



ROMGAZ



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

To: The General Meeting of Shareholders

Request for approval

on the endorsement to conclude a legal services contract with a Polish law firm in order to carry out legal formalities in connection with Romgaz withdrawal from the Polish blocks.

According to GMS Resolution no. 1 of January 27, 2016, Romgaz shareholders approved Romgaz withdrawal as follows:

- from the quality of Party to the Joint Partnership Agreement concluded with Aurelian Oil&Gas Poland and Sceptre Oil & Gas for the performance of petroleum operations in blocks Cybinka and Torzym in Poland;
- from the quality of Limited Liability Partner in the two Polish Limited Liability Partnerships Energia Cybinka sp.z.o.o.sp.k and Energia Torzym s.z.o.o.sp.k.

As a result of the above-referred Resolution, Romgaz notified its partners of its decision to withdraw by means of Notices of Withdrawal sent on February 26, 2016.

In order to carry out the withdrawal formalities and in accordance with the provisions contained in Article 13 of the Joint Partnership Agreement (JPA) on Withdrawal, Romgaz is obliged to perform the required steps to effect its withdrawal and to bear costs relating to the withdrawal procedure and to the transfer of its participating interests to the remaining parties. To this extent, Article 13 of the JPA provides the following:

Art. 13.6 „The withdrawing Party shall assign its rights and obligations under this Agreement to all the Parties not withdrawing from this Agreement and the LLP in the proportion that the

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

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Participating Interest of each Party not withdrawing from this Agreement and the LLP bears to the aggregate of such Participating Interest, unless the Parties not withdrawing from this Agreement and the LLP agree otherwise. Withdrawal and assignment costs shall be borne by the withdrawing Party”.

Art. 13.7 „The withdrawing Party shall promptly undertake such actions as may be necessary or expedient in connection with the withdrawal and assignment. The Parties not withdrawing from this Agreement and the LLP shall assist the withdrawing Party in obtaining applicable consents from the Authorities. All the costs or expenses incurred by the Parties in connection with obtaining such consents shall be borne and paid by the withdrawing Party.”

During the time period from the date of the Withdrawal Notification until now, Romgaz and the other partners have conducted a vast amount of correspondence in relation to the actions Romgaz withdrawal implies in connection with its withdrawal from the two entities and the JPAs.

Taking into consideration the provisions of Article 13.7 according to which Romgaz shall bear all costs in connection with the withdrawal, Romgaz is obliged to pay all costs in connection with required legal formalities, consisting mainly of:

- concluding two agreements for the transfer of participating interest Romgaz holds in the two JPAs, one transfer agreement for each JPA.;
- amendment of the Articles of Association of the two limited liability partnerships, by means of executing a Notarial Deed.

Based on the Notarial Deed, the General Partner shall request the Polish Trade Registry to delete from their evidence Romgaz as Limited Liability Partner of the two limited liability partnerships.

Taking into account that all legal formalities must comply with the Polish law and must be drafted in the Polish language, accompanied by a proper English translation, the Business Development Direction considers that the fulfilment of these formalities by a Polish legal consultant is opportune.

In this respect, the Business Development Direction contacted the legal advisor who assisted at the Parties' discussion in connection with the withdrawal in order to identify the costs of the withdrawal formalities. As such, from the information we received such costs are maximum EUR 5,000.

In addition to these costs, Romgaz will have to pay notary fees, apostilles for the power of attorney, Polish Trade Register fees, the fee for translating all documents from Polish into English language.

Considering that:

- the elaboration of the above-mentioned documents must comply with the Polish law,
- Romgaz has legal staff specialized in the Romanian law,

And in consideration of all of the above, the Business Development Direction requests the GMS approval for concluding a legal services contract with a Polish law firm in order to carry out legal formalities in connection with Romgaz withdrawal from the Polish blocks.

Romgaz, together with the local partners in the joint-venture, will identify the law firm. The company's executive management will be subsequently asked to approve the selection.

ENDORSEMENT by the Board of Directors of Romgaz to conclude a legal services contract with a Polish law firm in order to carry out legal formalities in connection with Romgaz withdrawal from the Polish blocks.

In respect of the above mentioned, Romgaz Board of Directors endorsed the proposal for concluding a legal services contract with a Polish law firm in order to carry out legal formalities in connection with Romgaz withdrawal from the Polish blocks and issued the Resolution no. 32/20.10.2016 to endorse the conclusion of a legal services contract with a Polish law firm in order to carry out legal formalities in connection with Romgaz withdrawal from the Polish blocks.

Taking into consideration the above mentioned, Romgaz requests:

Approval of the conclusion of a legal services contract with a Polish law firm in order to carry out legal formalities in connection with Romgaz withdrawal from the Polish blocks.

**CHAIRMAN OF THE BOARD OF DIRECTION
Aurora NEGRUT**

