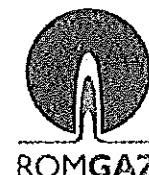


ROMGAZ

119. 36307 / 22.12.2014



Societatea Națională de Gaze Naturale Romgaz S.A. - Mediaș - România

To: SNGN Romgaz SA Extraordinary General Meeting of Shareholders

Report on not approving and not participating of S.N.G.N. Romgaz S.A. in the increase of S.C. Depomures S.A. share capital

SC Depomures SA was established in the year 2002, and participation in the share capital of that company was approved by the Resolution No. 11/10.09.2002 of the Shareholders' General Assembly of ROMGAZ, and in accordance with the Order of the Ministry of Economy and Commerce No. 74/2003.

According to the recordings in the Register of Depomures Shareholders, the shareholders' structure as of this date is as follows:

Shareholders' Name	Number of Shares	Total held share capital (RON)	Percentage of share capital	Value/ Share (RON)
Gaz De France International	17,700	177,000	59.00%	10
SNGN Romgaz SA	12,000	120,000	40.00%	10
SA MIF SA	150	1,500	0.50%	10
SC Foraj Sonde SA	150	1,500	0.50%	10
TOTAL	30,000	300,000	100.00%	10

DEPOMURES performs mainly the activity of gas underground storage in the Tg.Mures UGS.

A commission within SNGN Romgaz SA was established under Decision No. 361/31.07.2013 in order to identify the best ways for Romgaz, as shareholder of SC Depomures SA, to participate in the implementation of a project regarding the development of the Tg-Mures UGS (the Commission).

During the period October 2013 – June 2014, the Commission requested from Depomures and GDF Suez all necessary information relating to the Tg-Mures UGS Development Plan (the Plan)

Capital social: 385.422.400 lei
CIF: RO 14056826
Nr. Ord.reg.com/an : J32/392/2001
RO08 RNCB 0231 0195 2533 0001 - BCR Mediaș
RO12 BRDE 3305 V024 6190 3300 - BRD Mediaș



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The Business Plan relating to the Tg-Mures UGS Development, approved in the Depomures Board Meeting of April 29, 2014, is the version on which a point of view is going to be formulated.

The Business Plan relating to the Tg-Mures UGS Development is made in order to increase storage capacity from 300 million m³ to 400 million m³ (with the possibility to increase to 600 million m³). The Investment Plan (capital expenditures CAPEX) is itemized on objectives, investment performance calendar, expenditure estimates.

A. General Presentation of the Investment Project

The best development scenario retained, confirmed and recommend by the FEED study author and agreed by the Depomures Board Directors envisages the following:

- ✓ Building of objectives: two active compression units designed at 3.5 Mm³/day with a reserve to build an additional compressor; an active gas dehydration unit designed at 3.5 Mm³/day with a reserve to build an additional drying column; gas fiscal metering for 0.5-5 Mm³ at Pop=8-35 bar) and related facilities, including an administrative building.
- ✓ Installing a new storage collector between the Main Gas Station and the existing groups, with a Pn pressure of 100 barg. This new pipeline, on the one hand, is going to replace the existing collector which due to its technical condition cannot be used anymore at the pressures necessary for injection in the deposit, and on the other hand it could allow for storage capacity enhancement by increase of injection pressure under safety conditions (drilling of new wells is not required in this stage)
- ✓ Conversion of the existing storage collector into a gas transmission pipeline towards the low pressure gas delivery point (*Ungheni* Regulation & Metering Station) and connecting such to the future Depomures central gas station; thus, pressures in that pipeline shall not exceed 25 barg (pressure to meet its technical condition)
- ✓ 110kV/6 kV power station and connection to the electric power network
- ✓ Several revamping works of existing equipment with a view to reduce pressure drops, maximize gas flows and prevention of well flooding during the injection cycle, on the one hand, and, on the other hand to prepare the system for an operating pressure of up to 64 barg.

