REPORT AND ISSUER IDENTIFICATION INFORMATION

Quarterly report according to art. 227 from Law 297/2004
Report date: 12 November 2013
Company name: **SNGN ROMGAZ SA**
Address: Medias, 4 Constantin I.Motas Square,postal code 551130
Phone/fax no: 004-0269-201020 / 004-0269-846901
Unique Tax Registration Code: RO14056826
Trade Register registration number: J32/392/2001
Subscribed and paid in share capital: 385 422 400 lei

QUARTERLY REPORT
(issued based on the financial statements prepared in accordance with OMFP 3055/2009)
ON THE ECONOMIC AND FINANCIAL ACTIVITY OF SNGN ROMGAZ SA AS ON SEPTEMBER 30, 2013
(period January 1, 2013 – September 30, 2013)

OVERVIEW

SNGN Romgaz SA is the largest natural gas producer and supplier in Romania, and its core business segments are: gas exploration and production, gas supply, underground gas storage and electricity production.
In 2012, Romgaz produced 5.66 billion m3 of natural gas and, according to the National Regulatory Authority in the Energy Sector ("ANRE"), the company had a market share of 50.12% of sales of domestically produced natural gas.

In Romania, Romgaz currently operates 3,257 gas producing wells which access 147 commercial fields, as well as 29 exploration wells in nine on-shore exploration blocks.

The company has also entered into several partnerships and other joint operating agreements for exploration and development of license areas both abroad (Slovakia, Poland) and in Romania.

The company has a series of cooperation agreements with ExxonMobil, OMV Petrom, Lukoil, Vanco, Amromco and Schlumberger together with other joint venture agreements to explore, develop or rehabilitate various blocks or facilities in Romania and in offshore areas.

SNGN ROMGAZ SA is also the largest underground gas storage operator in Romania. The company owns and operates six underground gas storages with total working gas volume of 2.76 billion m3 and, according to ANRE, in 2012 it had a market share for underground gas storage in Romania of 90%.

On February 1, 2013, Romgaz took over CTE Iernut from Electrocentrale Bucuresti. CTE Iernut has an installed capacity of 800MW. During 2012, CTE Iernut produced 464GWh. From a total capacity of 800 MW the company estimates that 160 MW of such capacity will be utilized on average in 2013.

ORGANIZATIONAL STRUCTURE

The company currently operates through seven branches:

- Medias Natural Gas Production Branch;
- Targu Mures Natural Gas Production Branch;
- Ploiesti Natural Gas Underground Storage Branch;
- Medias Well Workover and Special Operation Branch (SIRCOS);
- Targu Mures Technological, Transport and Maintenance Branch (STTM);
- Bratislava Branch; and
- Iernut Electricity Generation Branch.

SHAREHOLDING

The Shareholder's structure on September 30, 2013 is as follows:

- The Ministry of Economy: 85,007107 %;
- SC "Fondul Proprietatea" S.A.: 14,992893 %.

PHYSICAL INDICATORS

The table below shows the natural gas quantities which have been produced, delivered, injected/withdrawn in/from underground storages:

Million cubic meters

Product description	January-September 2012	January-September 2013	Variance	Ratio %
0	**1**	**2**	**3=2-1**	**4=2/1**
Domestic gas extracted, of which:	4 205.7	4 198.0	- 7.7	99.82%
- Own gas	4 065.1	4 061.8	- 3.3	99.92%
- joint venture Schlumberger (100%)	140.6	136.1	- 4.5	96.82%
Domestic gas deliveries (including 50% Schlumberger joint venture)	3 732.8	3 491.4	- 241.4	93.53%
Domestic gas deliveries (excluding joint ventures)	3 662.5	3 423.3	- 239.2	93.47%
Domestic gas deliveries (including joint ventures)	3 810.3	3 562.8	- 247.5	93.50%
Gas withdrawn from storages	1 206.7	1 291.1	84.4	106.99%
Gas injected into storages	2 032.1	1 881.7	- 150.4	92.60%
Imported gas deliveries	483.2	237.9	- 245.4	49.22%
Commodity gas	6.0	8.6	2.6	143.33%

The production of extracted gas did not very significantly in comparison with the previous year. The delivered production was 6.5% lower due to a decrease in consumption.

ECONOMIC – FINANCIAL INDICATORS

The company's revenues is mainly generated by the sale of natural gas ((domestic and import), the underground gas storage services and the electricity production.

The main economic and financial indicators as on September 30 2013 are shown below in comparison with the similar indicators for the similar 2012 period:

-Thousand lei-

Nr.	Name	January-September 2012	January-September 2013	Ratio 2013 /2012
1	Operating income	3 235 507	2 969 399	91.78%
2	Financial income	97 999	89 624	91.45%
3	***Total income***	***3 333 506***	***3 059 023***	**91.77%**
4	Operating Expenses	2 170 548	2 426 727	111.80%
5	Financial Expenses	28 614	6 243	21.82%
6	***Total expenses***	***2 199 163***	***2 432 970***	**110.63%**
7	Operating Result	1 064 959	542 672	50.96%
8	Financial Result	69 384	83 381	120.17%
9	***Gross result***	***1 134 343***	***626 053***	**55.19%**
10	***Profit tax***	***216 741***	***215 388***	**99.38%**
11	***Net result***	***917 602***	***410 666***	**44.75%**

Although the domestic gas price increased as compared to the previous year, the operating income decreased due to the lowering of both domestic and import gas deliveries. The decrease of supplied gas quantities is a result of the provisions of the *ANRE Order no. 24/2013 relating to the approval of the Methodology for the allocation of natural gas obtained from domestic production required for covering the consumption on the regulated market, according to which natural gas producers no longer have the obligation to deliver a blend of domestic and import gas.*

The financial income decreased due to decrease of bank interest levels.

Operating expenses increased by 11.8% mainly due to recording in July expenses in amount of 653 million lei as a result of taking over Iernut Power Plant (CTE Iernut). The amount represents losses of receivables amounting 612.5 million lei and impairment of tangible assets of 40.5 million lei.

Starting with February, an additional tax (windfall tax) was calculated related to the income generated by the increase of gas price, according to the *Government Decision No. 22/2013 regarding the establishment of the purchase price for gas from domestic production for the regulated gas market* and to *Emergency Government Ordinance No.7/January 23, 2013 related to the tax on additional income (windfall tax) obtained as a result of the deregulation of prices in the natural gas sector.* For the analysed period this tax amounts 58.2 million lei.

