

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

Press release – EX29 Est Rapsodia Block in the Black Sea

ROMGAZ: Following the results obtained from exploration operations, ROMGAZ and its partners intend to relinquish the EX29 Est Rapsodia Block in the Black Sea

Romgaz and its partners Lukoil Overseas Atash and PanAtlantic Petroleum signed two concession agreements through which they acquired rights and obligations to exercise petroleum operations in two blocks in the Black Sea, EX29 Est Rapsodia and Ex30 Trident.

In the Petroleum Agreement governing the operations related to Rapsodia Block, the partners carried out all the steps provided in the winning bid, both from a physical as well as from a value point of view.

The data and information obtained did not give the partners the incentive to continue the petroleum operations in a supplementary stage, by assuming a new exploration program.

Consequently, following solid analysis, the partners decided to notify the National Agency of Mineral Resources about their intention to cease petroleum operations within Rapsodia Block.

At this moment, analysis are carried out on the notification sent by the partners and to carry out the formalities necessary to terminate the Petroleum Agreement which shall cease at the time it is published in the Official Gazette.

It is natural, though not desirable, that some petroleum operations might not end up with the desired results. It is part of the activity specific and it is a risk assumed by the partners.

As far as it concerns the other Agreement regarding the petroleum operations in Trident Block, we reconfirm the information included in the Press release from October 14, 2015 and we state that the petroleum operations lead to a 30 billion cm discovery of natural gas which is followed by the analysis course, interpretation and assessment of accomplished discoveries.

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.