

November 28, 2018

PRESS RELEASE**Romgaz to produce and deliver more gas on the domestic market by year-end**

Romgaz gas production will rise by the end of the year by increasing the production from the *Caragele* area.

The Caragele reservoir supplies 700,000 cubic meters of gas per day to the system, and production is expected to increase to 1,000,000 cubic meters per day by mid-December, upon completing and commissioning a 16 km-long collector in the area. Depending on the results of exploratory wells, the estimated daily production could increase to 1,700,000 cubic meters per day in 2020.

The 2019 proposed investment amounting to approx. EUR 45 million for the Caragele reservoir provides for drilling of 15 wells and installing surface technological equipment at 10 wells. Efforts related to future exploration are focusing on planning and completing drillings meant to confirm or potentially increase the volume of the estimated resource, with investments of over EUR 100 million.

Romgaz delivers 15 million cubic meters of gas per day to the system, and the gas production has increased this year above initial estimates. In the first nine months of the current year, Romgaz produced about 4 billion cubic meters of gas, recording a 4.56% increase of production as compared to the similar period in 2017 and a 1.5% increase as compared to the estimates made at the beginning of the year. Gas produced in the third quarter of this year is up by 7% compared to the last year's similar period.

"Romgaz tendency is to increase gas production to ensure a fair price for the final consumer. At the same time, we take into account the replacement of consumed reserves with new gas reserves. Fortunately, the results are spectacular: currently, the reserve replacement ratio is over 70%, with the assumption that the ratio will be close to 100% in 2019, bearing in mind that the world replacement ratio barely reaches 30%", Romgaz CEO Adrian Volintiru declared.

Caragele is the largest onshore natural gas field discovered in the last 30 years in Romania, with an estimated resource of 25-27 billion cubic meters of gas.

Romgaz Press Release Office

About Romgaz

Romgaz is the largest natural gas producer and the main supplier in Romania. The company is listed on Bucharest Stock Exchange and GDRs are traded on London Stock Exchange. It is a joint stock company whose majority shareholder is the Romanian State owning a 70% stake. The company has a vast experience in the field of gas exploration and production and a history that began 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 deposits, performs well interventions, workover and special operations, and technological transportation. In 2013, Romgaz extended its scope of work by taking over the Iernut thermoelectric power station, and thus it became an electric power supplier, as well.