Financial expenses were lower than those related to the similar period of 2012 due to the fact that in 2013 no bank interest relating expenses were recorded in relation to IBRD credit rates were refunded to IBRD, the last rate was paid in October 2012. Concurrently, differences from the exchange rate variation were lower than the ones for the similar period of 2012.

Gross results were lower by 44.81% compared to the period January – September 2012, the causes being stated above.

FINANCIAL POSITION STATEMENT ON SEPTEMBER 30, 2013 - SUMMARY-

- thousand lei

	On January 1, 2013	**On September 30,2013**
Non-current assets	5 887 652	6 263 102
Current assets	5 156 789	3 919 166
TOTAL ASSETS	**11 044 441**	**10 182 268**
Equity	9 981 984	9 272 914
Non-current liabilities	0	0
Current liabilities	815 407	667 323
Provisions and advance income	247 050	242 031
TOTAL LIABILITIES	**11 044 441**	**10 182 268**

Non-current assets have increased due to the fixed assets that were commissioned.
Current assets decreased as compared to the beginning of the year because commercial receivables decreased.
Equity decreased as compared to the beginning of the year because dividends were distributed to the shareholders for year 2012.
The amount of the current debts at the beginning of the year was higher because it included amounts invoiced in advance to the clients that benefited of the gas delivered by SNGN Romgaz SA.

Statement of Economic and Financial indicators according to Annex 30 point B of Regulation No. 1/2006

Item no.	Ratio	Formula	Value
1.	Current ratio	Current assets / current liabilities	**5.87**
2.	Gearing ratio	Borrowed capital / Equity * 100	**0**
3.	Days in receivables	Receivables average balance / Turnover *270	**89.0**
4.	Fixed assets turnover	Turnover / Fixed assets	**0.41**

INVESTMENTS

Investment expenses amounted **582,625** thousand lei, as compared to **313,046** thousand lei for the similar period last year, recording an increase of 86%. The current year expenses are based on the conclusion of a larger number of contracts for performance/delivery related to investments. Moreover, the number of investment projects increased as a result of obtaining the required land, approvals, agreements and authorizations.

Investments, in a total amount of **179,452** thousand lei, were commissioned during January-September 2013.

Attached you will find the Balance Sheet as of September 30, 2013 and the Profit and Loss Account as of September 30, 2013.

The financial statements were prepared in accordance with the Order of the Ministry of Finance No. 3055/2009 and have not been audited.

PRESIDENT of the
BOARD OF DIRECTORS
Aurora Negrut

DIRECTOR GENERAL
Virgil Marius Metea

Societatea Naţională de Gaze Naturale "ROMGAZ" S.A. MEDIAŞ J32/392/2001 3

ECONOMIC DIRECTOR
Lucia Ionascu

Translation from the Romanian language of Romgaz Balance Sheet as of September 30, 2013

Balance Sheet
as of September 30, 2013

Form 10 **-lei-**

Name of Item	Row no.	Balance as of January 1, 2013	Balance as of September 30,
A	B	1	2
A. NON-CURRENT ASSETS			
I. INTANGIBLE ASSETS			
1.Set-up costs (accounts 201-2801)	01		
2.Development costs (accounts 203-2803-2903)	02	194,463	76,363
3. Concessions, patents, licences, trademarks, similar rights and assets, and other intangible assets (accounts 205+208-2805-2808-2905-2908)	03	27,251,025	19,125,312
4. Goodwill (accounts 2071-2807-2907)	04		
5. Advance and intangible assets in progress (accounts 233+234-2933)	05	203,258,679	316,628,094
TOTAL **(rows 01 to 05)**	06	230,704,167	335,829,769
II. TANGIBLE ASSETS			
1. Freehold land and buildings (accounts 211+212-2811-2812-2911-2912)	07	4,413,758,985	4,181,829,063
2. Plant and machinery (accounts 213+223-2813-2913)	08	659,469,357	660,290,146
3. Other installations, office equipment and furniture (accounts 214+224-2814-2914)	09	18,594,291	16,671,070
4. Advance payments and tangible assets in progress (accounts 231+232-2931)	10	533,116,167	852,814,522
TOTAL **(rows 07 to 10)**	11	5,624,938,800	5,711,604,801
III. FINANCIAL ASSETS			
1. Investments in subsidiaries (related parties) (accounts 261-2961)	12	16,925,587	66,286,811
2. Loans granted to subsidiaries (accounts 2671+2672-2964)	13		16,795,452
3. Investments in associates (accounts 263-2962)	14	7,614,111	8,007,861
4. Loans granted to entities the company is bound to due to its investments in associates (accounts 2673+2674-2965)	15		
5. Other long term investments (accounts 265-2963)	16	1,646,365	11,353,904
6. Other loans (accounts 2675*+2676*+2677+2678*+2679*-2966*-2968*)	17	5,823,176	113,223,505
TOTAL **(rows 12 to 17)**	18	32,009,239	215,667,533
NON-CURRENT ASSETS – TOTAL **(rows 06+11+18)**	19	5,887,652,206	6,263,102,103
B. CURRENT ASSETS			
I. INVENTORIES			

1. Raw materials and consumables (accounts 301+321+302+322+303+323+/-308+351+358+381+328+/-388-391-392-3951-3958-398)	20	141,794,835	139,476,052
2. Work in progress (accounts 331+332+341+/-348*-393-3941-3952)	21	65,468,905	86,502,881
3. Finished goods and goods (accounts 345+346+/-348*+354+356+357+361+326+/-368+371+327+/-378-3945-3946-3953-3954-3956-3957-396-397-4428)	22	300,585,398	334,605,263
4. Advance payments for purchase of inventories (account 4091)	23	4,800	11
Total **(rows 20 to 23)**	24	507,835,938	560,584,207
II. RECEIVABLES (Amounts to the cashed-in after a time period exceeding 1 year must be separately shown for each item)			
1. Commercial receivables (accounts 2675*+2676*+2678*+2679*-2966*+-2968*+4092+411+413+418-491)	25	1,603,744,570	710,431,055
2. Amounts to be cashed-in from the affiliate entities (accounts 451**-495*)	26		
3. Amounts to be cashed-in from the entities the company is bound to due to participation interests (accounts 453-495*)	27		
4. Other receivables (accounts 425+4282+431**+437**+4382+441**+4424+4428**+444**+445+446*+447**+4482+4582+461+473**-496+5187)	28	376,022,675	394,849,270
5. Subscribed and not paid in share capital (456-495*)	29		
TOTAL **(rows 25 to 29)**	30	1,979,767,245	1,105,280,325
III. SHORT TERM INVESTMENTS			
1. Short term financial investments in companies within the group (501-591)	31		
2. Other short term financial investments (accounts 505+506+508-595-596-598+5113+5114)	32	2,500,059,813	2,116,086,963
TOTAL **(rows 31+32)**	33	2,500,059,813	2,116,086,963
IV. PETTY CASH AND CASH AT BANK (accounts 5112+512+531+532+541+542)	34	167,173,345	129,436,889
CURRENT ASSETS –TOTAL **(rows 24+30+33+34)**	35	5,154,854,341	3,911,388,384
C. ACCRUED EXPENSES (account 471)	36	1,934,349	7,778,062
D. DEBTS: AMOUNTS TO BE PAID WITHIN 1 YEAR			
1. Debenture loans, convertible debenture loans to be indicated separately (accounts 161+1681-169)	37		
2. Amounts owed to credit institutions (accounts 1621+1622+1624+1625+1627+1682+5191+5192+5198)	38	448	
3. Advance payments from customers (account 419)	39	178,120,923	25,681,038

