

ROMGAZ



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

No. 4294 / 10.02.2014

To,

**GENERAL MEETING OF SHAREHOLDERS
of S.N.G.N. „ROMGAZ” – S.A.**

Ref: „Submarine Interconnection Cable of 400 Kv Romania - Turkey” Project

Whereas:

- a decision has to be made related to preliminary approval of an Agreement in Principle for performing the „Submarine Interconnection Cable of 400 Kv Romania - Turkey” Project, and
- the review of documents and substantiations provided by the Executive Management of „ROMGAZ” – S.A. related to the above mentioned Project, and
- the strategic impact on company development of the above mentioned Project (bearing in mind that Romgaz produces electric power from natural gas, which means at a higher price than the power produced by Hidroelectrica and Nuclearelectrica, the exported energy mix should be clearly defined right from the start of the Project),

the Board of Directors of „ROMGAZ” – S.A. decided, during the meeting held on February 10, 2014, the following:

- a) Approves the participation of S.N.G.N. „ROMGAZ” – S.A. in „Submarine Cable Interconnection of 400KV Romania – Turkey ” Project, by increase of share capital of the Project Company, according to the below mentioned mechanism and conditions:
 - „ROMGAZ” – S.A. participation in the Project will be performed in a staged approach; the payment of the shares representing an increase of share capital will be made as the stages of the project are performed;
 - „ROMGAZ” – S.A. will participate in the Project provided that the Project Company issues a project performance chart (providing at the end of each stage the deliverables which will be the basis for continuing the Project), and

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- „ROMGAZ” – S.A. will provide the Project Company the required amounts (according to its interest share) for achievement of each stage.
- if the Project Company considers the achievement of an update of the feasibility study, it will request and „ROMGAZ” – S.A. will pay in the account of the share capital of the Project Company, pro rata, the amount required for this stage. The same mechanism is applicable to the next stages, such as project implementation activities (commercial, legal or fiscal consulting services).
 - „ROMGAZ” – S.A. participation in this Project will be achieved according to the mechanism presented above, up to the amount provided by the Agreement in Principle; an internal review performed on the basis of the results achieved by the Project Company by that time will substantiate future investments of „ROMGAZ” – S.A. in this Project.
- b) Requires the Department for Energy, acting as major shareholder, to request the Project Company „HVDCC Romania – Turkey S.A.” as follows:
- The update of the Feasibility Study and completion of the study with a Market Study which should consider the legal framework in force in the two countries, the market demand, offering a better view on the opportunity of investment.
 - The Market Study will to be accompanied by a Business Model based on the firm demand of Turkey energy market,
 - The Market Study will to be also accompanied by an Action Plan that should include all relevant stages, from feasibility to execution, for which shareholders decision is mandatory; the Action Plan should add value, for medium and large term, to the shareholders of the Company;
- c) The Project Company share capital has to be achieved in a staged approach, according to the financing needs, after each relevant stage of the Action Plan is achieved, as it is not desirable to block important amounts of shareholders’ equity;
- d) Authorizes the Director General to sign the Agreement in Principle for the „Submarine Cable Interconnection of 400 Kv Romania – Turkey ” Project, under the above mentioned terms and conditions.

We submit for review and decision to the General Meeting of Shareholders of S.N.G.N. “ROMGAZ” – S.A the resolutions of the Board of Directors related to the participation of the company in the „Submarine Cable Interconnection of 400 Kv Romania – Turkey” Project, under legal and statutory provisions in force.

**Chairman of
the Board of Directors**

Aurora Negrut