

Registration no. 11249/March 28, 2022

To: The Extraordinary General Meeting of Shareholders of S.N.G.N. ROMGAZ S.A.

Report: on the approval to sign the share sale and purchase agreement regarding all shares issued by (representing 100% of the share capital of) ExxonMobil Exploration and Production Romania Limited to be concluded between S.N.G.N ROMGAZ S.A., as buyer, and ExxonMobil Exploration and Production Romania Holdings Limited, ExxonMobil Exploration and Production Romania (Domino) Limited, ExxonMobil Exploration and Production Romania (Pelican South) Limited, ExxonMobil Exploration and Production Romania (Califar) Limited and ExxonMobil Exploration and Production Romania (Nard) Limited, as sellers (the “SPA”), the draft made available to the shareholders at S.N.G.N. Romgaz S.A. headquarters, on the date of convening this Extraordinary General Meeting of Shareholders.

1. Brief history of the approval in S.N.G.N. Romgaz S.A. Extraordinary General Meeting of Shareholders and subsequent events

On December 10, 2021, S.N.G.N. Romgaz S.A. Extraordinary General Meeting of Shareholders (ROMGAZ EGMS) in EGMS Resolution no. 11 approved the following items:

“Art. 1

Approves the transaction for S.N.G.N. ROMGAZ S.A. to acquire all shares issued by (representing 100% of the share capital of) ExxonMobil Exploration and Production Romania Limited, company that holds 50% of the rights and obligations under the Concession Agreement for petroleum exploration, development and production in XIX Neptun Deep Block.

Art. 2.

(1) Approves the signing of the share sale and purchase agreement regarding all shares issued by (representing 100% of the share capital of) ExxonMobil Exploration and Production Romania Limited, agreement to be concluded between S.N.G.N. ROMGAZ S.A., as buyer, and ExxonMobil Exploration and Production Romania Holdings Limited, ExxonMobil Exploration and Production Romania (Domino) Limited, ExxonMobil Exploration and Production Romania (Pelican South) Limited, ExxonMobil Exploration and Production Romania (Califar) Limited and ExxonMobil Exploration and Production Romania (Nard) Limited, as sellers.

(2) The agreement shall be concluded by the Company together with receiving a corporate guarantee letter issued by Exxon Equity Holding Company in favor of S.N.G.N. Romgaz S.A. for guaranteeing deposit reimbursement and payment of relevant claims in compliance with above-mentioned share sale and purchase agreement.

(3) *If S.N.G.N. Romgaz S.A. acquires all shares issued by (representing 100% of the share capital of) ExxonMobil Exploration and Production Romania Limited, company that owns 50% of all rights and obligations under the Concession Agreement for petroleum exploration, development and production in XIX Neptun Deep Block, any disposal of:*

a) shares issued by ExxonMobil Exploration and Production Romania Limited;

b) rights and obligations of ExxonMobil Exploration and Production Romania Limited under the Concession Agreement for petroleum exploration, development and production in XIX Neptun Deep Block

shall be made only upon approval of S.N.G.N. Romgaz S.A. Extraordinary General Meeting of Shareholders.

Art.3

Mandates S.N.G.N. ROMGAZ S.A. Chief Executive Officer and the Chief Financial Officer to approve and sign the documents provided in the agreement mentioned at art. 2 above, necessary for finalizing the transaction and for carrying out all formalities necessary and useful for finalizing the transaction.

Taking into consideration following aspects:

- a) Between the date of ROMGAZ EGMS of December 10, 2021 and March 18, 2022, the parties to the SPA negotiated the adjustment of some clauses of the SPA with the scope of covering certain fiscal risks in favor of ROMGAZ (e.g. value added tax, which might be applicable to the transaction in Bahamas);
- b) The parties have not signed the SPA by this date, and, as such, the decisions adopted under Article 2, par. 1 and 2, and Article 3 of the ROMGAZ EGMS Resolution no. 11/December 10, 2021 did not produce any effects;
- c) The SPA draft submitted for approval of ROMGAZ EGMS of December 10, 2021 in the Transaction Documents (made available to the shareholders as indicated in the Convening Notice of the respective meeting) was modified following the aforementioned negotiations;
- d) According to ROMGAZ Articles of Incorporation “the *conclusion of acts of acquiring non-current assets with an individual or cumulated value exceeding, during a financial year, 20% of the Company’s total non-current assets, less receivables*” falls exclusively within the competency of S.N.G.N. Romgaz S.A. Extraordinary General Meeting of Shareholders

it is required to submit the updated SPA draft to S.N.G.N. Romgaz S.A. Extraordinary General Meeting of Shareholders for approval.

