

March 27th, 2018

Press release – Unbundling of the Underground Gas Storage Activity

**Romgaz: On April 1, 2018 the underground gas storage activity will be unbundled and it will be performed by a subsidiary where Romgaz is the sole partner**

Romgaz announces that the subsidiary managing the gas storage activity will be operational on April 1, 2018. The subsidiary is SNGN Romgaz SA – Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL.

Therefore, on April 1, 2018, subject to EC Directive No. 73/2009 implemented by Law 123/2012 Electricity and Natural Gas Law, in art. 141, the storage activity will be unbundled from SNGN Romgaz SA and will be performed by a storage operator, a subsidiary where SNGN Romgaz SA is sole partner.

SNGN Romgaz SA agrees that setting up this subsidiary will meet the current market requirements by a larger flexibility allowing the optimization of the underground gas storage activity by a more efficient management of the involved resources.

The underground gas storage plays a major role in ensuring the security of gas supply, balancing therefore consumption – internal production – natural gas import, by covering the consumption peaks determined mainly by temperature variations in order to obtain technical and economic advantages.

Taking into account the characteristics of the activity, the Subsidiary will take over the operation of the underground storages licensed by SNGN Romgaz SA, it will operate the assets which contribute to performing the storage activity, taking over the entire personnel that performs storage activities within SNGN Romgaz SA thus benefiting from all provisions of the effective Collective Labour Agreement of SNGN Romgaz SA.

Underground Gas Storage	Current activity	Withdrawal Capacity	Injection Capacity
	TWh/cvcle	GWh/dav	GWh/dav
Bălăceanca	0.55	13.18	10.98
Bilciuresti	14.33	152.78	109.13
Cetatea de Baltă	0.65	2.13	0
Ghercesti	1.63	21.4	21.4
Sărmăsel	9.6	79.03	68.5
Urziceni	4.02	50.16	33.44

The underground storage activity continues to be regulated; the storage tariffs for storage cycle 2018 – 2019 will be published by Order of ANRE President until the beginning of the storage cycle (April 1, 2018).

## **Romgaz Press Office**

### **About Romgaz**

*S.N.G.N. ROMGAZ S.A. is the largest gas producer and the main supplier in Romania. The company is listed on the Bucharest Stock Exchange (Bursa de Valori din Bucuresti – BVB) and the London Stock Exchange (LSE). The main shareholder is the Romanian State with a 70% stake. The company has a vast experience in the field of gas exploration and production and a history that began more than 100 year ago, in 1909. Romgaz undertakes geologic research in order to discover new gas reserves, produces methane by exploiting the reservoirs included in the company's portfolio, stores natural gas in underground storages, and performs interventions, workover and special operations at wells, and renders professional technological transportation services. In 2013, Romgaz extended its scope of work by taking over the Iernut thermoelectric power station, thus becoming also an electric power supplier.*