

ROMGAZ

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



To

The Ordinary Assembly of Shareholders

MEMO

On the approval of extension of the credit facility in place with BCR, and the reduction of the cap applicable for the issue of Letters of Bank Guarantees to USD 60 mil.

Taking under consideration:

- That the current activity of the company requires the issuance of bank guarantees for the performance of contracts and for performance of payments;
- in accordance with the letter no. 31753 of September 23, 2019 of the Energy Sales Direction, the estimated value of the letters of bank guarantees required for the performance of sales activities for the period January 1st, 2020 – December 31st, 2020 is of approximately USD 44 mil.

Given the above, we regard contracting a credit facility of up to USD 60 mil for the issuance of letters of bank guarantees as being required in order to cover all contract obligations provided by energy and natural gas sales contracts, and considering the increase of volumes sold on centralised markets and also the need to cope with any unpredictable situation on the natural gas market.

Currently, Romgaz S.A. has such a credit facility contract in place for the issuance of letters of bank guarantees which is due to expire on December 31st, 2019, concluded with the Romanian Commercial Bank S.A. (BCR), for a USD 100 million cap, under favourable conditions, such as:

- no commissions for non-utilisation of the facility
- No commissions for the issuance, extension of letters of bank guarantee;
- No provisions on warranties on behalf of Romgaz for the maintenance of the credit cap for letters of bank guarantee.

We wish to mention that during 2015-2019, Romgaz S.A. did not incur any costs related to such credit facility contracts.

For 2020 based on Letter no. 3819 of November 6, 2019, BCR has confirmed the current cost provisions for letters of bank guarantees, meaning no costs on behalf of Romgaz S.A. (for issuance, extension and non-use) for a cap of USD 60 mil.

We also wish to mention that the reduction of the facility cap from USD 100 mil in 2019 to USD 60 mil for 2020 is operated further to the reduction of the amount requested by the Energy Sales Direction for issuance of letters of bank guarantees required in sales operations in 2020.

Under the circumstances presented above, we kindly request the members of the Board of Directors to endorse and to request the General Assembly of Shareholders to convene for approval of:

- the extension until December 31st, 2020 of the credit facility contract no. 201812070225 of December 10th, 2018, entered into with The Romanian Commercial Bank S.A.;
- the reduction of the credit facility cap to USD 60 mil;
- the empowering of Mr. Volintiru Constantin Adrian, in his capacity of General Director of Romgaz S.A., and Mr. Veza Leonte Marius, in his capacity of Economic Director to sign the contract for bank credit under the form of letters of bank guarantee, with a cap of USD 60 mil, valid until December 31st, 2020;
- the empowering of the persons below to sign the requests for issuance and modification of letters of bank guarantees under the BCR credit facility contract no. 201812070225 of December 10th, 2018, as well as any other documents related to the credit facility contract, irrespective of their form, including but not limited to addendums:

For signature I:	Mr. Volintiru Constantin Adrian	General Director
	Mr. Paraschiv Nelu	Deputy General Director - Development
	Mrs. Tataru Argentina	Deputy General Director – Operations and Exploration
For signature II:	Mr. Veza Marius Leonte	Economic Director
	Mr. Bobar Andrei	Financial Director
	Mrs. Tranbitas Gabriela	Head of Financial Reporting Office

GENERAL DIRECTOR
VOLINTIRU CONSTANTIN ADRIAN

ECONOMIC DIRECTOR
VEZA MARIUS