4. Commercial debts – suppliers (accounts 401+404+408)	40	114,564,451	115,466,525
5. Payable bills of exchange (accounts 403+405)	41		
6. Amounts owed to affiliated entities (accounts 1661+1685+2691+451***)	42		
7. Amounts owed to entities the company is bound to due to participation interests (accounts 1663+1686+2692+453***)	43		
8. Other debts, including fiscal debts and social insurance payables (accounts 1623+1626+167+1687+2693+421+423+424+426+427+4281+431***+437***+4381+441***+4423+4428***+444***+446***+447***+4481+455+456***+457+4581+462+473***+509+5186+5193+5194+5195+5196+5197)	44	522,721,504	526,175,962
TOTAL **(rows 37 to 44)**	45	815,407,326	667,323,525
E. NET CURRENT ASSETS/NET CURRENT DEBTS (rows 35+36-45-63)	46	4,341,379,089	3,251,842,296
F. TOTAL ASSETS MINUS CURRENT DEBTS (ROWS 19+46)	47	10,229,031,295	9,514,944,399
G. DEBTS: AMOUNTS TO BE PAID DURING A TIME PERIOD HIGHER THAN 1 YEAR			
1. Debenture loans, convertible debenture loans to be indicated separately (accounts 161+1681-169)	48		
2. Amounts owed to credit institutions (accounts 1621+1622+1624+1625+1627+1682+5191+5192+5198)	49		
3. Advance payments from customers (account 419)	50		
4. Commercial debts – suppliers (accounts 401+404+408)	51		
5. Payable bills of exchange (accounts 403+405)	52		
6. Amounts owed to affiliated entities (accounts 1661+1685+2691+451***)	53		
7. Amounts owed to entities the company is bound to due to participation interests (accounts 1663+1686+2692+453***)	54		
8. Other debts, including fiscal debts and social insurance payables (accounts 1623+1626+167+1687+2693+421+423+424+426+427+4281+431***+437***+4381+441***+4423+4428***+444***+446***+447***+4481+455+456***+4581+462+473***+509+5186+5193+5194+5195+5196+5197)	55		
TOTAL **(rows 48 to 55)**			
H. PROVISIONS			
1. Provisions for pensions and similar obligations (account 1515)	57	63,785,302	72,185,761

2. Provisions for taxes (account 1516)	58		
3. Other provisions (accounts 1511+1512+1513+1514+1518)	59	181,676,372	168,431,777
TOTAL (rows 57 to 59)	60	245,461,674	240,617,538
I. REVENUES RECEIVED IN ADVANCE			
1. Investment subsidies (account 475)	61	1,585,918	1,412,692
2. Deferred income (account 472) –total (**rows 63+64**)	62	2,275	625
Amounts deferred by up to 1 year (account 472*)	63	2,275	625
Amounts deferred by more than 1 year (account 472*)	64		
3. Other amounts received in the form of investment subsidies (account 478)	65		
Negative goodwill (account 2075)	66		
TOTAL (**rows 61+62+65+66**)	67	1,588,193	1,413,317
J. CAPITAL AND RESERVES			
I. CAPITAL			
1. Subscribed and paid in share capital (account 1012)	68	383,038,380	385,422,400
2. Subscribed and not paid in share capital (account 1011)	69		
3. Patrimony (autonomous company) (account 1015)	70		
4. Patrimony of national research and development institutes (account 1018)	71		
TOTAL (**rows 68 to 71**)	72	383,038,380	385,422,400
II. PREMIUM RELATED TO CAPITAL (account 104)	73		
III. REVALUATION RESERVE (account 105)	74	4,064,048,851	4,058,841,758
IV. RESERVES			
1. Legal reserve (account 1061)	75	76,607,676	76,607, 676
2. Statutory or contractual capital reserve (account 1063)	76		
3. Reserves representing the revaluation reserve surplus (account 1065)	77	95,067,163	100,141,018
4. Other reserves (account 1068)	78	4,127,530,002	4,242,314,499

Translation from the Romanian language of Romgaz Balance Sheet as of September 30, 2013

TOTAL (**rows 75 to 78**)	79	4,299,204,841	4,419,063,193
Own shares (account 109)	80		
Gains on sale or cancellation of own equity instruments (accounts 141)	81		
Losses on issuance, repurchased, sale, non-onerous disposal or cancellation of own equity instruments (accounts 149)	82		
V. OTHER RETAINED EARNINGS BALANCE C (account 117)	83		
BALANCE D (account 117)	84	8,357,475	1,078,769
VI. PROFIT OR LOSS FOR THE PERIOD BALANCE C (account 121)	85	1,244,049,106	410,665,587
BALANCE D (account 121)	86		0
Profit appropriation (account 129)	87		
OWN CAPITAL – TOTAL (rows 72+73+74+79-80+81-82+83- 84+85-86-87)	88	9,981,983,703	2,272,914,169
Public patrimony (account 1016)	89		
CAPITAL-TOTAL (rows **88+89**)	90	9,981,983,703	9,272,914,169

*) Accounts to be allocated by the nature of the respective items.
**) Debit balance of the respective accounts.
***) Credit balance of the respective accounts.
Row 25- the amounts listed at this row and taken over from the accounts ranging from 2675 to 2679 represent receivables relating to financial leasing contracts and other assimilated contracts, as well as other non-current receivables, due in a period of time shorter than 12 months.

