

**INTRODUCTION TO THE CONFERENCE CALL
to discuss the H1/Q2 2019 results - August 14, 2019**

Good afternoon ladies and gentlemen,

Welcome to our conference call for the discussion of the results recorded in the First-Half of 2019.

The Semestrial Report was released today together with the IFRS Interim Consolidated Financial Statements, and I would like to make some remarks regarding the performance recorded by Romgaz Group.

Our activity over the first 6 months of this year was influenced by the following main factors:

- We estimate that natural gas consumption in Romania was lower compared to the same period of the previous year, while in Q2 alone we see consumption roughly flat year-on-year
- GEO no 114 issued in December 2018, and amended by the GEO no 19 in March 2019, brings important changes on the gas & electricity markets:

Prices of the gas sold from own production to households and assimilated consumers are capped at the level of RON 68 / MWh starting with May 1, 2019

Also, gas and electricity producers are charged a 2% fee on revenues, with certain deductions.

- As seen on the Commodity Exchange, domestic gas prices were more supportive during Q1 and Q2 2019 compared to the same quarters of 2018 – and compared to the negative performance recorded by the CEGH Front Market Index.

We continue to mitigate all challenges in the energy market by: (1) improving our gas selling strategy, and by (2) optimisation of our gas value chain and proper management of gas volumes.

Overall in the first 6 months of 2019, we reported important achievements:

- Natural gas production increased by 2.3% year-on-year, and exceeded by 0.3% our budget; This performance is due to the maximisation of wells production in Caragele commercial field, improved productivity of some gas reservoirs, wells workover programme, production optimisation by using modern methods and technology, and also of new commercial discoveries brought on stream.

Also, it is worthwhile to mention the fact that we have successfully limited the Natural Production Decline at 1.4% during 2013 – June 2019.

- Due to a strong commercial policy, our Gas deliveries recorded a better dynamics compared to gas consumption estimated for Romania; We consequently increased our market share to 46.3% in 2019 (from 45.3% in 2018); Also, gas volumes supplied from internal production to the market favourably recorded a 3% growth year-on-year
- Total Revenues reached 2.9 billion RON in H1 – higher by 16.2% year-on-year, driven by “Revenues from gas sold from domestic production” up by 23% year-on-year
- Revenues from storage and from other services were resilient, rising by 2.3% in the period
- Revenues from electricity expectedly recorded a decline, as the investment in the new power plant is in progress
- Regarding expenses, we recorded windfall profit tax higher by 66%, roughly flat gas& storage royalties and the new 2% fee on gas & electricity revenues
- All in all, EBITDA increased significantly by 28% to 1,493 million RON, and
- Net Profit advanced strongly by 25% to 976 million RON
- We continue to maintain very elevated profitability margins: Net Profit margin of 33.9%, EBIT margin of over 39% and EBITDA margin of almost 52%.

These aspects are presented at pages 16, 17 and 23-25 of Romgaz Group Presentation, available on our website.

For Q2 2019 alone, we can highlight the following main performance:

- Natural gas production of 1.27 bcm, roughly flat compared to Q2 2018
- Gas volumes supplied from internal production to the market +4% year-on-year
- Total Revenues +17% year-on-year
- Net Profit of 434 million RON, up by over 37%, and all profitability rates at significant levels.

With respect to our Balance Sheet, it continues to be robust, with zero indebtedness, and able to finance the distribution of dividends and our current investments.

In the first 6 months, Romgaz Group invested 429 million RON (compared to 665 million invested in the same period of 2019).

Of total amount, geological exploration and equipment upgrade accounted for around 30% each, and works in the new power plant for 37%.

We remind that the development project in Iernut represents a key strategic direction to consolidate our position on the energy supply markets. The new power plant will significantly improve the operating efficiency and production level of our electricity segment.

We kindly remind that in Q2 this year (in April), the Shareholders Meeting approved the distribution of total gross dividends of 1.6 billion RON. The dividends have been distributed in July, and translated into a 118% Gross Dividend Pay-out Ratio.

With respect to the 2019 outlook, we can make the following remarks based on the recent developments:

- We anticipate that gas consumption in Romania will most likely be in line with the performance estimated for the first 6 months
- Our gas production will be in line with the budgeted level, considering that gas sales from current production will compensate the low gas demand of Iernut power plant
- With a strong marketing policy, Romgaz will continue to hold a significant market share in terms of gas supply in Romania
- We foresee moderate revenues from the gas storage activity based on the low tariffs in force
- Electricity production will be weak this year, because of the new plant in construction
- On the costs side, the gas & storage royalties, windfall profit tax and the 2% fee will take the toll
- In terms of profitability, we continue to make our best efforts to maintain the financial profitability of the company and to create value for shareholders.

Thank you for your attention!