2. EXXONMOBIL EXPLORATION AND PRODUCTION ROMANIA LIMITED (EMEPRL) PETROLEUM AGREEMENT XIX NEPTUN BLOCK

ExxonMobil Exploration and Production Romania Limited (hereinafter referred to as EMEPRL) is a company operating in accordance with the laws of Commonwealth Bahamas and operates through its branch in Romania, ExxonMobil Exploration and Production Romania Limited Nassau (Bahamas) Sucursala Bucuresti.

EMEPRL holds 50% of the acquired rights and obligations under the Petroleum Agreement for the eastern, deep water zone of Neptun block.

Conduct of petroleum operations in XIX Neptun block is governed by the Concession Agreement for petroleum exploration, development and production in XIX Neptun block (the Petroleum Agreement) concluded on September 28, 2000.

The Petroleum Agreement was approved by the Romanian Government, through Government Decision No. 1233/2000, and became effective on the date of its publication in the Official Gazette of Romania namely on December 8, 2000.

According to the Petroleum Agreement, the block is divided in two zones:

- Zone A (having specific coordinates): the shallow water zone (less than 100m) - the western zone (the Shallow Water Zone)
- Zone B (having specific coordinates): the deep water zone (deeper than 100m) - the eastern zone (the Deep Water Zone/Neptun Deep)

OMV Petrom S.A. and EMEPRL each hold 50% of the acquired rights and obligations under the Petroleum Agreement for the eastern zone (the Deep Water Zone) of Neptun block, while for the western zone, all the acquired rights and obligations are held by OMV Petrom S.A.

The Petroleum Agreement is valid until November 2045.

Currently, the fifth optional extension of the exploration phase is in progress, and will end on November 9, 2023.

EMEPRL is operator of the Deep Water Zone.

OMV Petrom is operator of the Shallow Water Zone.

3. The SPA

Below is a short summary of the SPA:

Sellers

ExxonMobil Exploration and Production Romania (Califar) Limited;
ExxonMobil Exploration and Production Romania (Domino) Limited;
ExxonMobil Exploration and Production Romania (Nard) Limited;
ExxonMobil Exploration and Production Romania (Pelican South) Limited; and
ExxonMobil Exploration and Production Romania Holdings Limited, each of which is organized and operates under the laws of the Commonwealth of the Bahamas

Company/EMEPRL

ExxonMobil Exploration and Production Romania Limited (the “Company”/“EMEPRL”), a company existing under the laws of the Commonwealth of the Bahamas and which operates through its Romanian branch ExxonMobil Exploration and Production Romania Limited Nassau (Bahamas) Sucursala Bucuresti.

Buyer

S.N.G.N. ROMGAZ S.A. a company organized and existing under the laws of Romania

Shares

Shares means the entire issued share capital of the Company.

SPA Scope

The SPA provides all the terms and conditions agreed between the Sellers and the Buyer regarding the acquisition by ROMGAZ of the Sellers’ shares in EMEPRL.

Price

The acquisition price to be paid by ROMGAZ for the equivalent value of all EMEPRL shares is USD 1,060,000,000 (one billion sixty million US dollars), which may be positively adjusted by a maximum value of not more than USD 10,000,000 (ten million US dollars), while the negative adjustment is not limited.

Advance Payment/Deposit

Upon signing the SPA, ROMGAZ has the obligation to pay the Sellers an amount equal to USD 106,000,000 (one hundred and six million US dollars), as advance payment/deposit.

The difference between the acquisition price and the paid advance/deposit will be paid upon completion of the Transaction.

Conditions precedent

To complete the Transaction several conditions precedent must be met (as provided in SPA), among which we mention the following:

- a) Approval or deemed approval of National Supreme Council for Defence ("CSAT") regarding the transactions provided in this SPA;
- b) Notification to the Competition Council, and following the notification the receipt from the Romanian competition council of i) a decision clearing the transaction (or deemed approval of the Transaction by expiration of the legal deadline for issuing such decision) or (ii) a communication confirming that no approval, consent or clearance by the Romanian competition council is required for the Transaction;
- c) Notification on the Transaction and change in control of EMEPRL to the National Agency for Mineral Resources and, in this context, issuance by the Government of Romania of an approval for maintaining the validity of the Petroleum Agreement, thereby satisfying the requirements of Article 34.5 of the Romanian Petroleum Law.

Transfer of Operatorship to OMV Petrom

SPA contains provisions regarding the transfer of the Operator role and transition of services, etc. from EMEPRL to OMV Petrom as Operator in accordance with the Joint Operating Agreement for Neptun Deep block.

Governing Law

SPA is governed by English Law.

4. Execution of the SPA

ROMGAZ will sign the SPA (the draft made available to ROMGAZ shareholders at ROMGAZ headquarters in the Documentation regarding the execution of the SPA) only after the SPA is approved by ROMGAZ Extraordinary General Meeting of Shareholders.