GENERAL MANAGER,

First Name and Last Name

VIRGIL MARIUS METEA

Signature _____

Company stamp

Societatea Naţională de Gaze Naturale "ROMGAZ" S.A. MEDIAŞ J32/392/2001 3

DRAWN UP,

First Name and Last Name

LUCIA IONASCU

As

ECONOMIC DIRECTOR

Signature _____

PROFIT AND LOSS ACCOUNT

on September 30, 2013

Form 20 - lei –

Indicator	Row No.	Financial period September 30	
		2012	2013
A	B	1	2
1. Net turnover (**rw. 02 +03+04+05+06**)	01	2,878,040,789	2,587,049,557
Production sold (acc. 701+702+703+704+705+706+708)	02	2,025,135,999	2,226,133,615
Income on sale of goods purchased for resale (acc. 707)	03	852,904,790	360,915,942
Trade discounts granted (acc. 709)	04		
Interest income recorded by entities deregistered from the general Trade Register and which still have ongoing leasing contracts (acc. 766*)	05		
Exploitation subsidies related to net turnover (acc. 7411)	06		
2. Finished goods and work in progress inventories variance (acc. 711 +712)			
Balance C	07	122,695,175	140,619,086
Balance D	08	0	0
3. Entity's own work capitalized (acc. 721 + 722)	09	93,773,319	140,082,074
4. Other operating income (acc. 758+7417+7815)	10	140,997,787	101,648,396
- out of which, revenues from negative goodwill	11		
OPERATING REVENUES – TOTAL (**rw. 01+07-08+09+10**)	12	3,235,507,070	2,969,399,113
5. a) Raw materials and consumables expenses (acc. 601+602-7412)	13	110,998,880	116,646,357
Other expenses for materials (acc. 603+604+606+608)	14	1,953,653	25,897,005
b) Other utilities expenses (electricity and water) (acc. 605 – 7413)	15	78,942,763	72,275,940
c) Goods for resale (acc. 607)	16	730,517,796	338,013,274
Trade discounts received (acc. 609)	17	168,531	503,736
6. Personnel expenses (**rw. 19+20**)	18	361,786,642	395,907,588
a) Salaries and indemnifications (acc.641+ 642 +643 +644 – 7414)	19	281,151,992	306,863,184
b) Social security contributions (rw. 645 – 7415)	20	80,634,350	89,044,404
7. a) Tangible and intangible assets value adjustments (**rw. 22-23**)	21	528,453,129	456,979,222
a.1) Expenses (acc. 6811+6813)	22	528,543,777	456,979,222
a.2) Revenues (acc. 7813)	23	90,648	0
b) Current assets value adjustments (**rw. 25 – 26**)	24	-115.599.042	618,813,996
b.1) Expenses (acc. 654 + 6814)	25	1	647,764,018
b.2) Revenues (acc. 754 + 7814)	26	115,599,043	28,950,022
8. Other operating expenses (**rw. 28 to 31**)	27	485,521,605	407,541,484
8.1 External services expenses (acc.	28	83,388,725	81,399,012

611+612+613+614+621+622+623+624+625+626+627+628 - 7416)			
8.2 Other taxes, duties and similar expenses (acc. 635)	29	188,884,193	266,884,043
8.3 Other expenses (652+658)	30	213,248,687	59,258,429
Interest expense for refinancing of the entities that are deregistered from the Trade Register and still have ongoing leasing contracts (acc. 666*)	31		
Adjustments related to provisions (**rw. 33-34**)	32	-11,858,359	-4,844,135
- Expenses (acc. 6812)	33	0	8,400,459
- Reversals (acc. 7812)	34	11,858,359	13,244,594
OPERATING EXPENSES – TOTAL (**rw. 13 to 16 -17 + 18 +21 +24 +27 +32**)	35	2,170,548,236	2,426,726,995
OPERATING PROFIT OR LOSS:			
- Profit (**rw. 12 – 35**)	36	1,064,958,834	542,672,118
- Loss (**rw. 35 – 12**)	37	0	0
9. Revenues from long term financial investments in related parties and in associates (acc. 7611+7613)	38		
out of which, revenues from long term financial investments in related parties	39		
10. Revenues from long term receivables (from other investments and loans that are part of the fixed assets) (acc. 763)	40		
out of which, revenues from related parties	41		
11. Interest income (acc. 766*)	42	88,343,946	83,547,312
out of which, revenues from related parties	43		
Other financial revenues (acc. 762+764+765+767+768)	44	9,654,709	6,076,491
FINANCIAL REVENUES – TOTAL (**rw. 38 + 40 + 42 + 44**)	45	97,998,655	89,623,803
12. Adjustments related to investments and financial assets held as current assets (**rw. 47 - 48**)	46		
- Expenses (acc. 686)	47		
- Revenues (acc. 786)	48		
13. Interest expense (acc. 666*-7418)	49	236,203	21
out of which, expenses with related parties relationship	50		
Other financial expenses (acc. 663+664+665+667+668)	51	28,378,290	6,242,605
FINANCIAL EXPENSES – TOTAL (**RW. 46 + 49 + 51**)	52	28,614,493	6,242,626
FINANCIAL PROFIT OR LOSS:			
- Profit (**rw. 45 – 52**)	53	69,384,162	83,381,177
- Loss (**rw. 52 – 45**)	54	0	0
14. CURRENT PROFIT OR LOSS:			
- Profit (**rw. 12 + 45 - 35 – 52**)	55	1,134,342,996	626,053,295
- Loss (**rw. 35 + 52 – 12 – 45**)	56	0	0
15. Extraordinary revenues (acc. 771)	57		
16. Extraordinary expenses (acc. 671)	58		
17. PROFIT OR LOSS FROM EXTRAORDINARY ACTIVITY:			
- Profit (**rw. 57 - 58**)	59	0	0

- Loss (**rw. 58 - 57**)	60	0	0
TOTAL REVENUES (**rw. 12 + 45 + 57**)	61	3,333,505,725	3,059,022,916
TOTAL EXPENSES (**rw. 35 + 52 + 58**)	62	2,199,162,729	2,432,969,621
GROS PROFIT OR LOSS:			
- Profit (**rw. 61 - 62**)	63	1,134,342,996	626,053,295
- Loss (**rw. 62 - 61**)	64	0	0
18. Income tax (acc. 691)	65	216,741,118	215,387,708
19. Other taxes not included above (acc. 698)	66		
20. NET PROFIT OR LOSS OF THE FINANCIAL PERIOD:			
- Profit (**rw. 63 – 64 – 65 - 66**)	67	917,601,878	410,665,587
- Loss (**rw. 64 + 65 + 66 - 63**)	68	0	0

*) accounts to be allocated according to the nature of the respective items.

Rw. 19 – this row includes also the externally contracted manpower rights, established in accordance with labor legislation, which are taken from debit side of account 621 "Externally contracted manpower", analytical account "Externally contracted physical persons".