The development CAPEX related to this investment project is shown below:

1 EUR = 4.5 RON	2013		2014		2015		2016		2017		TOTAL	
	K RON	K EUR	K RON	K EUR	K RON	K EUR	K RON	K EUR	K RON	K EUR	K RON	K EUR
Ongoing Investments	17.170	3.816									17.170	3.816
New Investments (Phase1+)			4.833	1.074	84.224	18.716	138.520	30.782	8.220	1.827	235.797	52.399
Contribution in kind with assets(15 wells + related installations)			30.000	6.667							30.000	6.667
											282.967	62.882

B. General presentation of Data comprised in the Financial Model of the Business Plan of SC Depomures SA Tg-Mures :

- period of analysis: 2014-2035;
- total investment expenditures in phase 1 (CAPEX) in the period 2014-2017 amount to RON 235,797 thousand (approx. EUR 53.6 million). The financing structure consists of 60% present shareholders (in kind or/and money) and 40% bank loans. A breakdown of the amount of RON 235,797 thousand required for financing in accordance with the financing structure and the current shareholders' structure is shown below:
 - 40% bank loans =>RON 94,319 thousand;
 - 60% shareholders' contribution => RON 141,478 thousand, comprising:
 - 60% GDF Suez = RON 84,887 thousand;
 - 40% Romgaz = RON 56,591 thousand) (approx. EUR12.6 million).
- Calculation of the Net Present Value (NPV) has not taken into account the cost of financing, i.e. the interest expenses related to the loan;
- Based on the storage tariff calculation mode and the contribution of the fixed assets currently rented from Romgaz, a **base scenario** has been drawn up as follows:
 - CAPEX admitted by ANRE within the storage tariff in the year when they are planned (year N);
 - Contribution in kind of all fixed assets currently lent by Romgaz i.e. 15 wells including the related infrastructure;
 - Elimination of the rent related to such fixed assets from the operational expenses starting in 2015;
- Based on the base scenario following versions (sensitivities) have been drawn up:

* This amount does not include the estimated value of wells currently lent to Depomures

1. CAPEX admitted by ANRE in the tariff for year N, with Romgaz contributing in kind by 8 wells;
 2. CAPEX admitted by ANRE in the tariff for year N, without Romgaz contributing in kind;
 3. CAPEX admitted by ANRE in the tariff for year N+1, with Romgaz contributing in kind by 15 wells;
 4. CAPEX admitted by ANRE in the tariff for year N+1, with Romgaz contributing in kind by 8 wells;
 5. CAPEX admitted by ANRE in the tariff for year N+1, without Romgaz contributing in kind ;
 6. CAPEX admitted by ANRE in the tariff for year PIO+1 (the year following to putting into operation the investments), with Romgaz contributing in kind by 15 wells;
 7. CAPEX admitted by ANRE in the tariff for year PIO+1 (the year after putting into operation the investments), with Romgaz contributing in kind by 8 wells;
 8. CAPEX admitted by ANRE in the tariff for year PIO+1 (the year after putting into operation the investments), without Romgaz contributing in kind.
- Payback periods are presented, calculated on the basis of the discounted cash flows, as compared to the previous versions of the Business Plan where payback periods were calculated on the basis of non-discounted cash flows (periods being shorter);
 - Calculation of the most significant indicator within the analysis, i.e. the Net Present Value NPV, is based on the residual value, that is 50% of the asset basis as of the end of the period (2035);
 - Increase of UGS capacity from 300 mil.cm to 400 mil.cm in the year 2017;
 - As regards the dividend policy, in paragraph 8, subparagraph 8.1 "Assumptions" it is specified that they "may be distributed starting in the year 2017, if liquidities are available". After loan reimbursement, the share capital shall be gradually decreased to RON 300,000 (present) in order to maximize shareholder yield.

