



ROMGAZ

FY/Q4 2016

Preliminary Results

February 2017



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All figures included in this presentation are rounded ("round to nearest" method).

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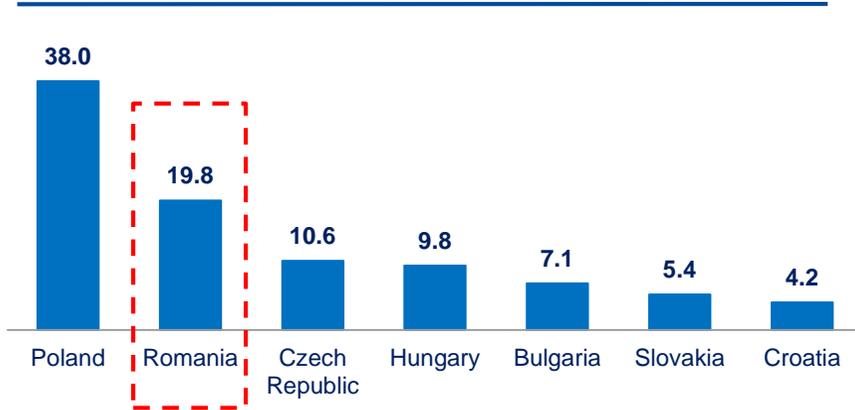


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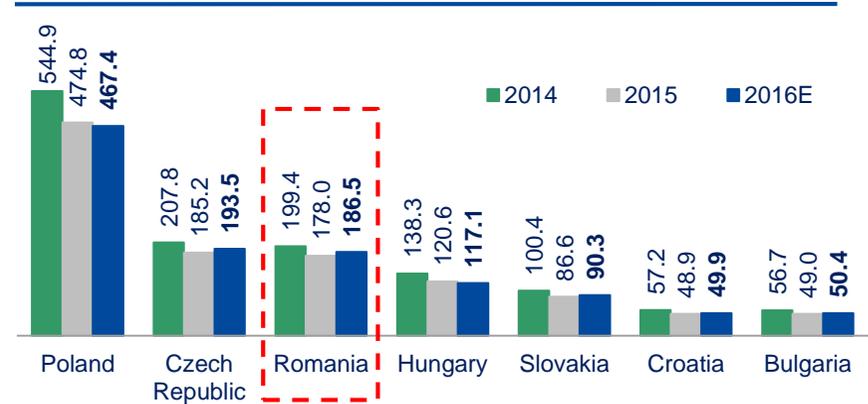
Economic context and gas market

Romania: Large country, favourable economy development, growth perspectives

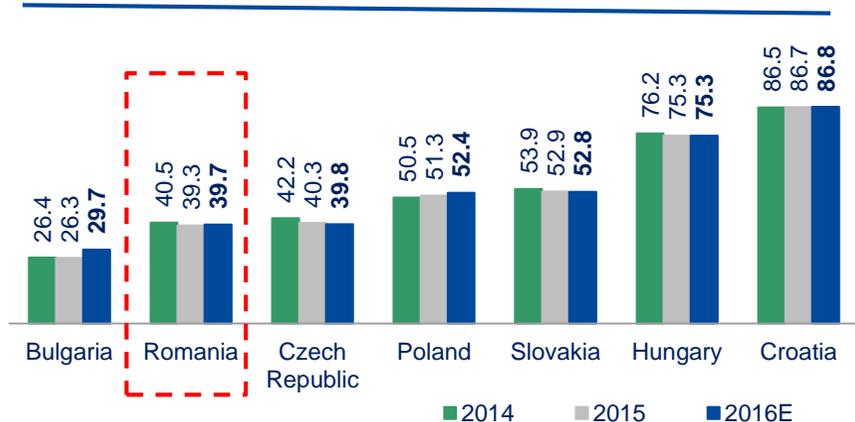
2016E Population (m)



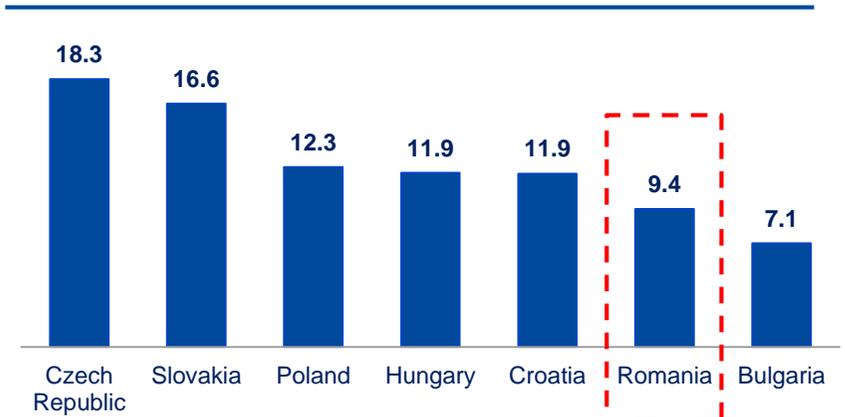
2016E GDP¹ (USD bn)



Public debt² (% of GDP)



2016E GDP per capita³ (USD '000)



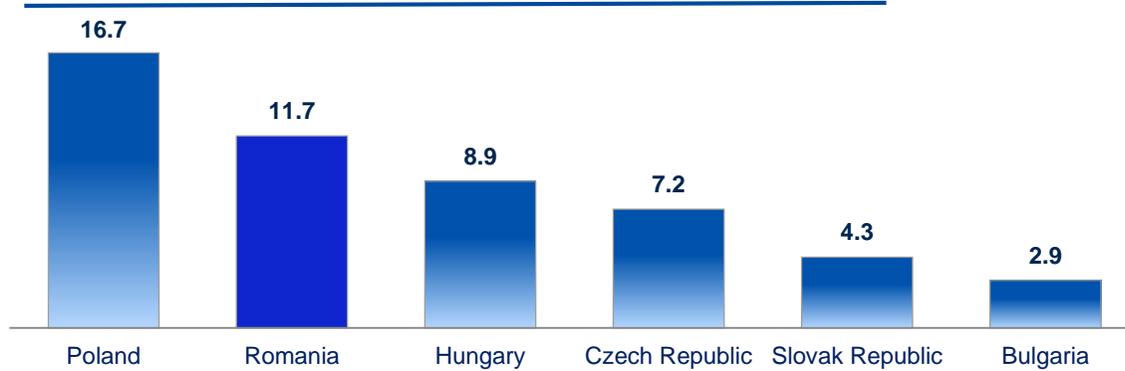
Source: IMF World Economic Outlook - October 2016

¹ Gross Domestic Product, current prices ² General Government Gross Debt, % of GDP ³ Gross Domestic Product per Capita, current prices

Economic context and gas market

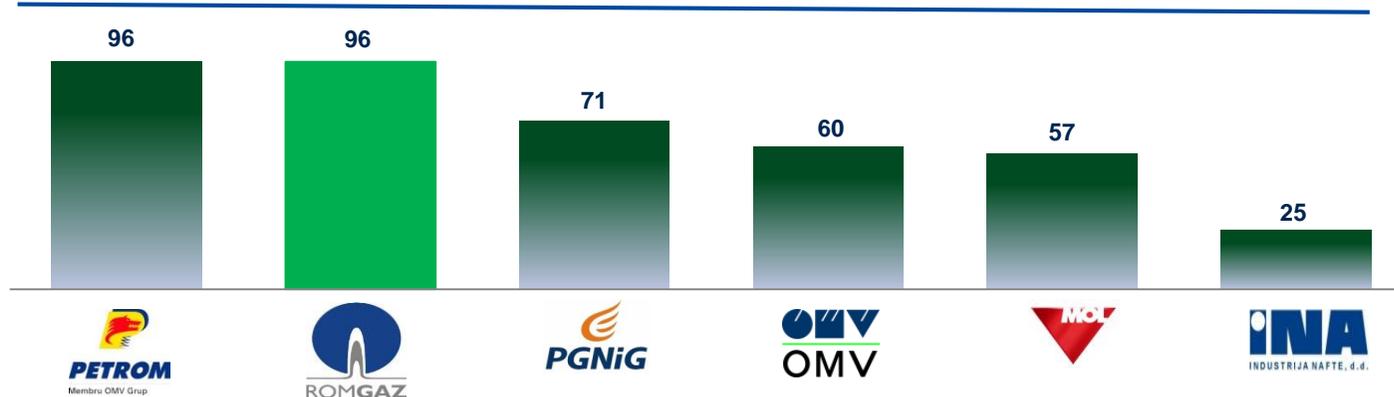
Romania: Well-positioned Gas Market

Gas consumption in CEE¹ (2015, bcm)



- Gas represents an important clean source of energy
- Romgaz is among top gas producers in the region

Gas Producers in the region² (2015 output, kboepd)



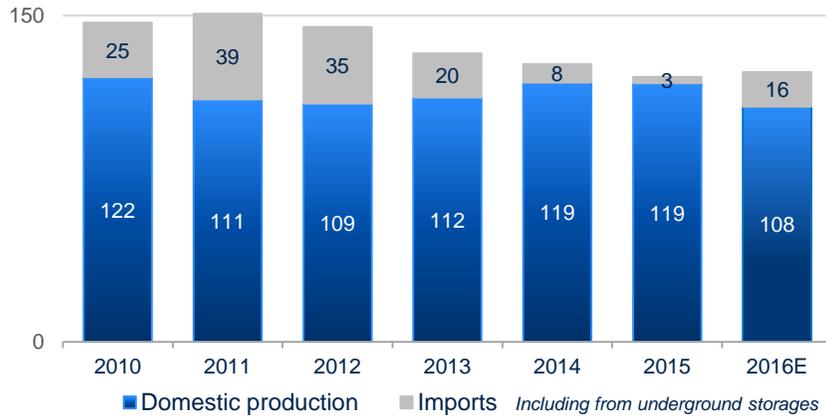
Source: ¹ BP Annual Statistical Review of World Energy (June 2016), Romgaz computation based on ANRE data for Romania;

² Romgaz computation based on companies' reports, Petrom: Romania+abroad, OMV excluding Petrom