GENERAL MANAGER,

First Name and Last Name

VIRGIL MARIUS METEA

Signature _____

Company stamp

Societatea Națională de Gaze Naturale "ROMGAZ" S.A. MEDIAȘ J32/392/2001 3

DRAWN UP,

First Name and Last Name

LUCIA IONASCU

As

ECONOMIC DIRECTOR

Signature _____

REPORT AND ISSUER IDENTIFICATION INFORMATION

Quarterly report according to art.227 Law 297/2004
Report date: 13 November 2013
Company name: **SNGN ROMGAZ SA**
Address: Medias, 4 Constantin I.Motas Square, postal code 551130
Phone/fax no: 004-0269-201020 / 004-0269-846901
Unique Tax Registration Code: RO14056826
Trade Register registration number: J32/392/2001
Subscribed and paid in share capital: 385,422,400 RON

QUARTERLY REPORT
(issued based on IFRS financial statements)
ON THE ECONOMIC AND FINANCIAL ACTIVITY
OF SNGN ROMGAZ SA AS OF 30 September 2013
(period 01.01.2013 – 30.09.2013)

Overview

SNGN Romgaz SA is the largest natural gas producer and supplier in Romania, and its core business segments are: gas exploration and production, gas supply, underground gas storage and electricity production. In 2012, Romgaz produced 5.66 billion m³ of natural gas and, according to the National Regulatory Authority in the Energy Sector ("ANRE"), the company had a market share of 50.12 % of sales of domestically produced natural gas.

In Romania, Romgaz currently operates 3,257 gas producing wells which access 147 commercial fields, as well as 29 exploration wells in nine on-shore exploration blocks.

The Company has entered into partnerships and shared investment arrangements for the exploration and development of license areas both abroad (Slovakia, Poland) and in Romania.

The Company has a series of cooperation agreements with ExxonMobil, OMV Petrom, Lukoil, Vanco, Amromco and Schlumberger together with other joint venture agreements to explore, develop or rehabilitate various blocks or facilities in Romania and in offshore areas.

Romgaz is also the largest underground gas storage operator in Romania. The Company owns and operates six underground storage deposits with total working gas volume of 2.76 billion m³ and, according to ANRE, in 2012 it had a market share for underground gas storage in Romania of 90%.

On 1 February 2013, Romgaz took over CTE Iernut from Electrocentrale Bucuresti. CTE Iernut has an installed capacity of 800MW. During 2012, CTE Iernut produced 464 GWh. From a

total capacity of 800 MW, the Company anticipates 160 MW of such capacity will be utilized on average in 2013.

ORGANIZATION

Currently, the Company operates through seven branches:

- Medias Natural Gas Production Branch;
- Targu Mures Natural Gas Production Branch;
- Ploiesti Natural Gas Underground Storage Branch;
- Medias Well Workover and Special Operations Branch (SIRCOSS);
- Targu Mures Technological Transport and Maintenance Branch (STTM);
- Bratislava Branch;
- Iernut Electricity Production Branch.

PHYSICAL INDICATORS

The table below shows the natural gas quantities which have been produced, delivered, injected/withdrawn in/from underground storage deposits:

Million cubic meters

Product description	January-September 2012	January-September 2013	Variance	Ratio %
0	1	2	3=2-1	4=2/1x100
Domestic gas extracted, of which:	4,205.7	4,198.0	- 7.7	99.82%
-own gas	4,065.1	4,061.8	- 3.3	99.92%
- joint venture Schlumberger (100%)	140.6	136.1	- 4.5	96.82%
Domestic gas deliveries (including 50% Schlumberger joint venture gas)	3,732.8	3,491.4	- 241.4	93.53%
Domestic gas deliveries (excluding joint ventures)	3,662.5	3,423.3	- 239.2	93.47%
Domestic gas deliveries (including joint ventures)	3,810.3	3,562.8	- 247.5	93.50%
Gas withdrawn from storages	1,206.7	1,291.1	84.4	106.99%
Gas injected into storages	2,032.1	1,881.7	- 150.4	92.60%
Import gas deliveries	483.2	237.9	- 245.4	49.22%
Commodity gas	6.0	8.6	2.6	143.33%

The production of extracted gas did not vary significantly in comparison with the previous year. The delivered production was 6.5% lower due to a decrease in consumption.

ECONOMIC AND FINANCIAL INDICATORS

The Company's revenue is mainly generated by the sale of natural gas (domestic and import), the underground gas storage services and the electricity production.

The main economic and financial indicators as on 30 September 2013 are shown below in comparison with the similar indicators for the similar 2012 period:

Summary of interim comprehensive income as at 30 September 2013

Description	Sep 30, 2013	Sep 30, 2012	Variance
	thousands RON	thoudsands RON	%
Revenue	2,587,049	2,872,999	-9.95%
Cost of commodities sold	(337,510)	(730,349)	-53.79%
Investment income	83,796	109,618	-23.56%
Other gains and losses	(41,345)	(42,471)	-2.65%
Changes in inventory of finished goods and work in progress	140,625	122,733	14.58%
Raw materials and consumables used	(87,742)	(88,888)	-1.29%
Depreciation and amortization expenses	(601,746)	(442,441)	36.01%
Employee benefit expense	(387,900)	(353,258)	9.81%
Finance cost	(15,289)	(27,001)	-43.38%
Exploration expense	(24,991)	(55,596)	-55.05%
Other expenses	(397,707)	(292,751)	35.85%
Other income	40,244	112,154	-64.12%
Profit before tax	**957,484**	**1,184,749**	-19.18%
Income tax expense	(160,594)	(207,427)	-22.58%
Profit after tax	**796,890**	**977,322**	-18.46%

Revenue

For the nine month period ending 30 September 2013, the Company had recorded revenue of 2.6 billion RON compared to 2.9 billion RON in the nine month period ending 30 September 2012. Although the domestic gas price increased as compared with previous year, the Company's revenue decreased due to the lowering of both domestic and import gas deliveries. The decrease of import gas deliveries was generated both by a lowering of the gas consumption, and also by the effects of the provisions of ANRE order no. 24/2013 relating to the approval of the Methodology for the allocation of natural gas obtained from domestic production required for covering the consumption on the regulated market, according to which natural gas producers no longer have the obligation to deliver a blend of domestic and import gas.

Service revenues increased in the nine month period ending 30 September 2013 by 153 million RON, compared with the similar period of 2012. The increase is due to the revenues generated by the storage activity (as a result of an increase of regulated tariffs for this activity), and the revenues generated by the electricity production following the takeover of CTE Iernut (starting with 1 February 2013).

