

Registration No 37022/02.11.2021

*Endorsed*

**Chairman of the Board of Directors  
Dan Dragos DRAGAN**

**To: the Ordinary General Meeting of Shareholders of S.N.G.N. ROMGAZ S.A.**

**Request on:** approving the contracting of bank loan agreements amounting to, individually or cumulated, EUR 325 million to finance the acquisition of all shares issued by ExxonMobil Exploration and Production Romania Limited (“EMEPR”) holding 50% of the rights and obligations in the deep water zone of the offshore XIX Neptun Block, Black Sea.

#### 1. EXXONMOBIL EXPLORATION AND PRODUCTION ROMANIA LIMITED (EMEPR)

ROMGAZ (the Company) has completed the negotiations on purchasing all shares issued by ExxonMobil Exploration and Production Romania Limited (“EMEPR”) holding 50% of the rights and obligations in the deep water zone of the offshore XIX Neptun Block, Black Sea (hereafter referred to as the “Transaction”).

#### 2. Price of the whole package of shares issued by EMEPR

##### SPA

The Sale-Purchase Agreement for all shares issued by (representing 100% of the share capital of) ExxonMobil Exploration and Production Romania Limited shall be signed by ROMGAZ, as purchaser, with ExxonMobil Exploration and Production Romania Holdings Limited, ExxonMobil Exploration and Production Romania (Domino) Limited, ExxonMobil Exploration and Production Romania (Pelican South) Limited, ExxonMobil Exploration and Production Romania (Califar) Limited and ExxonMobil Exploration and Production Romania (Nard) Limited, as sellers (such agreement is hereafter referred to as the SPA), by prior approval of the Transaction and the SPA by the Extraordinary General Meeting of ROMGAZ Shareholders.

##### Price

The purchase price to be paid by ROMGAZ for the equivalent value of the shares issued by EMEPR amounts to USD 1,060,000,000 (one billion and sixty million USD), that may be positively adjusted by a maxim value of not more than USD 10,000,000 (ten million USD), while the negative adjustment is not limited.

### Advance Payment/Deposit

Upon signing the SPA, ROMGAZ shall pay an amount of USD 106,000,000 (one hundred six million) to the Sellers, representing advance payment/deposit.

Upon completion of the Transaction, the balance between the purchase price and the advance payment/deposit paid upon signing shall be paid.

To complete the Transaction several conditions precedent/suspensive conditions (as provided in the SPA) shall be met, amongst which the following are mentioned:

- a) Approval or deemed approval by the *Consiliul Suprem de Aparare a Tarii* (the Supreme Council of National Defense) ("CSAT") on the transactions provided in the SPA;
- b) Notification of ANRM on the Transaction, and issuance by the Government of Romania of a decision on approving the change of control of the Company and maintaining the validity of the Petroleum Agreement, thus complying with the provisions of the Petroleum Law of Romania.

Payments shall be performed in EUR in accordance with the EUR/USD conversion mechanism agreed in the SPA.

### 3. SPA Signing

The SPA will not be signed by ROMGAZ unless obtaining the previous:

- Approval of the Transaction and the SPA by the Extraordinary General Meeting of ROMGAZ Shareholders.
- Approval of the Transaction and the SPA by the competent corporate bodies of the Sellers.

### 4. Estimation of the partial funding need for the purchase price for the package of shares issued by EMEPRL

The need of external sources for financing a part of the purchase price for all shares issued by EMEPRL has been estimated to RON 1.6 billion, the equivalent of EUR 325 million, such value being also validated by ROMGAZ' financial consultant.

### 5. Steps taken in order to secure external sources of finance for the payment of a part of the purchase price for all shares issued by EMEPRL

ROMGAZ has requested the submission of offers from 8 banking companies, such being selected based on the examination of the non-binding offers previously submitted, with the aim of securing a loan having as selection criteria the best offer in terms of financing cost as well as granting terms and conditions, as follows:

- ✓ collaterals: no guarantees;
- ✓ granting fee: 0 (zero);
- ✓ non-utilization fee: 0 (zero);
- ✓ early repayment fee: 0 (zero);
- ✓ arrangement fee: maximum 0.05% of the loan facility, payable within 5 days of agreement signing date;
- ✓ agent fee (only in case of club loans): maximum EUR 20,000 EUR per year, payable to the agent;
- ✓ interest rate for loans in EURO: EURIBOR 3M plus % margin per year; *Mention: if EURIBOR 3M is negative, EURIBOR 3M shall be deemed zero*
- ✓ loan maturity: 5 years from drawdown;
- ✓ loan reimbursement: equal quarterly instalments starting with the first quarter after first drawdown;
- ✓ governing law of the loan agreement: Romanian Law or English Law; ROMGAZ has given the banks the option to choose, within the agreement, as governing law the Romanian Law or English Law, with the aim of not limiting/restricting the subsequent selection.