Synthetically, the main indicators for the base scenario and the other derivatives are shown in the table below:

	Business Plan Version approved by the Depomures Board in 29 April 2014	I.		II.		III.	
		Investments admitted by ANRE in the tariff for year N		Investments admitted by ANRE in the tariff for year N+1		Investments admitted by ANRE in the tariff for year PIO+1	
		Net Present Value NPV K RON	IRR %	Net Present Value NPV K RON	IRR %	Net Present Value NPV K RON	IRR %
1.	ROMGAZ CONTRIBUTION 15 WELLS	50,868.0	12.80%	29,404.0	11.20%	24,776.0	8.00%
2.	ROMGAZ CONTRIBUTION 8 WELLS	46,490.0	12.70%	25,025.0	11.00%	29,267.0	7.70%
3.	WITHOUT ROMGAZ WELL CONTRIBUTION	41,486.0	12.50%	20,022.0	10.80%	34,453.0	7.30%

C. Presentation of Economic Aspects in accordance with the analysis made by Romgaz Committee established according to Decision no. 361/July 31, 2013

Analysis of the scenarios of the financial model comprised in the Business Plan rests on the assumption that storage tariffs are calculated based on the formulas provided by the ANRE (Regulatory Authority for Energy) legislation, except for the manner CAPEX is admitted by ANRE within tariffs (exemption which has led to the three scenarios).

Scenario 1 – base: According to the Tariff Substantiation Methodology prepared by ANRE, Order No. 22/2012, investment admitted by ANRE in adjusting the storage tariff is made in the year following to putting into operation PIO+1 (Article 45), that is the 3rd version. In Article 35 (2) it is specified that *“... as from the third regulatory period, for operators performing activities of natural gas transmission, underground storage or distribution, when establishing the base income, the total regulated income, and the unit regulated income, ANRE may take into account the estimated investments to be performed in each year of the regulation period, based on the investment plan endorsed by ANRE”*.

In the process of substantiating the 2014/2015 tariff ANRE has taken into account the amount of RON 4,800 thousand + RON 30,000 thousand (Romgaz contribution) as being investments related to the year 2014, and adjusted them by RoR (Rate of Return). If such investments are not put into operation during the year 2014, such investments **shall not be reflected** in the adjustment of the 2015 tariff, **either in the form INV*RoR or depreciation, resulting in tariff decrease.**

Bearing in mind the admittance by ANRE in the 2014/2015 tariff of several investments comprised in the Investment Plan of the current year (CAPEX admitted by ANRE in the year N), Depomures representatives support the 1st version as being feasible. But ANRE's opinion as regards the 2015-2017 investment admitted by ANRE in the tariff is not known. In the ANRE letter No. 14309/6.03.2014 it is specified that *“the request to accept in advance in the storage tariff the investments related to the Tg-Mures UGS development project may be considered after the investment plan shall have obtained ANRE's approval, in accordance with Article 142, paragraph 1, item e) of the Electricity and Natural Gas Law”*. Although there is a specific legislation issued by ANRE regarding storage tariff substantiation and its yearly adjustment, the Depomures storage tariff was of RON 7.86/MWh in the period from 2009/2010 until March 2013, pursuant to the ANRE Order No. 81/2009, extended by other ANRE Orders (for other three storage cycles) until the end of the 2012/2013 cycle.

- * **Scenario 1 would be feasible only if ANRE admits investments in the tariff in the year N, but bearing in mind that the tariff was not adjusted in the four 2009/2013 storage cycles, and ANRE has not expressed its position as regards investments admitted in the tariff before those have been made, we are cautious as regards obtaining such approval.**
- * **Scenario 2, that is “Investments admitted by ANRE in the year after investments were made (year N+1)” does not comply with legislation, hence it is not submitted for analysis.**
- * **Scenario 3, that is “Investments admitted by ANRE in the year after investments were put into operation (PIO+1) complies with the law in force but resulting indicators are negative. None of the sub-scenarios regarding Romgaz contributing in kind by wells is efficient.**

As regards the payback period, future cash flows have not been discounted in the initial financial model, therefore a shorter payback period. The payback period is the amount of time it take for cumulated net discounted cash flows to equal cash outflows. The financial model related to the Plan approved by the Depomures Board has recalculated payback periods by discounted cash flows, as shown below:

Period of analysis Years 2014-2035		1	
		Investments admitted by ANRE n the year N	
		Discounted Payback Period Years	Year of recovery
1	ROMGAZ CONTRIBUTION 15 WELLS	14	2028
2	ROMGAZ CONTRIBUTION 8 WELLS	14	2028
3	WITHOUT ROMGAZ WELL CONTRIBUTION	15	2029

* Even in the best scenario case, which is the year 2028, the payback period is of 14 years.