Cost of commodities sold

For the nine month period ending on 30 September 2013 the cost of commodities sold decreased by 54% to 338 million RON against 730 million RON in the nine month period ending on 30 September 2012, following a decrease of import gas sales.

Investment income

For the nine month period ending on 30 September 2013, investment income decreased by 24%, to 84 million RON, compared to 110 million RON in the nine months ended 30 September 2012, due to lower income generated by interests following a decrease of interest rates on bank deposits and State bonds.

Depreciation and amortization

In the nine month period ending on 30 September 2013, depreciation and amortization expenses increased by 159.3 million RON, or 36%, to 601.7 million RON from 442.4 million RON in the nine month period ending on 30 September 2012. This increase was generated by a net depreciation expense in relation with fixed assets resulting from the takeover of CTE Iernut, and by the depreciation of natural gas exploration and production projects either abandoned or in the process to be abandoned.

Employee benefit expense

For the reporting period, employee benefit expenses and the respective taxes and social charges increased to 387.9 million RON compared to 353.3 million RON in the nine month period ending on 30 September 2012, mainly due to the increase of the number of employees as a result of taking over CTE Iernut on 1 February 2013.

Finance cost

In the nine month period ended 30 September 2013, finance costs have decreased to 15.3 million RON, compared to 27 million RON in the nine months ended 30 September 2012, as a result of the unwinding effect on the decommissioning provision which is recognized annually in the statement of profit or loss as financial expense, and also due to full repayment of the loan from the International Bank for Reconstruction and Development ("IBRD"), the last installment being paid in October 2012, leading to a reduced interest expense for the current year.

Exploration expense

In the nine month period ended 30 September 2013, exploration expenses decreased to 25 million RON from 55.6 million RON in the first nine months ended 30 September 2012, as a result of a smaller value of exploration projects abandoned compared to the same period of 2012.

Other expenses

In the nine month period ended 30 September 2013, other expenses increased by 105 million RON to 397.7 million RON from 292.8 million RON during the nine month period ended 30 September 2012, mainly due to transportation costs incurred for gas consumed by CTE Iernut branch, but also due to increased natural gas royalty costs (extraction of gas from fields with higher production compared to last year) and also due to the introduction starting with 1 February 2013 of an extra tax on additional revenue obtained as a result of deregulation of natural gas prices.

Other income

In the nine month period ended 30 September 2013, other income decreased to 40.24 million RON from 112.2 million RON in the nine months ended 30 September 2012, as in 2012 the Company recorded penalties and the effect of inflation on a reactivated receivable from Termoelectrica.

Income tax expense

In the nine month period ended 30 September 2013, the Company recorded an income tax expense in amount of 160.6 million RON compared to prior period income tax expense of 207.4 million RON (amount related to nine months period ended 30 September 2012) mainly due to higher deferred income tax in the first nine months of 2013 compared to the same period of 2012.

Profit after tax

In the nine month period ended 30 September 2013, the Company's net profit decreased by 180.4 million RON or 18.5% to 796.9 million RON compared to prior period profit for the year of 977.3 million RON recorded in the first nine months of 2012, due to the cumulative effect of the items presented above.

Statement of individual financial position – Summary

ASSETS	Sep 30, 2013	Sep 30, 2012	Variance
	thousands RON	thousands RON	%
Non-current assets			
Property plant and equipment	5,800,611	5,880,770	-1%
Other intangible assets	332,496	230,704	44%
Investment in associates	1,247	7,614	-84%
Trade and other receivables	-	52,646	-100%
Other financial assets	77,363	1,646	4,600%
Other assets	17,044	16,926	1%
TOTAL NON-CURRENT ASSETS	**6,228,761**	**6,190,306**	1%
Current assets			
Inventories	560,584	507,849	10%
Trade and other receivables	650,462	906,806	-28%
Other financial assets	463,879	928,235	-50%
Other assets	151,328	132,434	14%
Cash and cash balances	1,889,668	1,739,330	9%
TOTAL CURRENT ASSETS	**3,715,921**	**4,214,654**	-45%
TOTAL ASSETS	**9,944,682**	**10,404,960**	-4%
Equity and Liabilities			
Capital and reserves			
Issued capital	1,892,681	1,890,297	0%
Reserves	1,949,229	1,773,651	10%
Retained earnings	5,242,009	5,680,812	-8%
Total equity	**9,083,919**	**9,344,760**	-3%
Non-current liabilities			
Retirement benefit obligation	72,186	63,785	13%

Deferred tax liabilities	201,962	257,835	-22%
Provisions	185,229	164,515	13%
Total non-current liabilities	**459,377**	**486,135**	-6%
Current liabilities			
Trade and other payables	152,913	292,685	-48%
Current tax liabilities	69,420	68,044	2%
Provisions	36,237	28,735	26%
Other liabilities	142,816	184,601	-23%
Total current liabilities	**401,386**	**574,065**	-30%
Total liabilities	**860,763**	**1,060,200**	-19%
Total equity and liabilities	**9,944,682**	**10,404,960**	-4%

Non-current assets

Other intangible assets increased in the nine month period ended 30 September 2013 with 101.8 million RON, compared with the period ended 31 December 2012, due to increased amount of prospection works for the discovery of natural gas.

Other financial assets increased in the nine month period ended 30 September 2013 starting with 24 January 2013, when the Company acquired shares worth 66,287 thousand RON in Electrocentrale Bucuresti SA

Current assets

Current assets decreased in the nine month period ended 30 September 2013 mainly due to a decrease in receivables. Receivables decreased as a result of lower gas deliveries and decrease in amounts held in government treasury bills and deposits. Part of the available cash was used to pay dividends related to financial year 2012.

Capital and reserves

Reserves increased by the amount of 175.6 million RON, representing the distribution of profit for 2012 to Company's fund for development.

Retained earnings decreased with the amount of net profit distributed (dividends and development fund), and increased by the amount of net profit realised in the first nine months of 2013.

Current liabilities

Current liabilities decreased due to lower advance payments made by Romgaz customers for gas supplied during the year made compared with the end of year 2012.

RATIOS

No.	Ratio	Formula	Level
1	Current liquidity	Current assets/Current liabilities	9.26

2	Gearing ratio	Long term debt/Equity* 100	0.00
3	Receivables turnover	Average trade receivables balance/Revenue *270	81.26
4	Property, plant and equipment turnover	Revenue/Property, plant and equipment	0.42

INVESTMENTS

In the nine month period ended 30 September 2013 capital expenditure amounted to 582,625 thousand RON, compared to 313,046 thousand RON in the similar period of 2012, representing an increase of 86%. This level of investment is mainly the result of a higher volume of agreements signed for investments execution/delivery. Also, the portfolio of projects to be executed increased after obtaining the land, permits, agreements and authorizations needed.