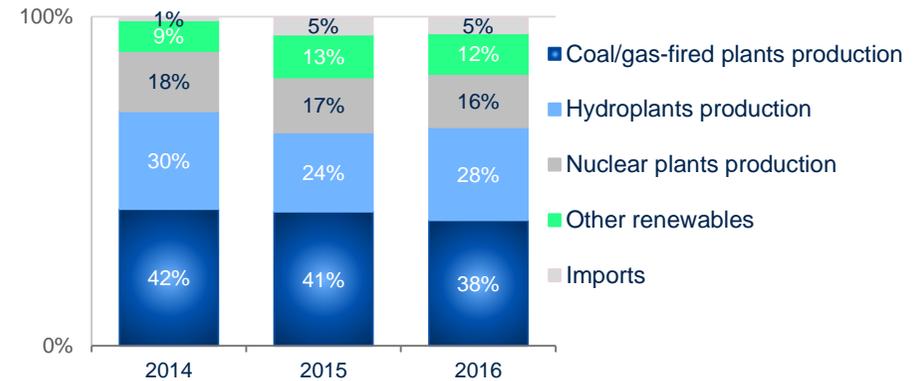
Economic context and gas market

Romania: Resilient gas production levels, High weight of industrials*

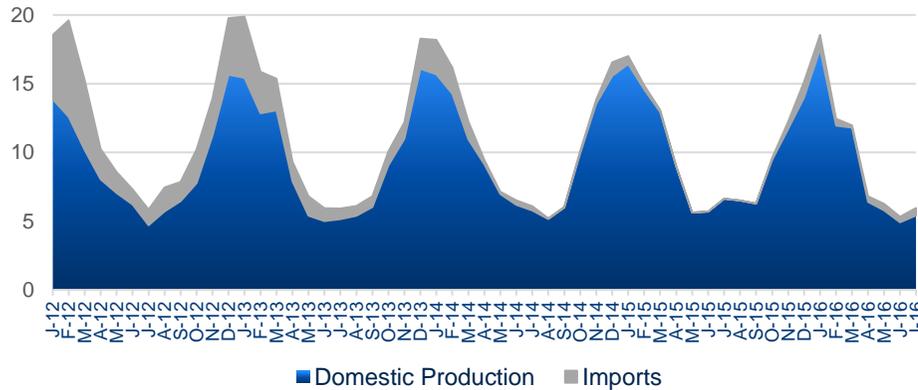
Natural Gas Consumption** (mln MWh)



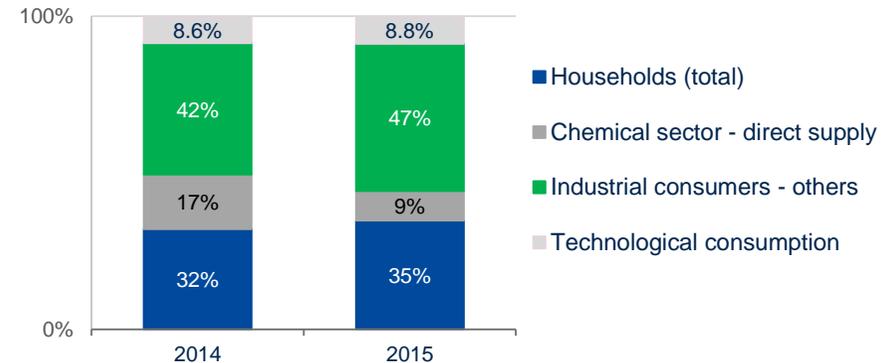
Energy resources



Seasonality of Gas Consumption 2012-July/2016 (mln MWh)



Gas Consumption by Sector



* Source: ANRE, Statistics Institute, Romgaz computation/estimates

** ANRE - Annual Monitorisation Reports and Monthly Reports, Romgaz estimates

Economic context and gas market

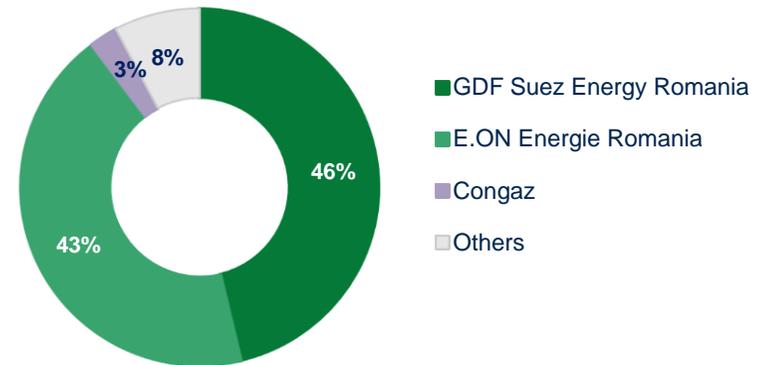
Romania: Gas Producers and Prices, Main Gas Suppliers

Regulated/free Prices of Producers vs Imports (RON/MWh)

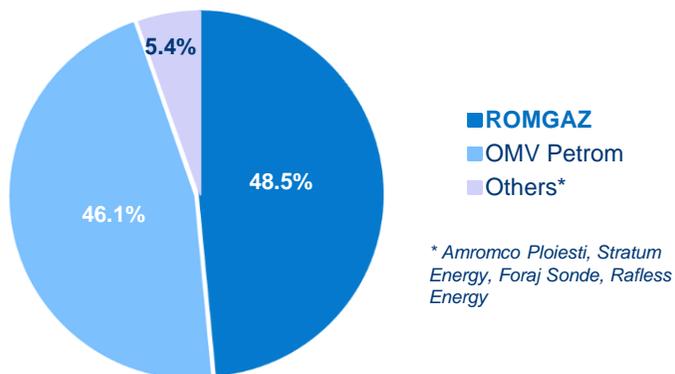


* Producers' regulated gas prices until end-2014; afterwards - price of gas sold by producers to suppliers of final clients on the competitive market, weighed with volumes (Romgaz computation based on ANRE's Monitorisation Report 2015 and 2016 Monthly Reports)

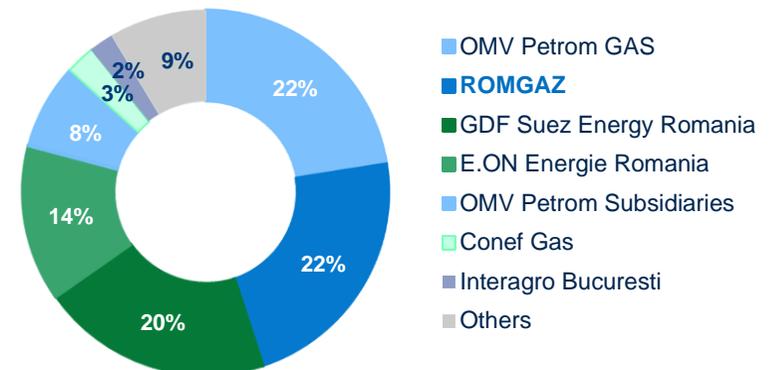
Gas Suppliers on the Regulated Market (2015)



Gas producers in Romania (2015)



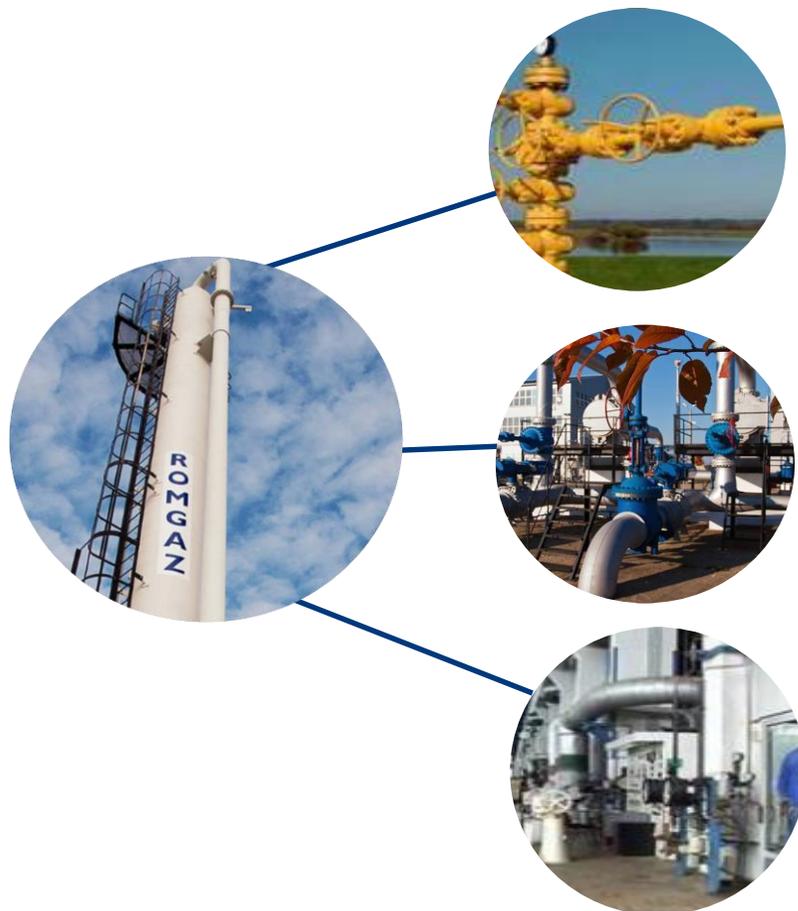
Gas Suppliers on the Eligible Market (2015)



Source: ANRE

ROMGAZ: Company Overview

Largest Producer and Supplier of Natural Gas in Romania



Gas Exploration, Production & Supply

- Over 140 commercial gas fields - significant onshore and offshore exploration potential, important discoveries and enhancements made lately
- Among top gas producers in Romania (output of 4.2 bcm in 2016)
- Significant market share in the total gas supply in Romania

Underground Gas Storage

- Working capacity: 2.92 bcm, recently upgraded from 2.77 bcm
- Important investments performed
- Market share of 91% in Romania
- Regulated activity (revenue-cap methodology, RR on RAB)

