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PRESS RELEASE

Increasing Production, Ongoing Major Investments and Continuous Modernization in Romgaz

Accelerating the exploration works for identifying new reservoirs, careful monitoring and active intervention of the management in the works related to the Iernut investment project as well as continuous efforts to diversify the business portfolio by constructing new energy objectives, acquisition of alternative energy sources and expanding into other markets, are some of the strategic objectives of Romgaz management.

Mr. Adrian Volintiru, Romgaz CEO, states: *“Rendering the company’s activity more efficient by means of debureaucratisation, streamlining procedures and business flows as well as attracting professionals in the field, with expertise and adequate know how, capable to contribute to the achievement of the objectives proposed in the development strategy have also been priorities, and we shall continue the modernization process of the company”.* As regards the natural gas production activity, Mr. Volintiru talks about a significant production increase in 2019, through exploitation of new production capacities put into operation in Caragele Block. Thus, currently, Romgaz has the capacity to produce **approximately 16 million cubic meters per day**. *“The increase of production was mainly due to the completion of **Caragele – Galbenu** collector of 16 km in December, and by putting into production wells **Tapu 1, Buza de Nord** and **Beudiu** in Q III 2018, it was possible to increase the daily production of this reservoir by approximately 800 thousand cubic meters. Thus, the total 2018 production of Caragele reservoir was of 225.894 million cm, representing 4.2 % of Romgaz total gas production”.*

Mr. Volintiru mentions, as priority projects for Romgaz, the identification of onshore resources, as well as the Iernut and Mintia power plants. The management takes also an interest in investments in upgrading and predictive maintenance. As regards the Iernut Power Plant, the project is currently 74% complete and the process is being accelerated by working in two shifts during the cold season as well, so that the project to be completed in 2020.

The commercial reservoir exploitation activity aims at achieving the provisions of the production program by continuous rehabilitation operations of the main mature reservoirs, performance of well capitalizable repairs operations and putting into operation new production capacities.

In Q4 2018, Romgaz supplies were performed under the contracts concluded both by means of centralized markets in Romania as well under the concluded bilateral contracts (especially with final customers). In

addition to the quantities supplied to its customers, Romgaz supported the **CET Iernut** consumption by supplies in amount of approximately **1,300,000 MWh**.

The prices applied in **Q4 2018** for the gas delivered to customers were constantly around the value of **RON 81/MWh**. The same tendencies were also maintained for the gas deliveries during January to date. The quantity scheduled to be delivered to Romgaz customers is of approximately **6.6 TWh**, and the **average price is within the same range of RON 82-83/MWh** (estimation to date).

ROMGAZ Press Office

About ROMGAZ

S.N.G.N. ROMGAZ S.A. is the largest natural gas producer and the main supplier in Romania. The company is listed on Bucharest Stock Exchange (BVB) and on London Stock Exchange (LSE). It is a joint stock company whose majority shareholder is the Romanian State owning a 70% stake. The company has a vast experience in the field of gas exploration and production, and a history of more than 100 years, that began in 1909. Romgaz undertakes geological exploration to discover new gas reserves, produces methane by exploiting the reservoirs included in the company portfolio, stores natural gas in underground storages, performs well interventions, workover and special operations, and technological transport.