Investment projects of 179,452 thousand RON were put in function in the period January-September 2013.

We attach the interim individual financial statements for the period ended 30 September 2013, prepared in accordance with the International Financial Reporting Standards (IFRS), together with the independent auditor's report.

PRESIDENT of BOARD of DIRECTORS,

Aurora Negrut

GENERAL MANAGER,

Virgil Marius Metea

Societatea Naţională de Gaze Naturale "ROMGAZ" S.A. MEDIAŞ J32/392/2001 3

ECONOMIC DIRECTOR,

Lucia Ionascu

S.N.G.N. ROMGAZ S.A.
INDIVIDUAL INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY EU

TOGETHER WITH
THE INDEPENDENT AUDITOR'S REVIEW REPORT

CONTENTS **PAGE**

AUDITOR'S REVIEW REPORT	1
STATEMENT OF INDIVIDUAL INTERIM COMPREHENSIVE INCOME	2
STATEMENT OF INDIVIDUAL INTERIM FINANCIAL POSITION	3 – 4
STATEMENT OF INDIVIDUAL INTERIM CHANGES IN EQUITY	5 - 6
STATEMENT OF INDIVIDUAL INTERIM CASH FLOW	7 – 8
NOTES TO THE INDIVIDUAL INTERIM FINANCIAL STATEMENTS	9 – 53

STATEMENT OF INDIVIDUAL INTERIM COMPREHENSIVE INCOME FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

	Note	9 Months ended September 30, 2013 '000 RON	3 Months ended September 30, 2013 '000 RON	9 Months ended September 30, 2012 '000 RON	3 Months ended September 30, 2012 '000 RON
Revenue	3	2,587,049	685,910	2,872,999	680,806
Cost of commodities sold	5	(337,510)	(35,462)	(730,349)	(138,384)
Investment income	4	83,796	24,793	109,618	31,101
Other gains and losses	6	(41,345)	(73,763)	(42,471)	(27,576)
Changes in inventory of finished goods and work in progress		140,625	107,570	122,733	110,304
Raw materials and consumables used	5	(87,742)	(30,766)	(88,888)	(27,506)
Depreciation and amortisation expenses	7	(601,746)	(152,703)	(442,441)	(117,567)
Employee benefit expense	8	(387,900)	(143,293)	(353,258)	(128,163)
Finance cost	9	(15,289)	(59)	(27,001)	(151)
Exploration expense	13	(24,991)	(7,538)	(55,596)	(40,237)
Other expenses	10	(397,707)	(156,780)	(292,751)	(123,924)
Other income	3	40,244	13,959	112,154	12,433
Profit before tax		**957,484**	**231,868**	**1,184,749**	**231,136**
Income tax expense	11	(160,594)	(57,363)	(207,427)	(50,848)
Profit for the year		**796,890**	**174,505**	**977,322**	**180,288**
Basic and diluted earnings per share*		0.0021		0.0025	
Total comprehensive income for the year		**796,890**	**174,505**	**977,322**	**180,288**

*calculation based on share split effected on October 4, before the approval of these financial statements. See also note 17.

The individual interim financial statements were approved by the board of directors and authorized for issue on November 13, 2013.

Virgil Metea
General Manager

Lucia Ionascu
Economic Director

STATEMENT OF INDIVIDUAL INTERIM FINANCIAL POSITION AS AT SEPTEMBER 30, 2013

Assets	Note	Sep 30, 2013 '000 RON	Dec 31, 2012 '000 RON
Non-current assets			
Property plant and equipment	**12**	5,800,611	5,880,770
Other intangible assets	**14**	332,496	230,704
Associates	**24**	1,247	7,614
Trade and other receivables	**16 a)**	-	52,646
Other financial assets	**25**	77,363	1,646
Other non-current assets	**27, 16 b)**	17,044	16,926
Total non-current assets		**6,228,761**	**6,190,306**
Current assets			
Inventories	**15**	560,584	507,849
Trade and other receivables	**16 a)**	650,462	906,806
Other financial assets	**29**	463,879	928,235
Other assets	**16 b)**	151,328	132,434
Cash and cash equivalents	**28**	1,889,668	1,739,330
Total current assets		**3,715,921**	**4,214,654**
Total assets		**9,944,682**	**10,404,960**
Equity and liabilities			
Capital and reserves			
Share capital	**17**	1,892,681	1,890,297
Reserves	**18**	1,949,229	1,773,651
Retained earnings		5,242,009	5,680,812
Total equity		**9,083,919**	**9,344,760**
Non-current liabilities			
Retirement benefit obligation	**19**	72,186	63,785
Deferred tax liabilities	**11**	201,962	257,835
Provisions	**19**	185,229	164,515
Total non-current liabilities		**459,377**	**486,135**

STATEMENT OF INDIVIDUAL INTERIM FINANCIAL POSITION AS AT SEPTEMBER 30, 2013

	Note	Sep 30, 2013 '000 RON	Dec 31, 2012 '000 RON
Current liabilities			
Trade and other payables	**20**	152,913	292,685
Current tax liabilities		69,420	68,044
Provisions	**19**	36,237	28,735
Other liabilities	**20**	142,816	184,601
Total current liabilities		**401,386**	**574,065**
Total liabilities		**860,763**	**1,060,200**
Total equity and liabilities		**9,944,682**	**10,404,960**

The individual interim financial statements were approved by the board of directors and authorized for issue on November 13, 2013.

Virgil Metea
General Manager

Societatea Națională de Gaze Naturale "ROMGAZ" S.A. MEDIAȘ J32/392/2001 3

Lucia Ionascu
Economic Director

STATEMENT OF INDIVIDUAL INTERIM CHANGES IN EQUITY
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

	Share capital	Legal reserve	Other reserves	Retained earnings
	'000 RON	'000 RON	'000 RON	'000 RON
Balance as of Jan 1, 2013	**1,890,297**	**76,607**	**1,697,044**	**5,680,812**
Increase in share capital	2,384	-	-	-
Total comprehensive income for the year	-	-	-	796,890
Dividends paid	-	-	-	(1,060,115)
Increase other reserves	-	-	175,578	(175,578)
Balance as of Sept 30, 2013	**1,892,681**	**76,607**	**1,872,622**	**5,242,009**

	Share capital	Legal reserve	Other reserves	Retained earnings
	'000 RON	'000 RON	'000 RON	'000 RON
Balance as of Jan 1, 2012	**1,890,297**	**76,607**	**1,603,940**	**5,592,775**
Total comprehensive income for the year	-	-	-	977,322
Dividends paid	-	-	-	(938,038)
Increase other reserves	-	-	93,104	(93,104)
Balance as of Sept 30, 2012	**1,890,297**	**76,607**	**1,697,044**	**5,538,955**

The Company increased its share capital by incorporating the value of several plots of land, in accordance with the provisions of Law 834/1991 with subsequent amendments.