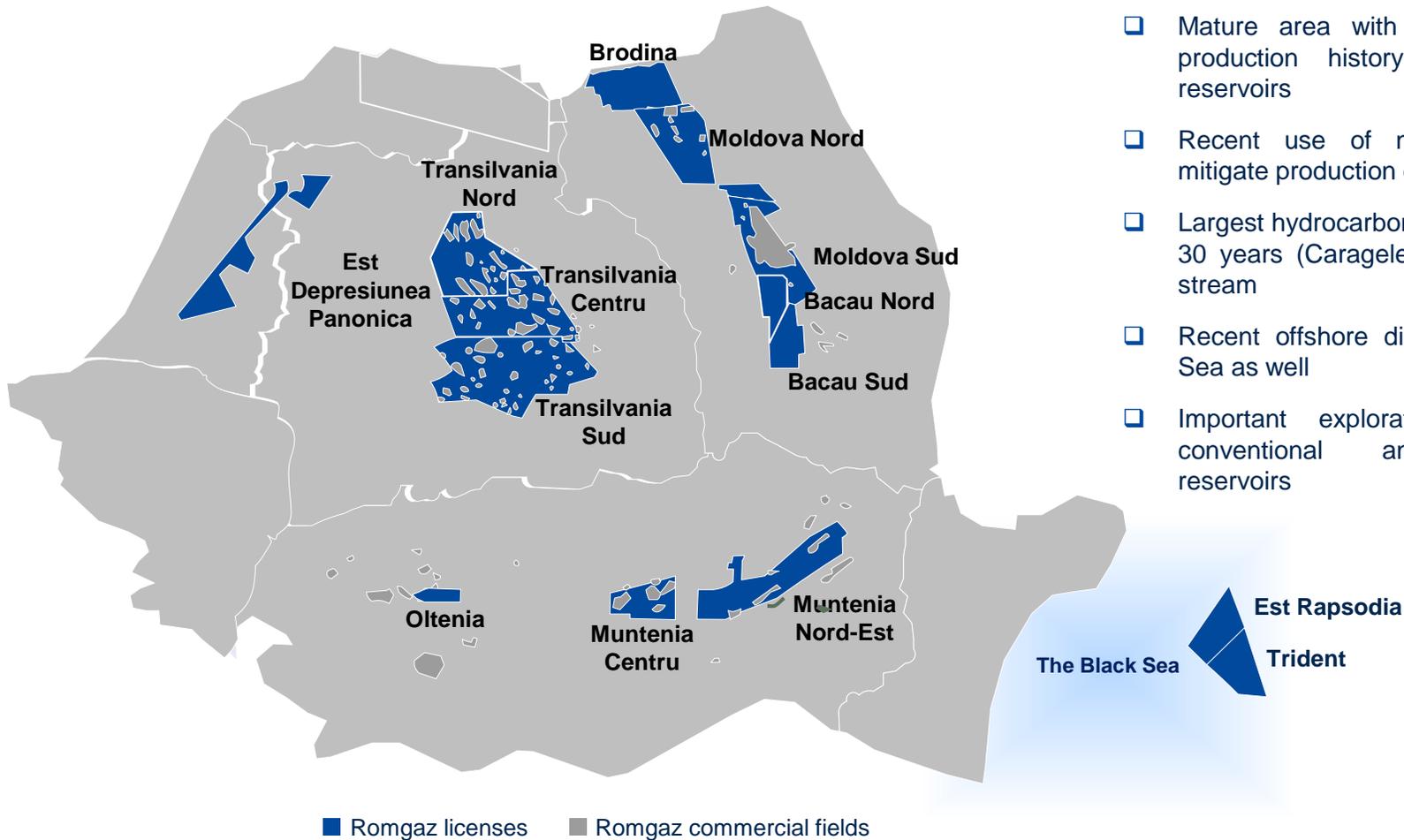
Electricity Production

- 800 MW nameplate capacity
- Significant investment plans ongoing
- Market share of 2.6%* in terms of production in 2016

* ROMGAZ estimates

Company Overview

Largest Producer and Supplier of Natural Gas in Romania

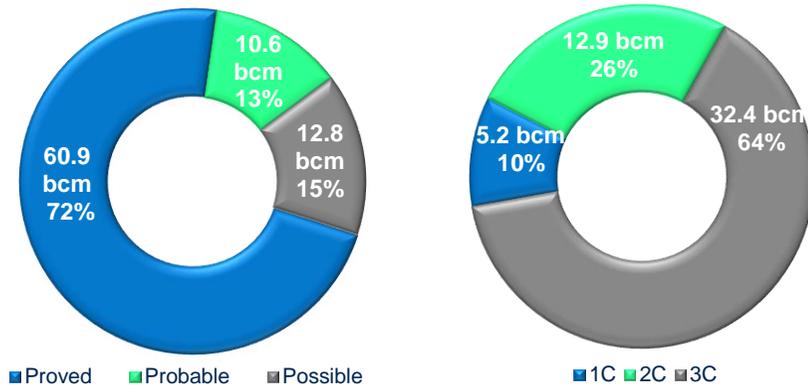


- ❑ Mature area with over 100 years of production history from conventional reservoirs
- ❑ Recent use of new technologies to mitigate production decline
- ❑ Largest hydrocarbon discovery in the past 30 years (Caragele) - to be brought on stream
- ❑ Recent offshore discovery in the Black Sea as well
- ❑ Important exploration potential from conventional and unconventional reservoirs

Company Overview

External audit completed – Contingent resources +88%, avg annual RRR over 83% !!

Audited Reserves¹ and Contingent Resources² Dec 31, 2015 (bcm, % of total)



External audit of our gas reserves and resources completed by DeGolyer&MacNaughton, US in H1 2016 revealed: total Contingent Resources of 50.5 bcm vs 26.8 bcm in 2013 (+88%), 3y-average RRR of over 83% exceeded our target

Overall: three production areas - **Transylvanian Basin (around 90% of production)**; Muntenia Moesian Platform and Moldavia Platform

25 fields hold about 70% of Romgaz reserves (average size of proved reserves per average field is of 0.450 bcm, with 15 fields with over 1bcm)

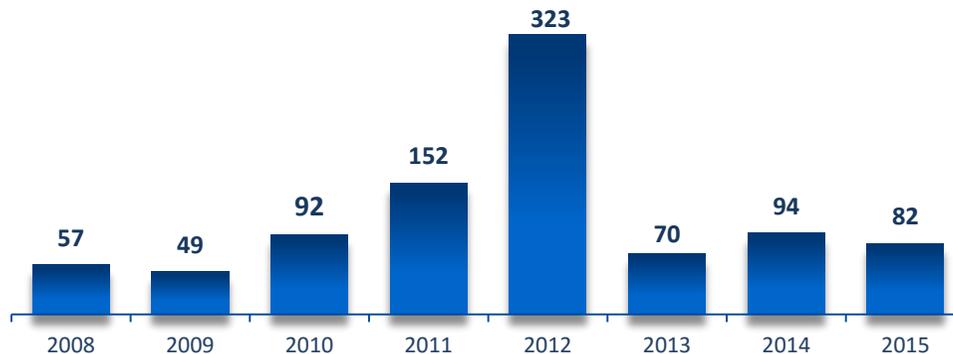
Recovery factors between 55% and 85% for most fields (90% in the more mature fields)

Reevaluation driven by investment in well workovers and installation of compressors

Bringing existing discoveries on-stream

New discoveries

Annual Reserves Replacement Rates (%)

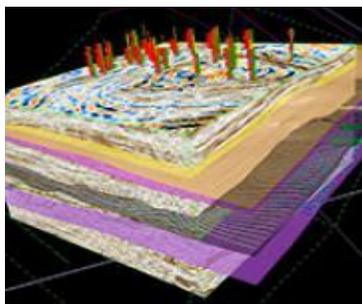


Source: External audit prepared by DeGolyer&MacNaughton as of Dec 31, 2015

¹ Probable and possible reserves have not been risk adjusted to make them comparable to proved reserves

² Application of any risk factor to contingent resources quantities does not equate contingent resources with reserves

Efforts undertaken to unlock the resource potential and secure production



Our Exploration Programme in the main 8 blocks has been extended over Oct/2016 – Oct/2021, by:

- ✓ 3D seismic services on an area of over 1,000 km²
- ✓ Drilling of at least 43 new exploration wells
- ✓ Total value of over USD 289 mln (c. RON 1,100 mln)

- Petroleum agreements for 9 onshore exploration blocks (about 17,650 km² across the Transylvania, Moldova, Oltenia and Muntenia basins), with 100% working interests
- 2 agreements for offshore E&P in the Black Sea (with Lukoil, and with OMV Petrom and Exxon respectively)
- Major projects in deep reservoirs in:
 - Transilvania (Laslau Mare, Deleni Deep)
 - Moldova (Frasin Deep)
 - Muntenia (Caragele Deep)

Romgaz: Exploration Works in the Key Nine Blocks

	2012 (units)	2013 (units)	2014 (units)	2015 (units)	2012 (RON mln)	2013 (RON mln)	2014 (RON mln)	2015 (RON mln)
3D (km ²)	700	1,830	1,218	912	52	145	82	79
2D (km)	517	224	451	-	23	9	20	-
Well drilling	5	25	20	31	66	206	260	290
Other works ⁽¹⁾	-	-	-	-	9	7	5	14
TOTAL					150	367	348	383

¹ Other works: MT sounding, Gore-Sorber surveys and development for experimental production

Exploration Activities

Efforts undertaken to unlock the resource potential and secure production

- ❑ Progress in the 10% partnership held with Lukoil in the Black Sea (Trident block): **Lira discovery new data assessment, geological background reanalysis and future appraisal wells design**
- ❑ 3D seismic interpretation in progress for the volume acquired in all period
- ❑ Development programme in progress for 36 new wells successfully tested; 15 wells already in production test to evaluate c.14bcm of 2C contingent resources
- ❑ Consistent 2016 drilling work program for c. 20 new potential accumulations as mentioned in the table herein

Significant developments

- ✓ **Largest hydrocarbon discovery in the past 30 years (June 2016):** located in NE of the Moesian Platform in Caragele structure – production tests completed at 2 exploration wells confirmed an estimated contingent resource of 25-27 bcm; as part of Romgaz’ major exploration projects, the 35 km long Caragele structure has been explored for production units located at depths between 1500 - 5000 m;
- ✓ Completed development of Cris discovery (Dec 2015)
- ✓ Large discovery announced in the Black Sea, Trident block (Oct 2015): gas reserves can exceed 30 bcm
- ✓ Successful completion of production tests for 2 discoveries, Tapu and Laslau Deep

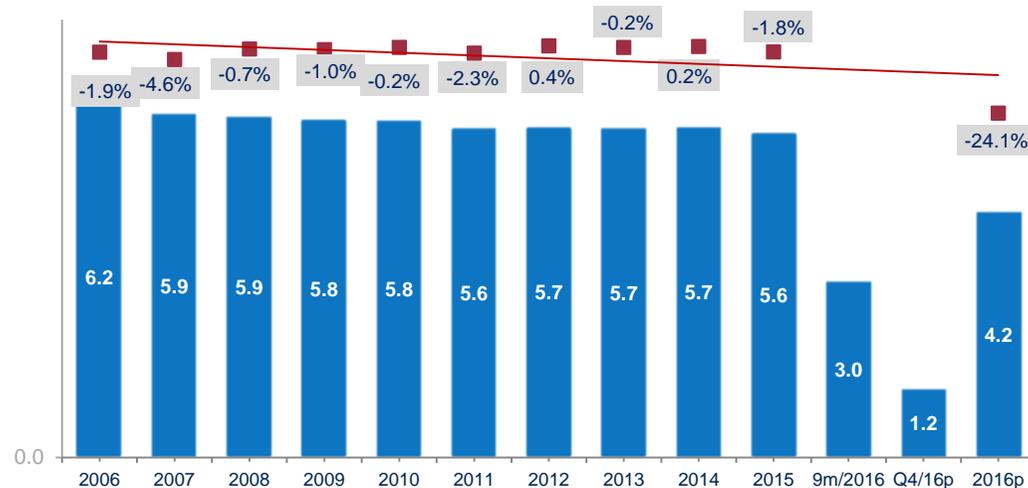
Romgaz: 2016 Exploration Drilling Program		
Contingent Resources (2C)	No. of wells	11
	Assessments of resources (bcm) ¹⁾	11
Prospective Resources (P90/P10)	No. of wells	26
	Assessments of resources (bcm) ¹⁾	22 / 66