During the process, finance institutions submitted clarification requests, and ROMGAZ promptly replied to those.

Binding offers submitted by the banking companies have been examined and assessed in collaboration with the consultants that ensure support for obtaining funding, with the aim of selecting the institutions to receive a request for reviewed and improved proposals.

Four bidders that submitted offers complying with ROMGAZ requirements specified in ROMGAZ request have been invited to resubmit a final, reviewed and improved binding offer.

In this phase, ROMGAZ also submitted a draft loan agreement based on the LMA Investment Grade, adapted/modified in collaboration with the consultants supporting ROMGAZ in the funding process so as to reflect the relevant principles for the Company.

The draft loan agreement has a bilateral structure and is denominated in Euro (EUR), reflecting ROMGAZ commercial requirements in accordance with the initial request for proposals, as well as several aspects taking into account ROMGAZ current and anticipated business.

Currently, the funding commission nominated in accordance with the Decision of ROMGAZ CEO is reviewing the binding and improved proposals, and the comments and modifications to the draft loan agreement proposed by ROMGAZ are to be reviewed by the consultants providing financial and legal support, in order to select the offer meeting the selection criteria - the best offer in terms of financing costs as well as granting terms and conditions.

According to the above information, the process of obtaining a loan necessary to partially fund the purchase price for the whole package of shares issued by EMEPRL offered by ROMGAZ is being concluded, and the contracting of funding is subject to the approval by the General Meeting of ROMGAZ Shareholders, and is to be implemented simultaneously with SPA signing.

## **6. ROMGAZ Board of Directors' Endorsement**

On November 2, 2021, ROMGAZ Board of Directors endorsed the following:

- a) *To contract loans from one or more credit institutions, in total amount of EUR 325 million, with the scope of covering a part of the transaction purchase price by S.N.G.N. Romgaz S.A. for all shares issued by (representing 100% of the share capital of) ExxonMobil Exploration and Production Romania Limited, under following granting criteria:*
  - ✓ *collaterals: no guarantees;*
  - ✓ *granting fee: 0 (zero);*
  - ✓ *non-utilisation fee: 0 (zero);*
  - ✓ *early repayment fee: 0 (zero);*
  - ✓ *interest rate for loans in EUR: EURIBOR 3M plus % margin per year (% margin according to the best offer if a single loan agreement is concluded, or % margin according to the best offers if two loan agreements are concluded);*
  - ✓ *loan maturity: 5 years from the drawn-down date;*
  - ✓ *loan reimbursement: equal quarterly instalments starting with the first quarter after the first credit draw-down;*
  - ✓ *utilisation period: 3 months as of the signing date of the loan agreement.*
- b) *To mandate the Company's Chief Executive Officer and Chief Financial Officer to sign the loan agreement/agreements mentioned at Article 1 as well as any other documents, certificates, utilisation requests, notifications and other necessary documents in accordance with the above mentioned agreement/agreements.*

## **7. Resolution Draft submitted for the Approval of S.N.G.N. ROMGAZ SA Ordinary General Meeting of Shareholders**

Considering the above mentioned and taking into account the provisions of Article 12 of S.N.G.N. ROMGAZ S.A. Articles of Incorporation, paragraph 4, item g) on the competence of the Ordinary General Meeting of Shareholders to approve bank loan agreements with a value exceeding, individually or cumulated, the equivalent value in RON of EUR 100 million, the following resolution draft is submitted for approval:

### **Article 1**

***Approves contracting loans from one or more credit institutions, in total amount of EUR 325 million, with the scope of covering a part of the transaction purchase price by S.N.G.N. Romgaz S.A. for all shares issued by (representing 100% of the share capital of) ExxonMobil Exploration and Production Romania Limited, under following granting criteria:***

- ✓ *collaterals: no guarantees;*
- ✓ *granting fee: 0 (zero);*
- ✓ *non-utilisation fee: 0 (zero);*
- ✓ *early repayment fee: 0 (zero);*
- ✓ *interest rate for loans in EUR: EURIBOR 3M plus % margin per year (% margin according to the best offer if a single loan agreement is concluded, or % margin according to the best offers if two loan agreements are concluded);*
- ✓ *loan maturity: 5 years from the drawn-down date;*
- ✓ *loan reimbursement: equal quarterly instalments starting with the first quarter after the first credit draw-down;*
- ✓ *utilisation period: 3 months as of the signing date of the loan agreement.*

### **Article 2**

***Approves the mandate of the Company's Chief Executive Officer and Chief Financial Officer to sign the loan agreement/agreements mentioned at Article 1 as well as any other documents, certificates, utilisation requests, notifications and other necessary documents in accordance with the above mentioned agreement/agreements.***

Chief Executive Officer  
Aristotel Marius JUDE

Chief Financial Officer  
Razvan POPESCU

Legal Director  
Endre IOO

Finance Director  
Andrei BOBAR