In the assumptions underlying the Financial Model of the Business Plan in scenario 1.1, Romgaz' contribution to the storage development would be of **RON 63,791 thousand**, broken down as follows:

- **RON 30,000 thousand** contribution in kind by those 15 wells and the related infrastructure currently lent by Romgaz - value estimated by Depomures;
- **RON 33,791 thousand**, the remaining contribution (cash) in the years 2016-2017 so that Romgaz shall maintain its 40% shareholding and GDF (and other shareholders) a 60% shareholding (according to the table below):

	Years 2014-2017 RON thousand
New investments (phase 1+) CAPEX - inflated	235,797
Romgaz' contribution in kind (15 wells + infrastructure) -- value estimated in the Business Plan	30,000
Total CAPEX + wells (2014 - 2017)	265,797
Financing Structure according to the Business Plan:	
- 40% financing through loans	106,319
- 60% shareholder contribution, broken down as follows:	159,478
- 40% Romgaz, out of which:	63,791
~ contribution in kind	30,000
~ contribution in cash	33,791
- 60% GDF Suez (and other shareholders)	95,687

If the amount of **RON 33,791 thousand** (Romgaz' cash financing) is deposited in a bank for the period of time 2016 - 2028, with an average yearly interest rate for deposits in RON of 2.5% (the average for the present period of time), interest income would be obtained which capitalized would amount to approx. **RON 11,654 thousand**.

The resulting global return is of approx. 34% (= % 11654 / 33791).

- * Pursuant to the financing structure, Romgaz should contribute (cash and in kind) with the amount of RON 63,791 thousand (approx. EUR 14 million) to the Tg-Mures Storage Development Plan, while the recovery of amounts and future earnings of Romgaz are not found in the economic model.

As regards the dividend policy presented in chapter 8 of the Business Plan, subchapter 8.1 "Assumptions", specifying that dividends may be distributed starting in 2017, "if liquidities are available" (after loan reimbursement, the share capital shall be gradually diminished to RON 300,000 (present) in order to maximize shareholder yield).

- * Distribution of dividends under this form is hardly encouraging Romgaz to finance storage development.

D. Summary of the three scenarios:

Below is a summary of all of the above:

- Scenarios taken into account in the economic model of the Business Plan:
 - **Scenario 1**, would be feasible if ANRE accepted the investments within the tariff in the year N, but bearing in mind that for four storage cycles 2009/2013 the tariff was not adjusted and ANRE has not expressed its position as regards admission in the tariff of investments before those have been made, we are cautious as regards obtaining such approval.
 - **Scenario 2**, that is "Investments admitted by ANRE in the year after investments were made (year N+1)" does not comply with legislation, hence it has not been submitted for analysis.
 - **Scenario 3**, that is "Investments admitted by ANRE in the year after investments were put into operation (PIO+1)" complies with the law in force but resulting indicators are **negative**. None of the sub-scenarios considering Romgaz contributing in kind by wells is efficient.
- Payback period, in the best scenario, that is scenario 1 with advance admission by ANRE of investments within the tariff and a contribution in kind by 15 wells from Romgaz, is of 14 years, namely the year 2028. The period is long, and in case the load factor of the storage is below 100%, the revenues would be below the ones provided in the Business Plan, with an impact on the payback period, which would be extended. The Business Plan does not comprise a gas market research, a forecast or an estimation of its trend for the next years.

- According to the financing structure, Romgaz should contribute (cash and in kind) with the amount of RON 63,791 thousand (approx. EUR 14 million) to the Tg-Mures storage Development Plan (case in which a 40% shareholding is maintained), while the recovery of amounts and future earnings of Romgaz are not to be found in the economic model. Romgaz' contribution in cash to the Plan financing would be in amount of RON 33,791 thousand during the period 2016-2017. A simple estimation calculation of revenues from interests in case such amount would be deposited in banks results in a return of 34%.
- When calculating the NPV of the economic model, the cost of financing, namely the interests related to bank loans, has not been taken into account. If such cost had been taken into account, the NPV would have been lower.