¹ Based on Romgaz own assessment

Natural Gas Production

Q4/FY 2016 developments, Natural decline previously arrested

Romgaz: Production Levels (bcm, y/y change)



Romgaz: Enhanced Production in Selected Fields

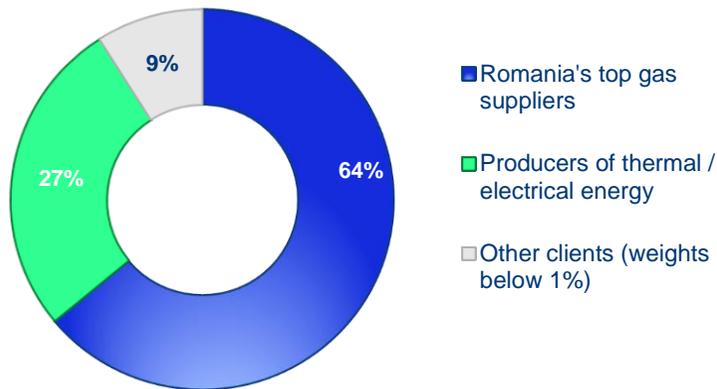
- Main actions include:
 - Adding of compression stations
 - Rehabilitation of production
 - New producing fields
- Production enhancement includes activities focused mainly on well workovers and new completion techniques
- Rehabilitation programme was extended by additional fields in 2016

- **In Q4 alone, we hiked our gas production by 41.6% compared to Q3 (-17.0% vs Q4/2015)**
- **Overall in 2016: gas output was adjusted downward by 24.1% y/y** as a result of a challenging gas market (unclear regulation for minimum gas stocks, relatively high quantity of own gas stored at the end of the 2015/2016 winter, competition from imports, fiscal regulation unfavorable for domestic producers)
- **Favorable production perspective** – significant hydrocarbon discovery in 2016 (Caragele structure): further development plans are to stream into production the new wells
- **In 2015 we succeeded to stabilise the Natural Production Decline by:**
 - Installation of gas compression and production enhancement/rehabilitation
 - Acquisition of 3D seismic data, dynamic and static reservoir modelling
 - Production from new discoveries

Gas Supply & Sales

Key clients in 2016, strong market share in supply

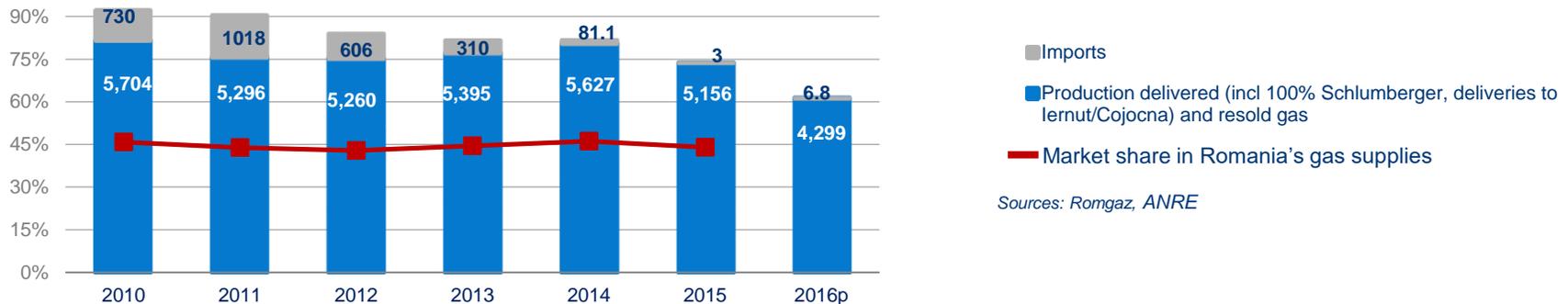
Romgaz: Key Clients in 2016 (quantities of gas sold)



Estimate; Portfolio breakdown reflects specific quarterly characteristics of gas demand

- Breakdown of gas sales in 2016, estimate: 57% at regulated prices to Households (HHs) and thermal plants for the gas used for HHs heating and 43% at free prices to other industrial consumers (including quantities delivered from UGS)
- Around 64% of Romgaz' gas sales were to the large gas suppliers in Romania
- Important market share in Romania's gas supply as well

Romgaz: Gas deliveries in Romania's total supply (mln cm)

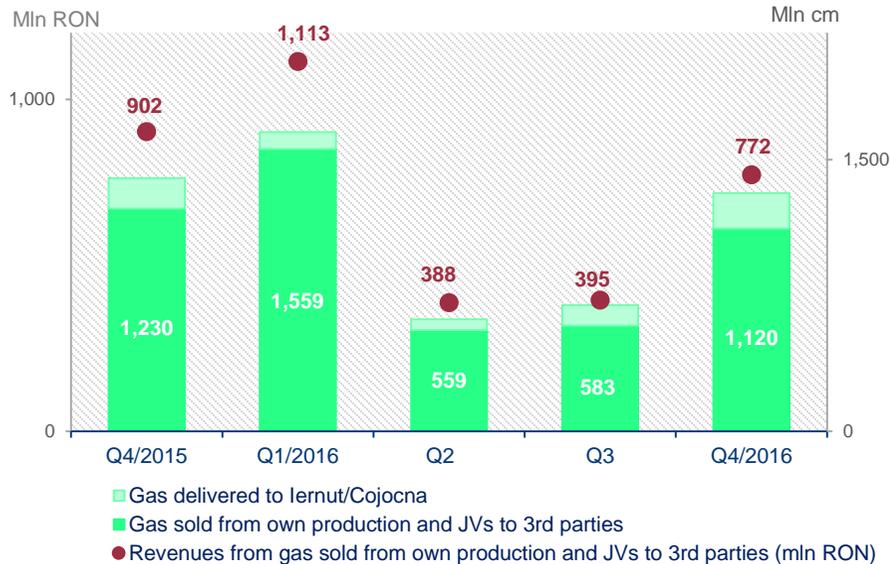


Sources: Romgaz, ANRE

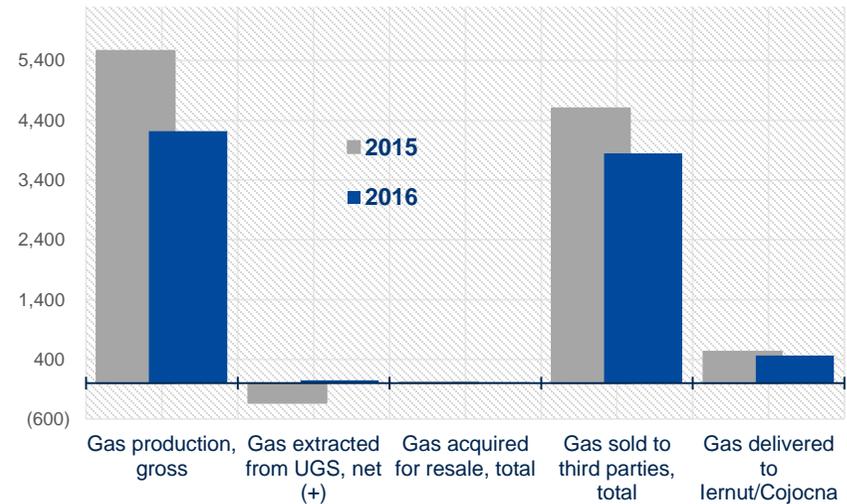
Gas Supply & Sales

Q4/FY 2016 developments, Gas Chain Management to mitigate seasonality and demand

Romgaz: Quarterly Seasonality of Gas Supply and Revenues



Romgaz: Gas Chain Management on annual basis (mln cm)

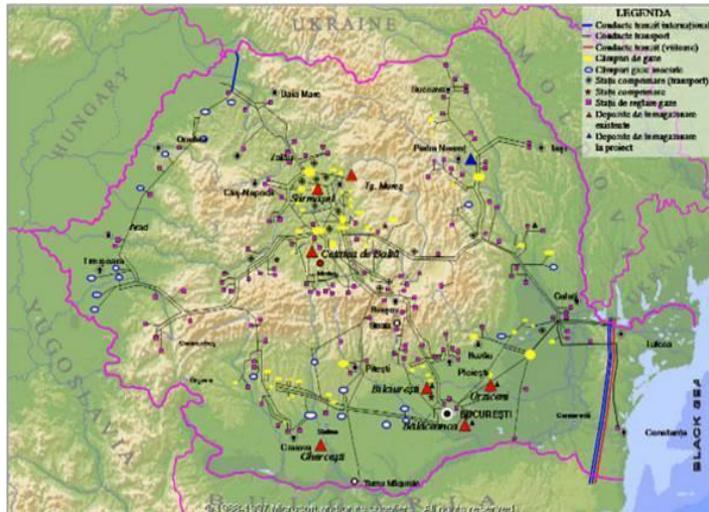


UPSTREAM SEGMENT CONTRIBUTION: 80% roughly in Revenue and EBITDA (9M/16)

- ❑ Overall in 2016, Romgaz gas sales were impacted by mild weather, weak demand from key industrial sectors (especially fertilisers), unclear regulation for minimum gas stocks, competition from low-price imports and fiscal regulation unfavorable for domestic producers
- ❑ In Q4/16 alone, own gas volume sold to third parties and the related revenues were up by 92% and 95% respectively vs Q3 (and -9% and -14% y/y)
- ❑ On quarterly basis, gas sales are generally peaking in Q1 and Q4
- ❑ Quarterly deliveries to CTE Iernut are based on fluctuant energy demand
- ❑ Efforts are undertaken to optimize the gas value chain
- ❑ Management of gas flow from production to clients is a priority
- ❑ Gas sales are accompanied by storage-related revenues as well as by electricity revenues
- ❑ Iernut plant is delivering electricity on all power market segments, with a focus on the balancing market to take advantage of higher prices

