

Press release – New discovery in block RG 06 Muntenia Nord-Est

## **Romgaz: Caragele structure located in block RG 06 Muntenia Nord-Est looks promising**

Societatea Națională de Gaze Naturale ROMGAZ S.A. announces a new hydrocarbon discovery on the Romanian territory in block RG.06 Muntenia Nord-Est, where it performs petroleum operations as sole titleholder of the Concession Agreement for Exploration-Development-Production, according to HG 23/2000 and HG 968/2011.

The discovery is located in the north eastern part of the Moesian Platform in Caragele structure. The 35 km long Caragele structure has been explored for production units located at depths between 1500 and 5000m, as part of the company's major exploration projects.

The production tests completed at two exploration wells, Damianca 55 and 77 Rosetti, confirm an important hydrocarbon accumulation in Jurassic calcareous reservoirs on a 120m interval at a depth of over 4000. The results of the flow tests (DST) through 7mm and 9mm chokes predict a daily production between 1400 and 2200 boe/well. The contingent resource, evaluated based on drilling data such as well geophysics, cores, fluids and size of the trap according to 3D seismic, is estimated to be between 150 and 170 million boe.

*“The results paid by the two wells confirm the correctness of our decision to use 3D seismic in the phase of exploration of high depth geological units. The productivity of the entire structural unit increases considerably following these results and provides the perspective for new significant discoveries in the next period. Exploration works will be carried out in accordance with the set schedule and include development plans to stream into production the new wells.”* **Dumitru Rotar**, Deputy Director General – Exploration and Production – SNGN Romgaz SA Mediaș.

*„Romgaz plays an important role on the regional market, and under an increasing competition for access to resources, our strategy aims at consolidating the position of the company on the profile market by identifying new increase and diversification opportunities and by improving company performance. Current market conditions require a careful analysis of the investment strategy of oil and gas companies. A*

*constant priority for Romgaz is the increase of the hydrocarbon resources and reserves portfolio as well as the development of the storage activity. In a continuously changing market, the exploration, production and storage investments are highly important for the development of the company. The results prove that the investment program and the exploration activity have met the objectives creating good perspectives for continuing the exploration programs in Romania.”* **Virgil Metea**- Director General– SNGN Romgaz SA Mediaș.

**Romgaz Press Release Office**

**About Romgaz**

*Romgaz is the largest natural gas producer and the main supplier in Romania. The Company is admitted for trading on the Bucharest Stock Exchange and on London Stock Exchange (LSE). The Main shareholder is the Romanian State owing a 70% stake. The Company has a vast experience in the field of gas exploration and production and a history that began in 1909, more than 100 years ago. Romgaz undertakes geological research in order to discover new gas reserves, produces methane by exploiting the reservoirs included in the company portfolio, stores natural gas in the underground deposits, interventions, workover and special operations on wells and technological transport. In 2013, Romgaz extended its scope of work by taking over the Iernut thermoelectric power plant, and thus it became also electric power supplier.*