Depomures did not perform the market study requested by Romgaz and bearing in mind that all calculations have been made from the assumption that the storage shall be used at maximum capacity; if the loading degree shall be below 100%, the income shall be lower than the one included in the Business Plan, extending therefore the investment recovery period.

The term of the Concession Agreement of the underground gas storage Tg.Mures concluded between Depomures and ANRM is December 15, 2027.

Even if article 27 paragraph 2 of Petroleum Law No. 238/2004 provides for the possibility of extending the Concession Agreement up to 15 years, there is the risk of not recovering the investments even in the optimistic scenario (Scenario 1 when investments are recovered in 14 years, namely years 2028) in case the Agreement shall not be extended.

Considering the above mentioned and that:

1. The financing structure according to the Business Plan consists of 60% (in kind and/or in cash) from the shareholders and 40% bank loans;
2. The increase of share capital necessary for the investments is to be done in stages;
3. During Depomures Board meeting on September 15, 2014 a first share capital increase stage has been endorsed in order to supplement the financing sources needed for performing the investments included in the investment plan for 2014. The estimated value of the share capital increase: RON 23.2 million (EUR 5.2 million).
The precise values of the share capital increase shall be established after finalizing the procedure for procurement of equipment and works.
4. In compliance with the provisions of Depomures Articles of Incorporation, the proposal on the increase of share capital shall be submitted for Depomures EGMS approval.
5. Depomures EGMS shall be convened on January 1, 2015.
6. Romgaz has to express/cast its vote on the approval/rejection of the increase of share capital and on participation/non-participation in the increase of required share capital. If the first stage of increase in share capital by RON 23.2 million is approved and Romgaz does not exercise its pre-emption right, its interest share will be diminished to 0.84% if the other shareholders subscribe;
7. The decision for increase of share capital can be made by 2/3^{ds} of the voting rights, therefore the other shareholders need Romgaz vote in order to decide the increase of share capital.
8. Art. 15 of Depomures Articles of Incorporation provides as follows:

- 15.1 The shares issued for increase of share capital will be firstly offered for subscription to current shareholders, according to the number of shares each owns. The pre-emption right will be exercised only within the term decided by the General Meeting of Shareholders or by the Board of Directors, as the case may be. In any event, the term for exercising the voting right shall not be less than one month from publication of the GMS or the Board of Directors Resolution, as the case may be, in the Official Gazette of Romania, part IV;
 - 15.2 After expiration of such term the unsubscribed shares can be issued for subscription to the public or to a third party or they can be cancelled, as the shareholders decide.
9. Article 44.1 of Depomures Articles of Incorporation provides that the Board of Directors is responsible for carrying out every action required and useful for the fulfilment of the company's scope of activity, except for those within the power of the general assembly; the Board of Directors has the following powers:
- p) to approve the contracting of current bank loans, of short-term, medium-term and long-term commercial credits, and of relating guarantees;
 - q) to approve investments, granting of loans to third parties;
10. **Scenario No. III** in the Financial Model, included in the Business Plan, namely „Recognition of investments in the year following the commissioning of investment (C+1)” is in line with the law in force but the indicators are **negative**.

After Romgaz Board of Directors reviewed Request for Approval no. 29510/October 20, 2014 and bearing in mind the questions on Romgaz reserves preservation at Depomures, as well as:

- Romgaz proposal (Letter no. 31118/November 4, 2014) to Depomures on the share capital increase scenarios:
 1. Share capital increase by incorporating reserves from the account “Other reserves” (amounting lei 31,606,212 according to the financial statements on December 31, 2013) in Depomures share capital. Such increase of share capital provides for maintaining the current shares of existing shareholders and for maintaining rights (including property rights) for the case a contribution from a new shareholder is required.
 2. Increase of share capital by share premium in order to maintain the accounting value of a share and of the reserves established by the current shareholders (in case the share premium is transferred to “other reserves”)
- By letter no. 622/November 10, 2014, Depomures brings to our attention that it does not agree to any of the two proposals made by Romgaz for the increase of share capital, claiming that it needs financing from existing shareholders and that the incorporation of reserves to the share capital may be done after said increase, in case an investor/shareholders appears.