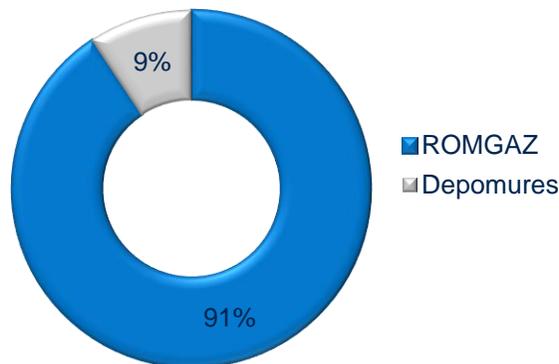
Underground Gas Storage

Romania's Largest Operator of UGS facilities



Romgaz: Underground Gas Storages - working capacities (mln cm/cycle) -			
Bilciuresti	1,310	Cetatea de Balta	100
Sarmasel	950	Ghercesti	150
Urziceni	360	Balaceanca	50
Total Working Capacity: 2,920 (starting July/2016)			

ROMGAZ UGS Market share

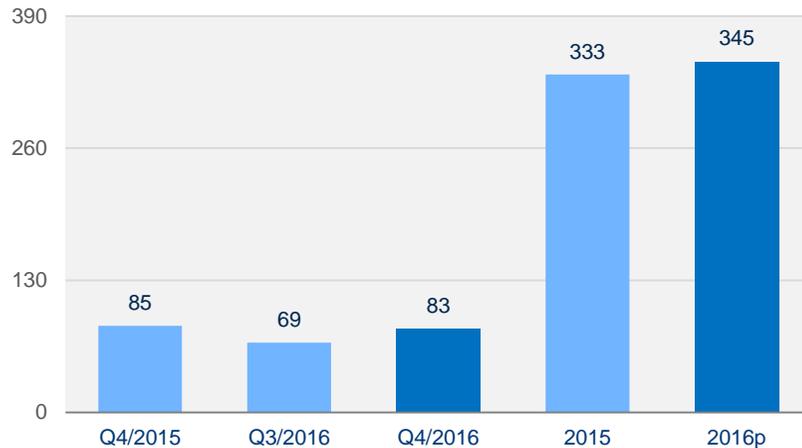


- ❑ The gas storage facilities: native gas acts as cushion gas in the storage process
- ❑ Activity regulated by ANRE using the revenue-cap methodology – third 5-year regulatory period started in Apr 2013, royalties of 3% of operating revenues
- ❑ Romgaz operates 6 facilities, with total working capacity of 2.92 bcm; it also owns a 41% stake in Depomures (0.30 bcm), a joint venture with Engie (former Gaz de France)
- ❑ **Performed Investments:** we extended the storage capacity of Sarmasel (completed in July/2016) and Urziceni (completed in 2014) .

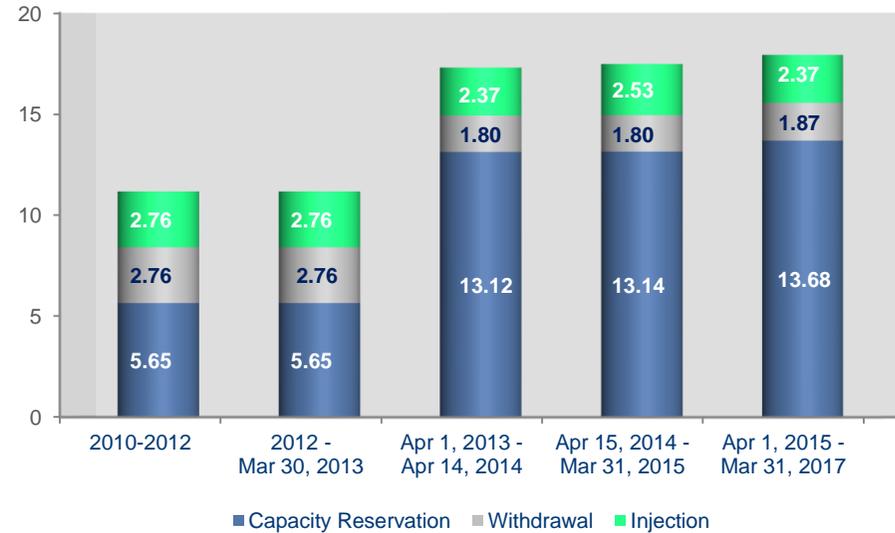
Underground Gas Storage

Favorable Q4/FY 2016 performance, approved tariffs

Romgaz: Revenue from Storage Services (mln RON)
- capacity reservation, withdrawal, injection -



Romgaz: Regulated storage tariffs (RON/MWh)



STORAGE SEGMENT CONTRIBUTION: 11-13% in Revenue and EBITDA (9M/16)

- ❑ In Q4 alone, UGS revenues hiked by 20.4% compared to Q3 (-3.0% y/y), due to improved demand of storage services in the market
- ❑ Overall in 2016, UGS revenues were up 3.9% y/y, amounting to RON 345 mln
- ❑ Capacity reservation activity provides the bulk of the UGS revenues (around 80% in past years)
- ❑ Separation of the UGS activity into a separate legal entity was postponed to April 01, 2017.

Electricity Production & Trading

Player in the Power Sector as well, Important ongoing investment plans

Romgaz: Electricity Production

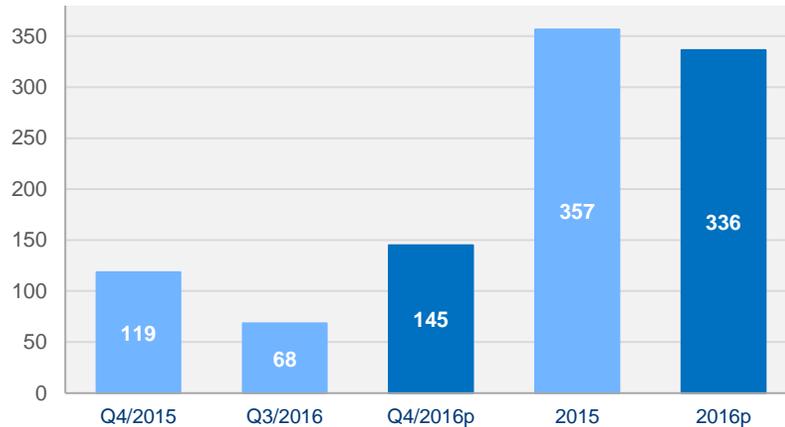


- CTE Iernut power plant enjoys a good strategic positioning in the middle of the Romanian electricity system
- Main roles are to cover national power consumption by acting in the electricity wholesale and balancing markets, ensure ancillary services to the national system, eliminate possible network constraints in NW Romania
- Nameplated capacity of 800 MW built in '60s, with flexible operational structure (4x100 MW, 2x200 MW)
 - Units 1 & 4 (2x100 MW) being modernized (to reduce NO_x emissions)
 - Units 5 & 6 (2x200 MW) can operate until 2020
 - Units 2 & 3 (2x100 MW) out of service since January 2016 (environmental issues)
- Estimated market share of 2.6% in terms of production in 2016
- Optimizing gas production - electricity production - storage injection
- **Romgaz intends to consolidate its position on the energy market.** In the field of electric power generation, we plan to improve CTE Iernut Power Plant efficiency to a 56% rate. The Board decided in June/2016 to finance Iernut development by our own funds and through the National Investment Plan.

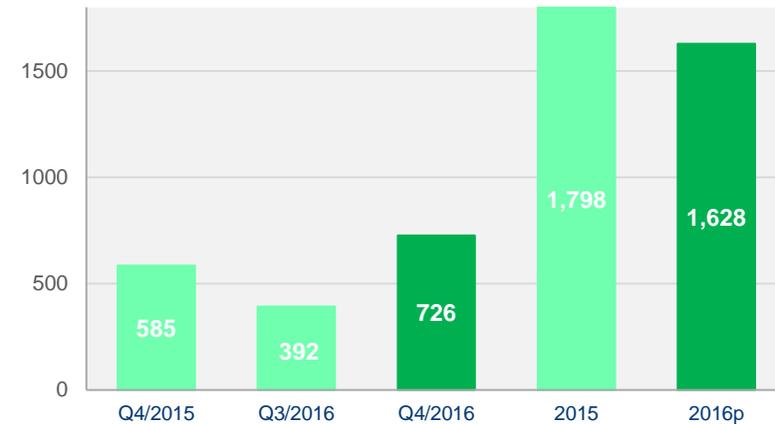
Electricity Production & Trading

Favorable developments in Q4/FY 2016, production capacity adjusted

Romgaz: Revenues from Electricity (mln RON)



Romgaz: Production of Electricity (GWh)



Electric Power generation and sale – included in the OTHER SEGMENT

OTHER SEGMENT CONTRIBUTION: 8-9% in Revenue and EBITDA (9M/16)

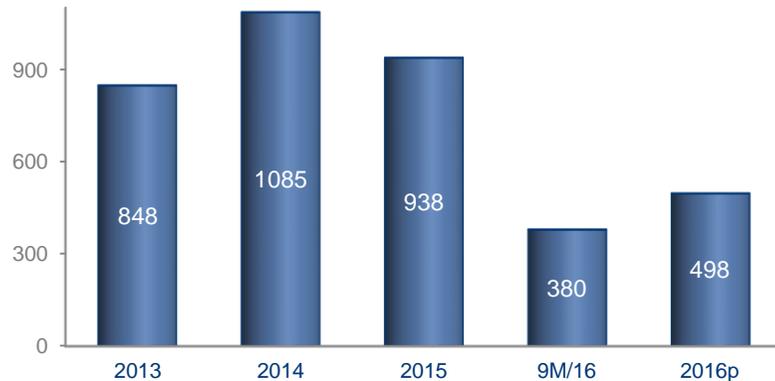
□ Main developments in 2016:

- In Q4 alone, we succeeded to increase revenues from electricity by a significant 22.3% y/y
- Also, in Q4, electricity production rose by 24.2% y/y and significantly by 85.5% vs Q3/15
- Overall in FY2016, revenues from electricity abated by 5.7% y/y, based on production lower by 9.4% y/y
- Recall that in January we adjusted downwards CTE Iernut capacity by 25%

