

Registration No.: 10077/09.03.2023

To the Ordinary General Meeting of Shareholders of S.N.G.N. Romgaz S.A.

ENDORSED
Chairman of the Board of Directors
Dan Dragoș Drăgan

Request of approval
on

increasing the ceiling of the Loan Facility No. 201812070225 on issuance of guarantee instruments concluded with Banca Comercială Română S.A. (BCR) by RON 210,000,000

Brief History

On December 08, 2022, S.N.G.N. Romgaz S.A. (Romgaz/the company) concluded with BCR the Addendum No. 5 to the Loan Facility Contract No. 201812070225 for the issuance of guarantee instruments within a ceiling limit of RON 420,000,000, valid until December 08, 2023, in accordance with the approval obtained by OGMS Resolution No 12/December 08, 2022.

The amendment of the Loan Facility Contract No.201812070225, in force as of this date, has taken into account the following:

- Extension of the utilization period, i.e. extension of validity by one year to December 08, 2023;
- Increase of the facility ceiling limit from RON 350,000,000 to RON 420,000,000;
- Including irrevocable stand-by credit letters within the scope of the contract;
- Issuance under the Loan Facility of a performance guarantee to cover the payment obligation of the rent for a third entity, i.e. Romgaz Black Sea Limited, acting through its Romanian Branch, Romgaz Black Sea Limited Nassau (Bahamas) Sucursala București.

The Loan Facility Contract was conclude with BCR under favorable conditions for Romgaz, as the company did not recorded costs with bank charges (for non-use, issuance, validity extension, increase in value of issued guarantee instruments, etc), and it did not have to submit any form of guarantee (collateral cash deposit or other forms) to obtain the facility for issuance of guarantee instruments.

Current situation

To allow for sale of natural gas to be produced from the Neptun Deep reservoir, the following technical and commercial conditions to take over the gas into the National Transmission System (NTS), starting from reservoir production date, have to be previously fulfilled:

- Implementing by S.N.T.G.N. Transgaz S.A. of certain investment projects relating to the setup of the new entry point into the NTS;
- Capacity booking to entry into the NTS by signing a framework transmission contract between Romgaz Black Sea Limited through Romgaz Black Sea Limited Nassau (Bahamas) Sucursala București and S.N.T.G.N. Transgaz S.A.

The incremental capacity booking process has been initiated on November 07, 2022 by submitting together with OMV Petrom S.A. an initial capacity request, and such is carried out in compliance with the procedure approved by ANRE under the Endorsement No. 13/June 22, 2017 on incremental capacity booking for the entry point into/from SNT Tuzla, which is to be setup/developed through projects included in the NTS investment and development plans for the next ten years.

Currently, a capacity booking request relating to the binding stage of the procedure (the last phase of the process) has been submitted to S.N.T.G.N. Transgaz S.A. The Transmission System Operator has confirmed that all conditions stipulated in the procedure are met, and the set economic threshold is reached, and thereby the booking process is successfully completed, and the framework transmission contract is to be signed.

According to the procedure, the due date by which the capacity applicants are entitled to unilaterally withdraw from the framework transmission contract is December 01, 2023, by paying to S.N.T.G.N. Transgaz S.A. the estimated costs for performance and management of performance.

According to the documentation regarding the deployment of the binding phase of the incremental capacity process published by S.N.T.G.N. Transgaz S.A, the costs (mainly performance costs and performance management costs) that the Operator anticipated to accrue before December 01, 2023 are as high as RON 418,363,828.83.

According to Article 10(a) of the framework transmission contract published under the procedure, the network user has to provide in favor of the transmission operator a financial guarantee for compensation in case of unilateral termination of the contract in any moment before December 01, 2023. Such guarantee shall be provided within 30 days of framework transmission contract signing, and shall amount to, according to S.N.T.G.N. Transgaz S.A clarification letter No. 11434 of February 13, 2023, the maximum equivalent value set in the documentation on the incremental capacity booking process multiplied by the share of each applicant's booked capacity of the total booked capacity.