5. Certain risks from the perspective of ROMGAZ and of the Transaction

- a) Increase of dividend pay-out ratio

As a company having the Romanian State as majority shareholder, in recent years, it imposed ROMGAZ a dividend distribution policy of at least 90% of the net profit.

Following pursued investment objectives, any dividend distribution policy exceeding 50% will negatively impact the available cash flow and implicitly ROMGAZ investment capacity.

b) Delay/ Lack of final investment decision (FID) for Neptun Deep Project

A delayed FID in the case of Neptun Deep Project may postpone the investment calendar and, along with this, the moment from which Romgaz could benefit from the production of the Neptun Deep Block.

Moreover, lack of FID in the case of Neptun Deep project may lead to delay or even impossible recovery of amounts ROMGAZ invested in the purchase of the participation in Neptun Deep block (e.g. there is a risk that, in case there is no change in the existing legal framework applicable to offshore projects, the future ROMGAZ partner will not make the final investment decision).

c) Risk relating to financing

In view of the fact that more than 50% of ROMGAZ future investments, including the financing of Neptun Deep Project, are to be financed from external sources, ROMGAZ creditworthiness must be at an acceptable level allowing rapid and efficient access to financing sources.

Therefore, an optimal allocation of capital is required to meet the indicators negotiated with the creditor banks, and it is possible to restrict ROMGAZ from investing in projects other than those included in the business plan.

In case loans required for financing investment in Neptun Deep project cannot be secured in a timely manner, alternative financing sources need to be identified.

d) European Union ("EU") energy policy and European Green Deal ("Green Deal")

EU/EC imposing additional taxes in the natural gas sector as part of taxonomy may have a significant effect, in case ROMGAZ needs additional investments for decarbonizing its gas production related activities for avoiding additional taxation of its production activity.

Moreover, consequences of the Green Deal on investments like Neptun Deep Project cannot be foreseen.

e) Prices of natural gas and electricity

Prices should be high enough in order to be able to meet the projected cash flows while being competitive in order to attract buyers and limit potentially cheaper imports.

Partially, any increase in natural gas prices is counterbalanced by the increase in the royalty costs and tax on additional revenue, calculated on the basis of the reference prices and sales prices respectively.

f) Instability of the tax treatment - necessity to stabilize the legislative framework

In recent years, the natural gas sector and the electricity sector underwent regulatory changes; therefore it is required to have a stable legal framework to increase the level of trust in financial projections.

Additionally, an improved offshore law would lead to an increased profitability of the investment in Neptun Deep Project. If the amendment to the offshore law is behind schedule, there is the risk of delaying the final investment decision and the start of investments for the development of Neptun Deep block and implicitly, reservoir production is delayed, that would ensure investment recovery.

g) Exchange rate and inflation

Additional risk generated by exchange rate variations and the increase of inflation reflected in higher costs and higher interest rates.

Moreover, any inflation increase might lead to increased costs, increased interest rates and even to a decrease of profitability, insofar as increased sales prices do not compensate the increase of costs.

h) Non-collection risk

The continuing difficult environment, marked by supply issues caused by a significant recovery of demand during 2021, has recently had repercussion on a much wider scale on the activity of local companies as well on the economic environment, with an erosion effect on the capital accumulation plan.

A large share of Company's sales is to companies that ensure, among others, the thermal agent necessary for population heating. Whereas, a significant part of the heat price is subsidized by city halls, ROMGAZ customers might face difficulties in collecting own receivables, that might generate financial blockages possibly leading to the impossibility to pay all debts to Romgaz.

i) Risk generated by delays in sectoral procurement procedures

Although the Law on Sectoral Procurement (Law no. 99/2016) aims to make transparent the contract award process and provide equal opportunities for all potential bidders, in practice, the application of this law leads to many delays, generates numerous obstacles in concluding works contract and creates blockages to contract execution, when, at the time when the tender documents are prepared, unforeseen circumstances occur which are beyond the control of ROMGAZ.

j) Bahamas on the EU "Tax grey list"

As of February 24, 2022, Bahamas was added on the EU tax grey list, being therefore considered a jurisdiction that is not entirely cooperating in terms of taxation, in accordance with the FHTP global standards ("Forum on Harmful Tax Practices").

That means that in the future there will be a continuous monitoring of aspects found to be non-compliant at the level of Bahamas jurisdiction but, for the time being, there are no sanctions imposed to that jurisdiction or to entities that conduct business in/through Bahamas.