Investments

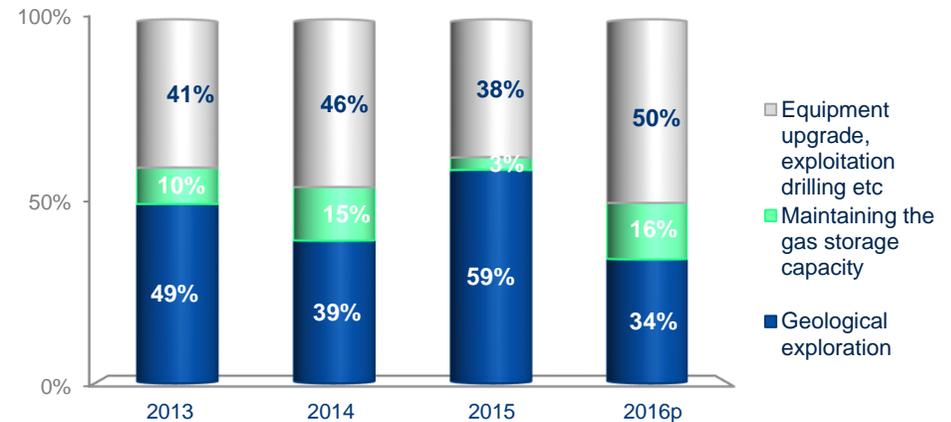
Key role in arresting the production decline, 2016 developments

Romgaz: Capital Expenditures (RON mln)



- ❑ In 2016, Romgaz spent RON 498 mln, roughly 50% below the budgeted amount, mainly on the side of geological exploration works as a result of lower investment in associations, delay in the public procurement process due to changes in legislation, difficult access to wells location, delay of projects with low profitability etc
- ❑ Investments were exclusively financed from the company's own sources

Romgaz: Breakdown of Investments



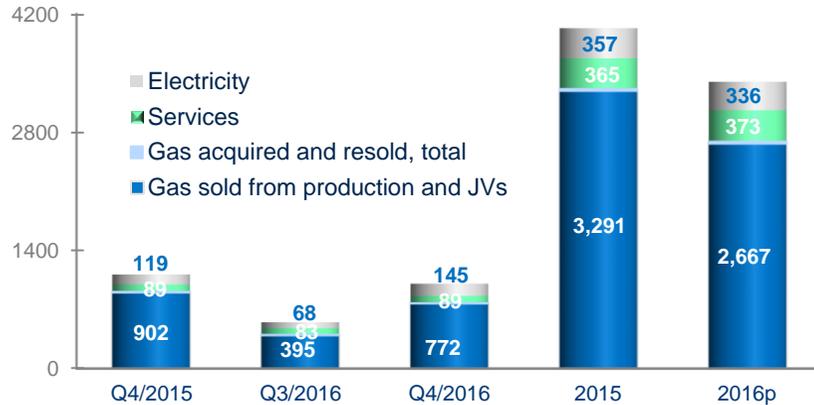
Major investments target projects such as:

- ❑ continue geological research works by surveys and drillings for the discovery of new gas reserves
- ❑ production development by adding new facilities on existing structures
- ❑ improve performance of facilities and equipment and increase production safety
- ❑ increase of UGS capacities, flexibility and security of existing storages
- ❑ Investment in a new electricity plant

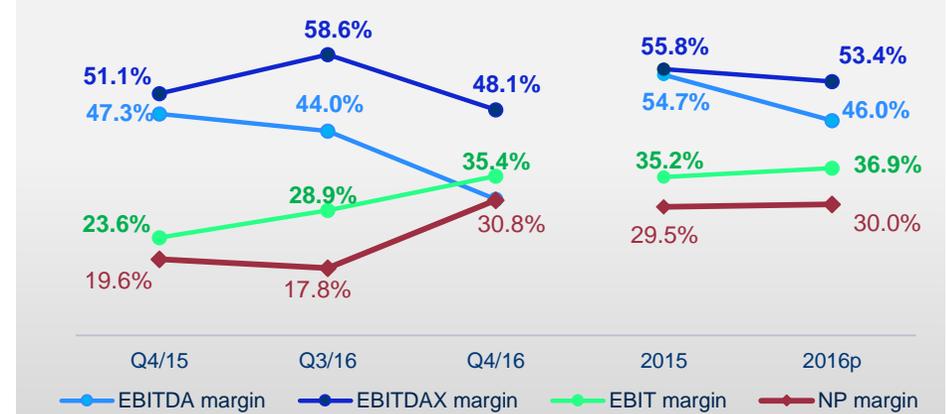
Financial Performance

Favourable Profitability levels in Q4/FY 2016

Romgaz: Breakdown of Revenue (mln RON)

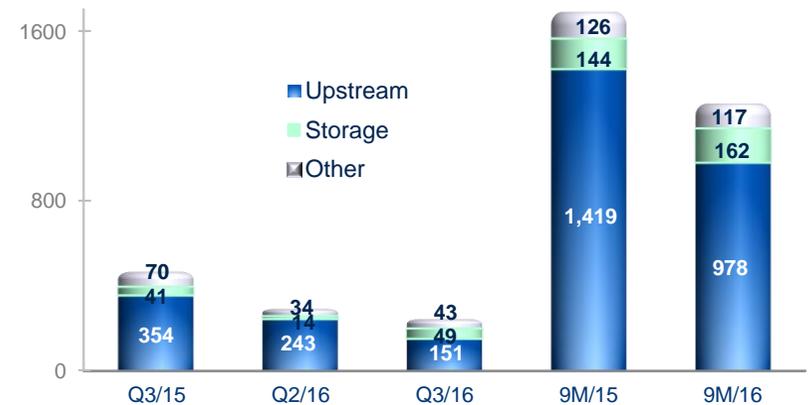


Romgaz: Robust Profitability Rates



- In Q4 alone, revenues from electricity rose by 22% y/y, revenues from services (mainly storage activity) were resilient and added to the gas revenues
- On gas sale, we focused on building a balanced client portfolio to enjoy flexible prices, as well as on diminishing the non-payment risk
- Margins remained robust in both Q4 and FY2016 (EBITDAX at 53.4%, and EBIT and Net Profit margins increased to 36.9% and 30.0% respectively in 2016)
- We met the objective of “0 new overdue receivable” in Q2, Q3 and Q4 as well !
- We delivered and even exceeded the budgeted Net Profit in 2016 !

Romgaz: EBITDA Structure by Segments (mln RON)



Financial Performance

Selected P&L items – NP +42% y/y and 3x q/q in Q4 alone, exceeding the budget in FY2016

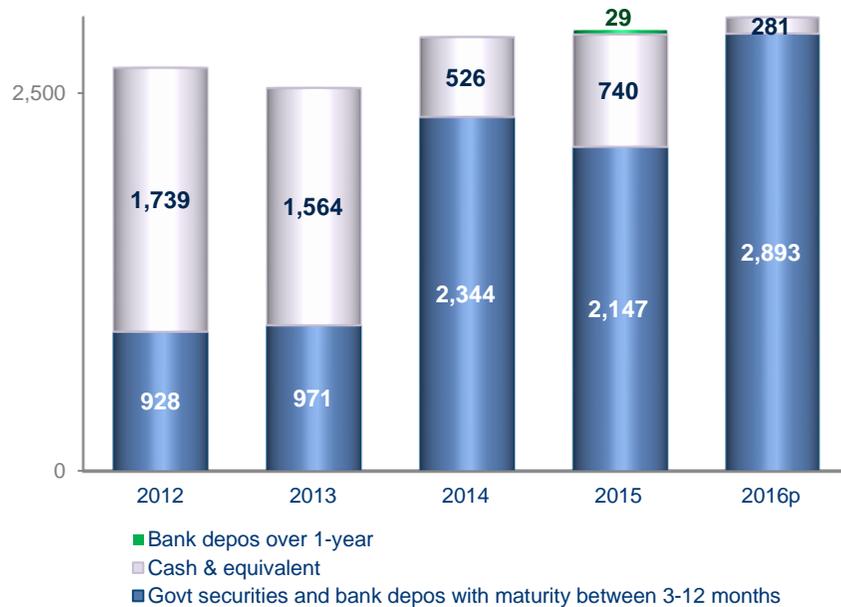
RON mln	2013	2014	2015	2016p	Q4/15	Q3/16	Q4/16p
Revenues - of which	3,894	4,493	4,053	3,412	1,120	552	1,010
Gas Production	2,808	3,553	3,291	2,667	902	395	772
Gas Resales	461	131	19	20	5	2	1
Services	394	455	365	373	89	83	89
Electricity	207	335	357	336	119	68	145
Other income	54	108	80	361	35	270	27
Cost of commodities sold	(439)	(176)	(40)	(50)	(7)	(8)	(4)
Changes in inventory	56	28	138	21	8	91	(53)
Raw materials	(79)	(66)	(78)	(55)	(19)	(12)	(13)
Exploration expense	(59)	(43)	(42)	(253)	(42)	(81)	(173)
Headcount expense	(504)	(523)	(512)	(498)	(153)	(126)	(142)
Other gains and losses	(204)	(275)	(319)	(468)	(105)	(277)	(61)
Other expenses	(745)	(1,035)	(1,041)	(882)	(300)	(161)	(276)
EBITDA	1,960	2,490	2,218	1,570	529	243	313
EBITDA margin	50.3%	55.4%	54.7%	46.0%	47.3%	44.0%	31.0%
D&A	(782)	(777)	(794)	(311)	(265)	(83)	45
EBIT	1,177	1,713	1,425	1,259	265	159	358
EBIT margin	30.2%	38.1%	35.2%	36.9%	23.6%	28.9%	35.4%
Net Interest income	123	75	44	22	9	4	4
Profit before tax	1,301	1,788	1,469	1,281	274	164	358
Income tax	(305)	(378)	(275)	(256)	(55)	(65)	(51)
Net Profit	996	1,410	1,194	1,025	219	98	311
Net margin	25.6%	31.4%	29.5%	30.0%	19.6%	17.8%	30.8%

- ❑ **In Q4, we succeeded to increase the Net Profit by 42.1% vs Q4/15 and over 3 times compared to Q3/16**, mainly based on optimisation of the gas chain and lower gas inventories
- ❑ **In FY2016, the Net Profit exceeded our guideline**, and reached RON 1,025 mln
- ❑ **We observed our “0 new overdue receivable” target starting Q2 !**
- ❑ As in the previous years, the “Exploration Expenses” booked in 2016 (mostly in Q4) were compensated by revenues on the D&A adjustment side; this amount mainly represents the value of drilling projects abandoned during 2016, that were approved by the National Agency for Mineral Resources but have previously been provisioned (mostly related to Rapsodia block in the Black Sea)
- ❑ **Margins are robust** – showing that efforts undertaken by the company’s management to maintain an elevated profitability in a challenging environment were successful

Financial Performance

Cash position remained robust in 2016 as well

Romgaz: Cash & equivalent and treasury bonds (RON mln)



- At December 31, 2016, overall cash position (cash, bank deposits and gov't's treasury bonds) remained strong, amounting to RON 3,173 mln jointly.

