

September 26, 2016**Press release**

Ref.to: The situation created by the application of Electrocentrale Bucuresti SA to become insolvent (ELCEN)

- SNGN Romgaz SA is concerned of the events arising from the submission of applications of Bucharest companies RADET and ELCEN to become insolvent
- If ELCEN will become insolvent, Romgaz will add the receivables to the statement of affairs, being one of the largest creditors of the company.
- From September 27, 2016, SNGN Romgaz SA has to interrupt gas supplies to ELCEN.
- Considering the new situation, SNGN Romgaz supports any initiative of stakeholders that would lead to finding sustainable solutions for ensuring continuity of gas supply during winter 2016-2017.
- Gas supply security is a responsibility and a constant aim for the company, and Romgaz committed to deliver more than 50% of the Romanian gas consumption, including 50% of the total stored gas to be made available in winter.

Over time, SNGN Romgaz SA has been a reliable partner for ELCEN Bucuresti and through this company for the citizens of Bucharest, as well. We have paid a growing attention to this commercial relationship by ensuring that gas supply security, and continuity is ensured even under the most adverse weather conditions.

SNGN Romgaz SA management is concerned of the evolution of events following the announced intention of Regia Autonoma de Distributie a Energiei Termice - RADET Bucharest to become insolvent. At the same time, the company is concerned of the impact of this decision on Electrocentrale –ELCEN Bucuresti activity, one of Romgaz main clients.

Romgaz signed in July 2016 with ELCEN two natural gas supply contracts valid until September 30, 2017, with a cumulated value of RON 935.5 million. Moreover, the two companies agreed in August to reschedule overdue debts of ELCEN to Romgaz for a period of 36 months. The current debt of ELCEN to Romgaz is of RON 319 million.

The latest decision of ELCEN Bucuresti to apply for insolvency without previously informing its partners and not complying with the procedures provided in the concluded contracts obliges Romgaz management to act in line with the mandate given by the board of directors and shareholders, namely to act in the interest of the company and of its shareholders and to equally respect all Romanian consumers that are directly or indirectly supplied with gas.

The critical situation, created without consulting the parties involved, requires urgent decisions that have to be made by all stakeholders, and unfortunately such decisions do not belong solely to Romgaz.

ELCEN informed us that it can no longer fulfil its contractual obligations starting with September 27, 2016. The effective contractual clauses and the past experience that led to a

debt of hundreds of million RON, forced Romgaz management to stop gas supplies as of this date until solutions and measures will be found to enable ELCEN to act in compliance with the contracts signed with Romgaz.

As a national interest company, traded on the stock exchange, SNGN Romgaz SA has the duty to equally protect the interest of all customers and of its shareholders, fully observing the law and the contractual obligations.

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.

Romgaz Press Office