6. ROMGAZ Board of Directors Endorsement

On March 22, 2022, ROMGAZ Board of Directors:

- a) *established that the decisions adopted under Article 2 paragraph 1 and 2 and Article 3 of the Resolution no. 11/10.12.2021 of the Extraordinary General Meeting of Shareholders of*

- S.N.G.N. ROMGAZ S.A. did not produce effects, and that is why the Board of Directors will submit to the Extraordinary General Meeting of Shareholders the proposal to revoke such.*
- b) Endorsed the conclusion of the share sale and purchase agreement regarding all shares issued by (representing 100% of the share capital of) ExxonMobil Exploration and Production Romania Limited, agreement to be concluded between S.N.G.N. ROMGAZ S.A., as buyer, and ExxonMobil Exploration and Production Romania Holdings Limited, ExxonMobil Exploration and Production Romania (Domino) Limited, ExxonMobil Exploration and Production Romania (Pelican South) Limited, ExxonMobil Exploration and Production Romania (Califar) Limited and ExxonMobil Exploration and Production Romania (Nard) Limited, as sellers.*
 - c) Endorsed that the agreement shall be concluded by ROMGAZ following the approval of ROMGAZ Extraordinary General Meeting of Shareholders, concurrently with receiving a corporate guarantee letter issued by Exxon Equity Holding Company in favor of ROMGAZ for guaranteeing deposit reimbursement and payment of relevant claims in compliance with the share sale and purchase agreement mentioned at item b) above.*
 - d) Endorsed the authorization of SNGN ROMGAZ SA Chief Executive Officer and Chief Financial Officer to approve and to sign the documents provided in the agreement mentioned at item b) above and the documents provided in the agreement mentioned at item b), required for S.N.G.N ROMGAZ S.A to complete the transaction to purchase all shares issued by (representing 100% of the share capital of) ExxonMobil Exploration and Production Romania Limited and to carrying out all formalities necessary and useful for completing the transaction.*

7. Documents of the SPA

The documents of the SPA, including the SPA submitted for approval, is available, starting with 30 days prior to the date of SNGN ROMGAZ SA Extraordinary General Meeting of Shareholders, at ROMGAZ headquarters, Constantin I. Motaş Square, no. 4, Medias, Sibiu County, Romania, for consultation purposes by all interested shareholders at such address, conditioned upon signing a confidentiality agreement to be made available by ROMGAZ to the shareholders for this purpose.

8. ROMGAZ estimation on completing the transaction

ROMGAZ estimates that the Transaction (Romgaz acquiring EMEPRL shares) will be completed in Q2 2022.

9. Draft resolution submitted for approval to the Extraordinary General Meeting of Shareholders of S.N.G.N. ROMGAZ SA

Article 1

The decisions adopted under the paragraphs 1 and 2 of Article 2 and Article 3 of the Extraordinary General Meeting of Shareholders of S.N.G.N. Romgaz S.A. No. 11/10.12.2021 shall be revoked.

Article 2

(1) The EGMS approves the conclusion of the Sale and Purchase Agreement regarding all shares issued by (representing 100% of the share capital of) ExxonMobil Exploration and Production Romania Limited to be concluded by S.N.G.N. Romgaz S.A., as buyer, with ExxonMobil Exploration and Production Romania Holdings Limited, ExxonMobil Exploration and Production Romania (Domino) Limited, ExxonMobil Exploration and Production Romania (Pelican South) Limited, ExxonMobil Exploration and Production Romania (Califar) Limited and ExxonMobil Exploration and Production Romania (Nard) Limited, as sellers, („the Agreement”), in the form made available to the shareholders at the headquarters of S.N.G.N. Romgaz S.A., as of the date of the convening notice of this Extraordinary General Meeting of Shareholders.

(2) The Agreement will be concluded by S.N.G.N. Romgaz S.A. upon receiving the Sellers' Guarantee provided by Exxon Equity Holding Company in favor of S.N.G.N. Romgaz S.A. to guarantee the reimbursement of the deposit and payment of relevant claims under the Agreement.

Article 3

The Chief Executive Officer and the Chief Financial Officer of S.N.G.N. Romgaz S.A are authorized to sign the Agreement and the documents provided in the Agreement, required to close the purchase transaction by S.N.G.N. Romgaz S.A. of all shares issued by (representing 100% of the share capital of) ExxonMobil Exploration and Production Romania Limited, as well as to complete all formalities necessary and useful in closing the transaction.

Article 4

The Chairperson of the meeting and the Secretary of the meeting are authorized to sign the Resolution of the Extraordinary General Meeting of Shareholders”.

Chairman of the Board of Directors
Dan Dragos DRAGAN

Chief Executive Officer
Aristotel Marius JUDE

Chief Financial Officer
Razvan POPESCU

Director of Exploration Production Division
Argentina TATARU

Director of Legal Department
Endre IOO