Romgaz: Selected Cash Flow Items

RON mln	2014	2015	9M/2016
Net profit for the period	1,410	1,194	714
Operating Cash Flow before Δ WC and Income tax	2,824	2,600	1,749
Movements in working capital	(10)	(123)	(565)
Net Cash flows from operating activities	2,313	2,131	950
Net Cash flows from investing activities	(1,758)	(702)	402
Net Cash flows from financing activities	(988)	(1,215)	(1041)
Net change in cash and cash equivalents *	(433)	214	311

* This line reflects only the change in cash and cash equivalent (i.e. bank accounts with maturity lower than 3 months)

Financial Performance

Robust B&S Structure, Debt-free in 2016 too

Romgaz: Selected Balance Sheet Items

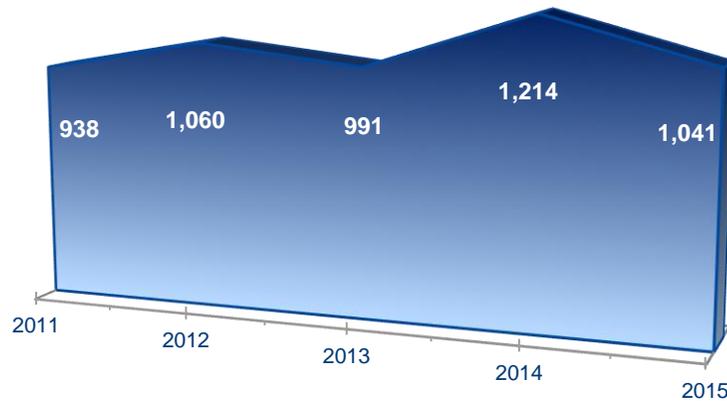
RON mln	Dec 31, 2013	Dec 31, 2014	Dec 31, 2015	Dec 31, 2016p
Total non-current assets, thereof	6,246	6,448	6,497	6,257
Property plant and equipment	5,767	5,963	5,996	5,787
Other intangible assets	384	407	400	400
Trade and other receivables	-	-	-	-
Bank depos	-	-	29	-
Total current assets, thereof	4,231	4,364	4,188	4,719
Inventories	464	392	560	576
Trade and other receivables	1,087	1,000	601	829
Govt securities and bank depos (+3mo maturity)	1,575	2,344	2,147	2,893
Cash and equivalents	959	526	740	281
Other assets	146	102	140	141
Total assets	10,477	10,812	10,685	10,977
Shareholders' Equity				
Share capital	1,893	385	385	385
Reserves	1,950	2,142	2,582	3,020
Retained earnings	5,450	7,184	6,725	6,271
Total Shareholders' Equity	9,293	9,712	9,692	9,677
Non-current liabilities, thereof	423	431	366	354
Provisions	197	202	201	194
Current liabilities, thereof	762	669	626	946
Trade and other payables	203	217	187	569
Total liabilities	1,184	1,100	992	1,300
Total equity and liabilities	10,477	10,812	10,685	10,977



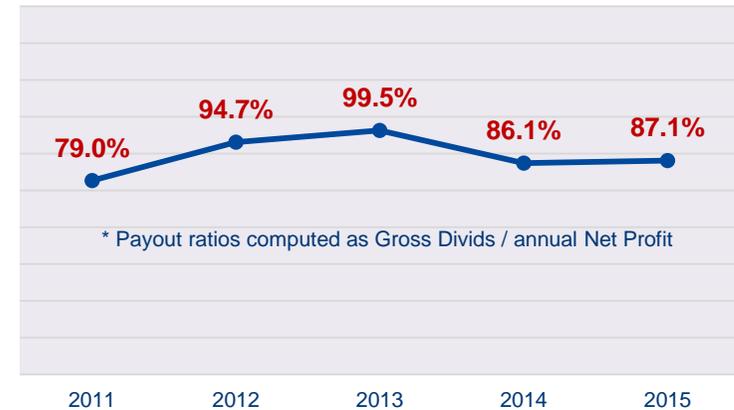
Dividend distribution

+80% Dividend Payout Ratios in the past years

Romgaz: History of Gross Dividend Distribution (RON mln)



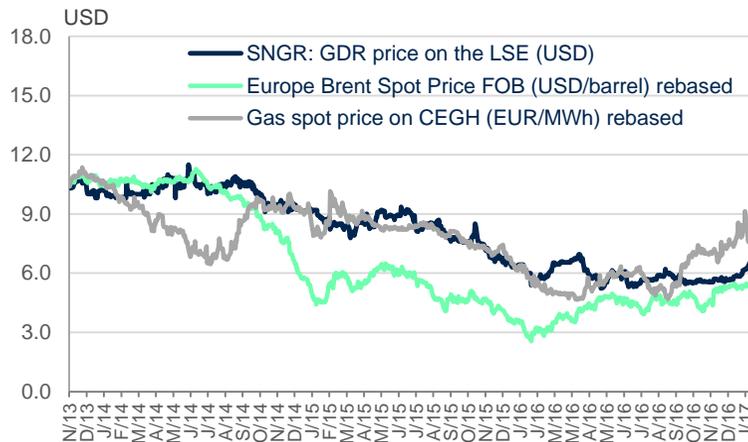
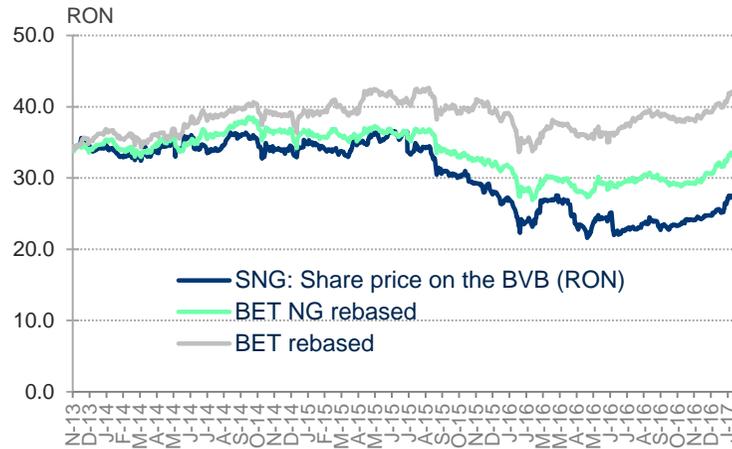
Romgaz: Gross Dividend Payout ratios*



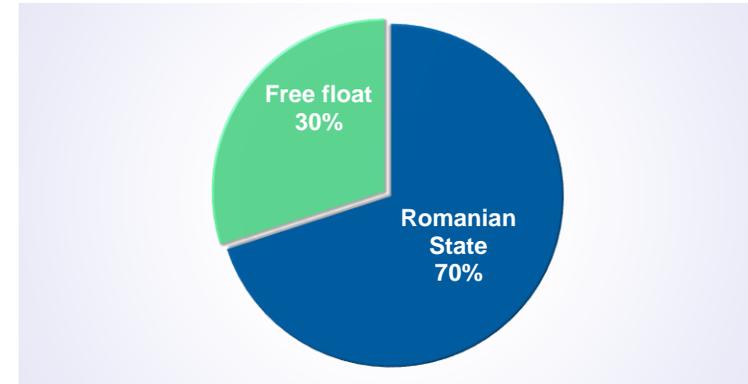
- ❑ Majority state-owned companies are required by law to distribute minimum 50% of the annual net profit to shareholders in the form of dividends
- ❑ For the fiscal years ending Dec 31, 2012 and Dec 31, 2013, the obligation was increased to 85%
- ❑ For the fiscal year ending Dec 31, 2016, the Board of Directors recommended a dividend distribution rate of 70% (from both Net Profit and equity reserves) but recently, the government issued a memorandum which indicates that majority state-owned companies should distribute as dividends minimum 90% of the annual net profit obtained in 2016

Shareholding Structure and Stock Performance

Upside potential on trading



Romgaz: Shareholding Structure



- ❑ Current shareholding structure: the Romanian State (Ministry of Energy) – majority shareholder with a **70% stake**; Free Float - **30%** (includes shares traded on the BVB and GDRs traded on the LSE)
- ❑ Romgaz ranks the **2nd largest** domestic stock traded on the BVB – with a mktcap of EUR 2.4 bn (after OMV Petrom) *)
- ❑ The **3rd most traded** stock on the BVB (after Banca Transilvania and Fondul Proprietatea) *)
- ❑ Included in BVB's main indices (weighing 22% in energy and utilities BET-NG index, and between 8%-11% in BET, BET-XT, BET-TR, ROTX)
- ❑ Included in main global indices with allocation on Romania (such as FTSE, MSCI, S&P, STOXX, Russell Frontier).

Total no of shares: 385.42m

*) Based on the trading price on Feb 15, 2017, and on BVB's past 6m/12m trading statistics

Main Strategic Goals

Strong Commitment for Business Development

Enhanced recovery and development of already discovered resources

- Extend the life of and the amounts recoverable from existing fields
- Appraisal of substantial contingent resource base and subsequent conversion into reserves
- Continue cooperation with Schlumberger and other partners

Discovery of new resources in established geological plays

- Further exploration program (existing and new licenses)
- Acquire additional blocks for exploration and development of conventional onshore gas resources

Increase the gas resources and reserves portfolio through the discovery of new resources and the improvement of the recovery rate

Frontier Reservoirs

- Further development of on-shore sub-salt reservoirs
- Exploration of unconventional potential in Romania
- Increasing focus on deep water reservoirs (Black Sea)

Potential international opportunities

Seeking new and diversified growth opportunities

Optimizing the Company's Policies and Procedures (monitoring and reporting)
Risk and Controls Management
IT systems

