only to the elements mentioned hereinabove and does not extend to any of the financial statements of S.N.G.N. ROMGAZ S.A. taken as a whole.

***For signature, please refer to the original Romanian version.***

Deloitte Audit S.R.L.  
Bucharest, Romania  
January 31, 2018