Given that the entry capacity subjected to this procedure is requested by Romgaz Black Sea Limited Nassau (Bahamas) Sucursala București and OMV Petrom S.A in equal share (50%), the guarantee to be provided shall amount to RON 209,181,914.42.

Proposals

Therefore, in order to benefit from de favorable conditions obtained under the Loan Facility Contract No. 201812070225 concluded with BCR (as mentioned above and without additional pecuniary obligations for Romgaz) and in case of the aforementioned financial guarantee and

other potential guarantees to be provided by Romgaz Black Sea Limited, the following are required:

- Increase of the current RON 420,000,000 ceiling by RON 210,000,000 up the amount of RON 630,000,000;
- Including within the scope of the contract of a clause to allow for the issuance of other bank guarantee instruments, other than the existing performance bank guarantee (payment obligation of the rent for the headquarters of Romgaz Black Sea Limited Nassau (Bahamas) Sucursala București), for the guaranteed third party, i.e Romgaz Black Sea Limited, acting through its Romanian branch, Romgaz Black Sea Limited Nassau (Bahamas) Sucursala București.

Taking into account the above mentioned and the following:

1. In accordance with the provisions of Article 12 of Romgaz Articles of Incorporation, paragraph 4 item g), The Ordinary General Meeting of Shareholders has the competence to approve the bank loan contracts, the amount of which exceeds, individually or cumulated the equivalent in RON of EUR 100 million;
2. The RON 420,000,000 ceiling of the Loan Facility Contract, together with the RON 210,000,000 increase and the EUR 325 million bank credit (Decision No. 12/December 10,2021) for the purchase of the shares issued by ExxonMobil Exploration and Production Limited (the present Romgaz Black Sea Limited) exceed the EUR 100 million ceiling set by the Articles of Incorporation at Article 12, paragraph 4 item g);

Romgaz BoD Endorsement

In the meeting of March 10, the Board of Directors has endorsed under Resolution No. 25 the following:

- a) increase of the Loan Facility ceiling by RON 210,000,000, that is from RON 420,000,000 to RON 630,000,000;
- b) issuance of guarantee instruments for the guaranteed third party, that is Romgaz Black Sea Limited, acting through its Romanian branch, Romgaz Black Sea Limited Nassau (Bahamas) Sucursala București ;
- c) empowering Mr. Razvan Popescu, as Chief Executiv Officer, and Mrs. Gabriela Tranbitas, as Chief Financial Officer, to sign the Addendum to the Loan Facility Contract No. 201812070225;
- d) empowering the persons with type I and II signing rights in Banca Comercială Română to sign the applications for issuing and modifying the guarantee instruments (SGB, SBLC) under the facility granted by Banca Comercială Română S.A., as well as any other documents in connection with the Loan Facility Contract, irrespective of the form such are concluded, including, but not limited to, addenda, draw/ issuance/modification applications.

Draft Decision submitted for approval to the Ordinary General Meeting of Shareholders

Bearing in mind the above we hereby submit for the approval of the Ordinary General Meeting the following:

Article 1

Increase of the Loan Facility ceiling by RON 210,000,000, that is from RON 420,000,000 to RON 630,000,000.

Article 2

Issuance of guarantee instruments for the guaranteed third party, which is Romgaz Black Sea Limited, acting through its Romanian branch, Romgaz Black Sea Limited Nassau (Bahamas) Sucursala București.

Article 3

Empowering Mr. Razvan Popescu, as Chief Executiv Officer, and Mrs. Gabriela Tranbitas, as Chief Financial Officer, to sign the Addendum to the Loan Facility Contract No. 201812070225.

Article 4

Empowering the persons with type I and II signing rights in Banca Comercială Română to sign the applications for issuing and modifying the guarantee instruments (SGB, SBLC) under the facility granted by Banca Comercială Română S.A., as well as any other documents in connection with the Loan Facility Contract, irrespective of the form such are concluded, including, but not limited to, addenda, draw/issuance/modification applications.

Chief Executive Officer
Răzvan POPESCU

Chief Financial Officer
Gabriela TRÂNBÎȚAȘ

Finance Director
Andrei BOBAR

Legal Department
Monica STAFIE

Prepared by
Head of Office
Ildiko DAVID