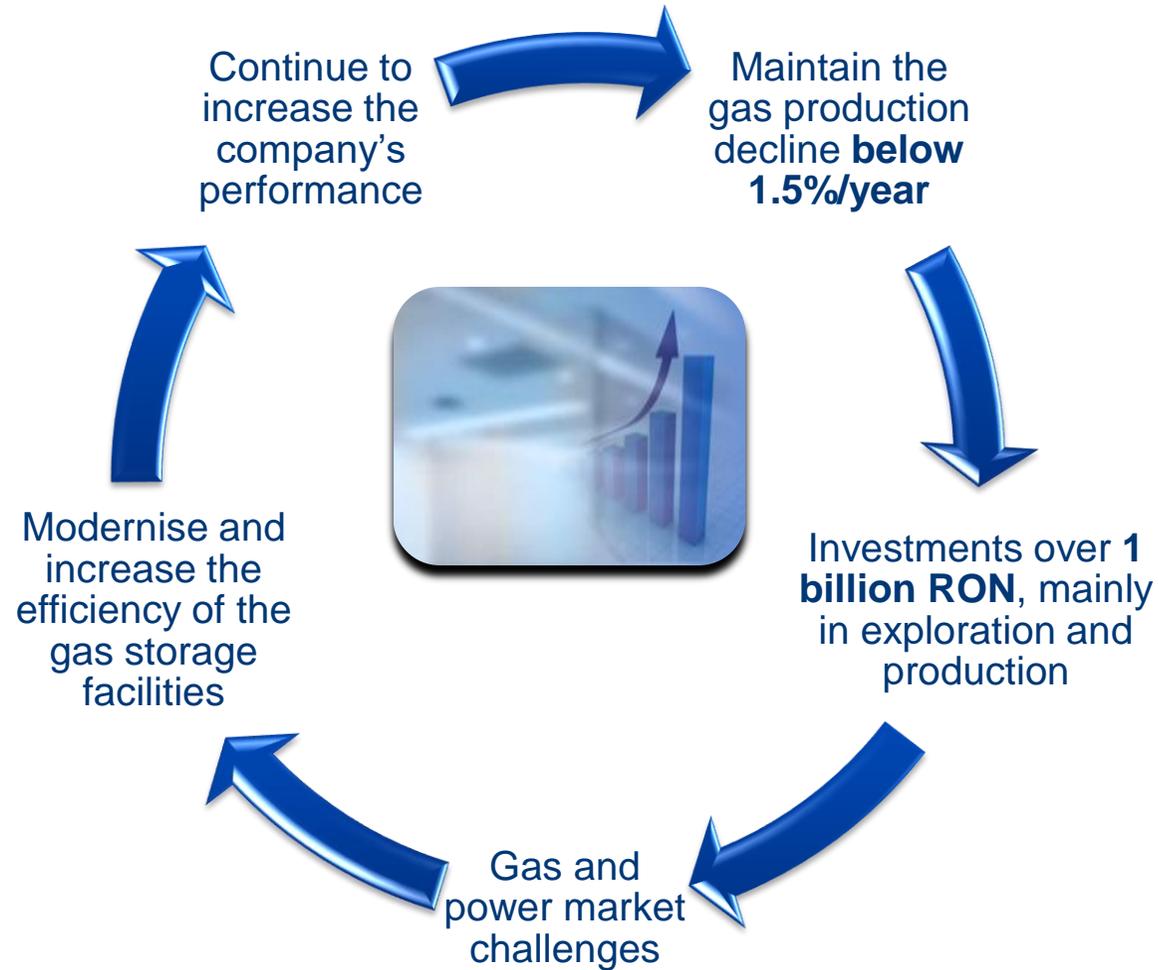
Increasing the company's performance

Increase the efficiency of the gas storage facilities in order to Enhance Gas Trading Capabilities

Optimization, development and diversification of the UGS activity

Main Strategic Goals

Management Agenda 2017



Romgaz – Investment Case

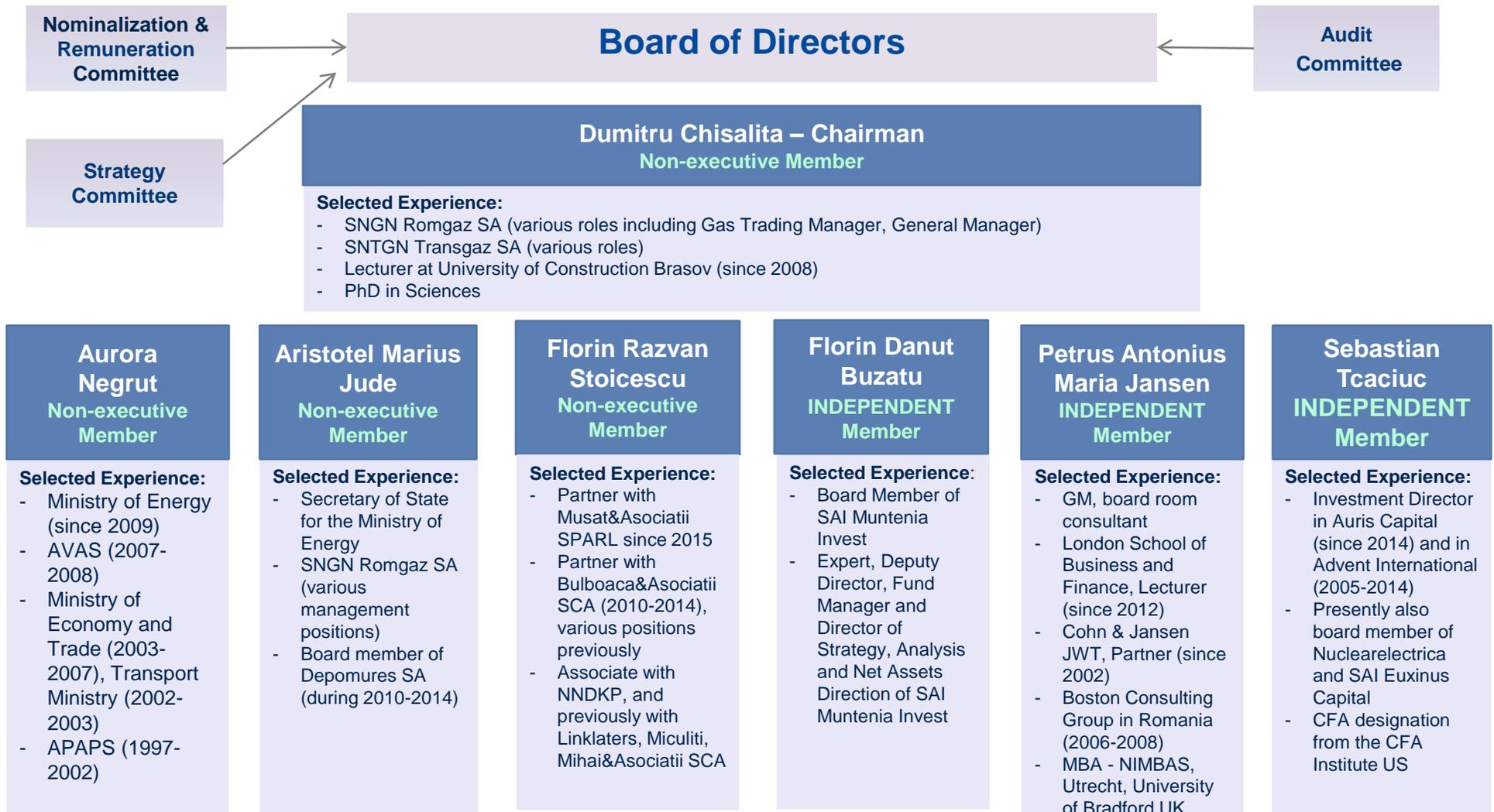


Why to invest in Romgaz shares

<ul style="list-style-type: none"> ➤ Operational excellence / robust margins 	<p>EBITDA margin of 46%, EBITDAX of 53% in FY2016 EBIT margin of over 35%, Net margin at 31% in FY 2016</p>
<ul style="list-style-type: none"> ➤ High dividend payout ratios to please investors 	<p>Good perspective for 2016 (over 86% achieved during 2015-2013)</p>
<ul style="list-style-type: none"> ➤ Strong cash reserves ➤ Debt free B&S 	<p>We are able to finance by ourselves the investment program Cash¹ / Mktcap = 30% (at Feb 15, 2017)</p>
<ul style="list-style-type: none"> ➤ Among top gas producers in Romania and one of the largest in the region as well 	<p>Favorable market share in terms of gas production in Romania Main operator of the Underground Gas Storages Holder of large gas reserves among European countries</p>
<ul style="list-style-type: none"> ➤ Strong base of gas reserves in Romania 	<p>Based on our investment policy, we intend to maintain the reserves level and the high RRR (avg 83% during 2013-2015)</p>
<ul style="list-style-type: none"> ➤ Expected opening of the export gas markets 	<p>Export markets will enlarge our client portfolio and expand revenues</p>
<ul style="list-style-type: none"> ➤ Important investment plans in Romania 	<p>Capex are focused on exploration; also - we intend to build a stronger position on the electricity market and to increase efficiency of the UGS</p>
<ul style="list-style-type: none"> ➤ Prudent investment policy for projects abroad 	<p>Minority participations aimed to minimize the operational risk and to avoid the waste of our cash reserves</p>
<ul style="list-style-type: none"> ➤ Strong management team, skilled workforce 	<p>Management team has significant expertise in the sector, headcount is strongly committed</p>

¹ considering all cash equivalents

The Board: Balanced Team of Professionals



Selected Recent Events – relevant for our activity

July 1, 2015

Gov't published the new calendar for the gas production price deregulation process for households and thermal plants for the gas used to heat households.

October 12, 2015

Roman compressor station is installed, providing access to 0.5 bcm of natural gas. The completion of this project compensates the drop of reservoir energy due to depletion of production units.

October 14, 2015

The drilling of the exploratory well Lira 1X in the Black Sea was completed, leading to the discovery of an important gas field of up to 30 bcm of natural gas.

June 28, 2016

Gov't amended the calendar for the ongoing gas production price deregulation process for households and thermal plants for the gas used to heat households, by leaving the gas price unchanged at July 1, 2016 at RON 60 / MWh.

March 23, 2016

ANRE decided to delay until April 1, 2017 the change of the titleholder of the license for the UGS activity – from Romgaz to its subsidiary Romgaz Filiala de Inmagazinare Depogaz Ploiesti.

January 28, 2016

The Board of Administration approved the company's new Code of Corporate Governance – prepared in compliance with the new Code of Corporate Governance of the Bucharest Stock Exchange.

June 30, 2016

A hydrocarbon discovery is announced (in NE part of the Moesian Platform in Caragele structure). The contingent resource is estimated to range between 25 – 27 bcm.

July 20, 2016

The new compression and dehydration facility on Sarmasel gas storage is installed, increasing its storage capacity to 0.95 bcm of natural gas, from 0.80 bcm before.

October 7, 2016

Gov't approved the company's new exploration programme (2016-2021) for 8 blocks, as agreed with the National Agency for Mineral Resources

THANK YOU FOR YOUR ATTENTION !



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Financial Calendar 2017*

Feb 16: Release of the 2016 Preliminary Financial Results

Confcalls with financial analysts / investors

April 25: SGM to approve the 2016 Financial Results

April 26: Release of the 2016 Annual Report

May 12: Release of the Q1 2017 Financial Results

Aug 11: Release of the H1/Q2 2017 Financial Results

Nov 14: Release of the 9M/Q3 2017 Financial Results

* details regarding confcalls with financial analysts / investors will be announced timely