Against this context and in view of the Depomures EGMS Convening Notice on 27.01.2015 containing the following agenda:

1. Approval to increase the share capital of S.C. Depomures S.A. by 23,200,000 lei through the issuance of a number of 2,320,000 new nominal shares, having a nominal value of lei 10 each share, the issue price being lei10/share.

1.1 The share capital shall increase from the current value, lei 300,000, to lei 23,500,000.

1.2 Newly issued shares shall be offered for subscription to the existing shareholders in the Company, by granting them the possibility to exercise a preemption right, proportionate with the number of shares:

- GDF INTERNATIONAL holding 17,700 shares, representing 59% of Depomures S.A. share capital is entitled to subscribe to 1,368,800 shares having a total value of lei 13,688,000, contribution in cash.
- SNGN ROMGAZ SA holding 12,700 shares, representing 40 % of Depomures S.A. share capital is entitled to subscribe to 928,000 shares having a total value of lei 9,280,000, contribution in cash.
- SC MIF SA holding 150 shares, representing 0.5 % of Depomures S.A. share capital is entitled to subscribe to 11,600 shares having a total value of lei 116,000, contribution in cash.
- SC FORAJ SONDE SA holding 150 shares, representing 0.5 % of Depomures S.A. share capital is entitled to subscribe to 11,600 shares having a total value of lei 116,000, contribution in cash.

1.3 The increase of share capital is made to the extent of actually subscribed and paid-up amounts to the Company's account, the newly issued and unsubscribed share being annulled.

1.4 Approving the one month term from the date of publishing the EGMS Resolution on increase of share capital in the Official Gazette of Romania, part IV, for the existing shareholders to exercise their preemption right on the subscription of newly issued shares according to item 1.2.

1.5 Approval of delegating to the Board of Directors the operations relating to implementing the increase of share capital as such shall be approved by the EGMS, namely (i) approval of the final value by which the share capital is increased and the distribution of shares to the shareholders in proportion to the amount the shareholders subscribed and paid-up (ii) annulment of newly issued and unsubscribed shares (iii) approval of the addendum to the Company's articles of incorporation to include all changes triggered by the increase of share capital (iv) approval of the updated articles of incorporation of the Company (v) approval for carrying out at the relevant authorities and institutions any acts or formalities required for the implementation and recording of the share capital increase.

1.6 Approving the mandate of the Board of Directors Chairman: (i) signing the resolutions taken by the EGMS (ii) signing all documents to be approved by the Board of Directors on the implementation of share capital increase (iii) signing the addendum to amend the Company's articles of incorporation and the updated articles of incorporation (iv) to carry out legally required formalities and procedures in order to state and record in the Trade Registry the resolutions to be adopted and of the share capital increase operation (v) to mandate employees of the Company or third parties in order to fulfill some of the activities and/or operations indicated above.

2. Approval for contracting a commercial loan of up to lei 23,200,000 in order to ensure the required financing for the Company. Mandating the Board of Directors to select the financing option, to approve the contract or any other document in connection with or in relation to contracting such loan. The contracting of a loan shall be made only in case the General Assembly shall not approve the increase of share capital, as indicated under item 1.

we consider that the shareholders must approve or reject, as the case may be, the financing of Depomures and of the investments provided in the Business Plan due to the feasibility of the investment project. In consideration of the fact that Scenario III of the Business Plan contains negative indicators, **we request Romgaz General Meeting of Shareholders to approve:**

1. The manner of exercising SNGN "ROMGAZ" - SA voting right in the Extraordinary General Meeting of Shareholders SC Depomures SA convened on 27.01.2015 as follows:

- Vote "against" on **item 1** of the agenda (namely "*approval to increase the share capital of SC Depomures SA by Lei 23,200,000, by issuance of 2,320,000 new nominal shares having a nominal value of lei10/share, the price of issuance being 10 lei/share*");
- Vote "against" on **item 1.2** of the agenda (namely "*new issued shares shall be offered for subscription to existing shareholders of the Company by exercising their pre-emption right, proportionally to their number of shares, as follows:)*");
- Vote "against" on **item 1.3** of the agenda (namely, "*the increase of share capital will be made according to the amount actually subscribed and paid in the Company's account, and the newly issued and unsubscribed shares will be cancelled*");
- Vote "against" on **item 1.4** of the agenda (namely, "*approval of the one month term, from the date of publication in the Official Gazette of Romania, Part IV of the Extraordinary General Meeting of Shareholders Resolution on the increase of share capital, for exercising the pre-emption rights by the existing shareholders of the Company for subscription of newly issued shares, according to Item 1.2*");
- Vote "against" on **item 1.5** of the agenda (namely, "*approval of delegation to the Company Board of Directors of the implementation of share capital increase, as approved by the Extraordinary General Meeting of Shareholders, namely (i) the approval of final amount of the share capital increase and allocation of shares to shareholders proportionally to the amounts they have subscribed and paid, (ii) cancelling of the newly subscribed and not paid shares, (iii) approval of the addendum to the Articles of Incorporation comprising the modifications generated by increase of share capital, (iv) approval of the updated Articles of Incorporation of the Company, (v) approval of execution of any acts and performance of formalities required for implementation and for registration of the share capital increase with the interested authorities and institutions*");
- Vote "for" on **item 1.6** of the agenda (namely, "*approval to authorize the Chairman of the Board of Directors (i) to sign the resolutions of the Extraordinary General Meeting of Shareholders, (ii) to sign all the documents that have to be approved by the Board of*

Directors related to the implementation of share capital increase, (iii) to sign the addendum for modification of the Articles of Incorporation and the updated Articles of Incorporation, (iv) to perform the legal formalities procedures required for registration with the Trade Register Office of the resolutions related to and for share capital increase, (v) to authorize the Company employees or third parties to perform some of the above mentioned activities and/or operations”);

- Vote “against” on item 2 of the agenda (namely “approval to contract a credit in amount of up to Lei 23,200,000 for the required financing of the Company. Authorization of the Board of Directors to select offers for financing, to approve the contract and any other documents related to such credit contracting. The credit will be contracted only if the General Meeting does not approve the share capital increase as it is mentioned under item 1”); for this item S.N.G.N. „ROMGAZ” -S.A. representative in the General Meeting of Shareholders of S.C. Depomures S.A. will request the following paragraph to be included in the minutes of the meeting: “Considering the provisions of Article 44.1 of Depomures Articles of Organization, which mention the competencies of Depomures Board of Directors related to execution of all necessary and useful acts for achievement of the company’s scope of work, corroborated with the technical nature of the replacement of the gathering pipeline required for fulfillment of the scope of work, as well as the provisions of letter p of same article, it falls under Depomures Board of Directors competence to decide upon contracting a credit.”
- S.N.G.N. ”ROMGAZ” – S.A., as shareholder of SC Depomures SA adds, in compliance with art. 117¹, paragraph 1 of Law 31/1990, a new item on the agenda of the Extraordinary General Meeting of Shareholders of SC Depomures SA convened for January 27, 2015, as follows:

“Approve the share capital increase of SC Depomures SA by:

(i) incorporating the reserves from account “Other reserves” (in amount of RON 31 606 21 according to the financial statements as of 31.12.2013) in SC Depomures SA share capital.” or

(ii) share premium in order to maintain the accounting value of a share and of the reserves established by the current shareholders (in case the share premium is transferred to “Other Reserves”)

The vote is “in favor” of this item.

2. S.N.G.N. „ROMGAZ” – S.A. not to exercise the preemption right, proportional to the number of shares held, in case of a share capital increase at SC Depomures SA.

We mention that the above requests have been endorsed during the meeting of Romgaz Board of Directors on December 18, 2014.

Chairperson of the Board of Directors - SNGN Romgaz SA

Negrut Aurora