During the nine months period ended September 30, 2013 the Company paid dividends of thousand RON 1,060,115, based on shareholders' decision (dividend per share: thousand RON 0.0277).

Geological quota

As of September 30, 2013, the geological quota included in the Company's statutory financial statements amounts to thousand RON 3,543,836 (thousand RON 3,317,187 as of December 31, 2012). The Company benefits from the geological quota facility whereby it can charge up to 35% of the value of the gas sold and collected during the year. This facility was recognized in reserves for statutory purposes. Currently, this quota is restricted to investment purposes. It is treated as non-deductible for fiscal purposes since 2004.

Of the total amount of thousand RON 3,543,836 as of September 30, 2013, an amount of thousand RON 486,388 represents geological quota as of December 31, 2004. The Company has decided to maintain this as permanent reserves and not to be used anymore for investments. The geological quota and its use are subject to changes in legal requirements. The amount of thousand RON 486,388 is included in other reserves, the remaining balance being recorded in retained earnings.

Exploration expenses are recorded in the statutory financial statements as a reduction of the reserve related to the quota. For IFRS purposes, all transactions involving the geological quota were adjusted through profit or loss.

STATEMENT OF INDIVIDUAL INTERIM CHANGES IN EQUITY FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

In accordance with Ministry of Public Finance Order No. 881/2012, companies listed on a regulated stock market must prepare IFRS financial statements. Following Romgaz's listing in 2013, for the year ended December 31, 2013 the Company will prepare financial statements in accordance with IFRS, which will be then subject to statutory audit. Those financial statements will be the basis for profit appropriation decisions by the Company's shareholders. Ministry of Public Finance Order no. 1286/2012 regulates the transition to IFRS. Following IFRS related restatements to the Company's financial statements, the structure of these financial statements will change significantly. The retained earnings following the transition to IFRS are not fully realised, hence it will not be subject to full distribution to shareholders as dividends.

The individual interim financial statements were approved by the board of directors and authorized for issue on November 13, 2013.

Virgil Metea
General Manager

Societatea Naţională de Gaze Naturale "ROMGAZ" S.A. MEDIAŞ J32/392/2001 3

Lucia Ionascu
Economic Director

STATEMENT OF INDIVIDUAL INTERIM CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

	9 Months ended September 30, 2013	9 Months ended September 30, 2012
	'000 RON	'000 RON
Cash flows from operating activities		
Net profit for the year	**796,890**	**977,322**
Adjustments for:		
Income tax expense	160,594	207,427
Interest expense	25	395
Unwinding of decommissioning provision	15,264	26,606
Interest revenue	(83,796)	(109,618)
(Gain)/Loss on disposal of non-current assets	2,627	6,635
Change in decommissioning provision recognized in profit or loss, other than unwinding	(3,924)	(26,126)
Change in other provisions	12,095	(737)
Impairment of exploration assets	37,404	(92,656)
Exploration projects written-off	24,991	55,596
Impairment of property, plant and equipment	67,573	48,208
Depreciation and amortization	496,769	486,889
Impairment of investment in associates	6,761	-
Impairment of other financial assets	278	-
Losses from trade receivables and other assets	60,422	137,701
Receivables reactivated	(28,941)	(115,595)
	1,565,032	**1,602,047**
Movements in working capital:		
Decrease/(Increase) in inventory	(52,735)	(204,763)
Decrease/(Increase) in trade and other receivables	150,483	242,852
(Decrease)/Increase in trade and other liabilities	(134,713)	(455,446)
Cash generated from operations	**1,528,067**	**1,184,690**
Interest paid	-	(485)
Income taxes paid	(215,090)	(246,094)
Net cash generated by/(used in) operating activities	**1,312,977**	**938,111**
Cash flows from investing activities		
Acquisition of investments in associates	(393)	(530)
Decrease/(Increase) in other financial assets	411,941	193,427
Interest received	126,251	107,796
Proceeds from sale of non-current assets	(1,590)	(1,347)
Loans granted to associates	-	(10,517)
Acquisition of non-current assets	(374,505)	(193,591)
Acquisition of exploration assets	(264,228)	(133,391)
Net cash (used in)/generated by investing activities	**(102,524)**	**(38,153)**

The accompanying notes form an integrant part of these individual interim financial statements.

STATEMENT OF INDIVIDUAL INTERIM CASH FLOWS FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

	9 Months ended September 30, 2013 '000 RON	9 Months ended September 30, 2012 '000 RON
Cash flows from financing activities		
Repayment of borrowings	-	(3,488)
Dividends paid	(1,060,115)	(938,038)
Net cash (used in)/generated by financing activities	**(1,060,115)**	**(941,526)**
Net increase/(decrease) in cash and cash equivalents	**150,338**	**(41,568)**
Cash and cash equivalents at the beginning of the period	**1,739,330**	**1,428,649**
Cash and cash equivalents at the end of the period	**1,889,668**	**1,387,081**

The individual interim financial statements were approved by the board of directors and authorized for issue on November 13, 2013.

Virgil Metea
General Manager

Societatea Națională de Gaze Naturale "ROMGAZ" S.A. MEDIAȘ J32/392/2001 3

Lucia Ionascu
Economic Director

The accompanying notes form an integrant part of these individual interim financial statements.

NOTES TO THE INDIVIDUAL INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

1. BACKGROUND AND GENERAL BUSINESS

Information regarding Romgaz S.A., the "Company"

The Romanian gas sector was reorganized in accordance with Government Decision 575 published in the Official Gazette of June 27, 2001.

The Exploration and Production of Natural Gas Company "Exprogaz" SA merged with the National Company for Underground Storage of Natural Gas "Depogaz" SA – the new entity being called the Natural Gas National Company "Romgaz" S.A., recorded as joint-stock company in compliance with legislation in force in Romania. S.N.G.N. Romgaz S.A. took over all rights and liabilities, staff and all ongoing contracts from the two merging companies. The Ministry of Economy, as representative of the Romanian State, is the shareholder of S.N.G.N. Romgaz S.A. together with Fondul Proprietatea S.A.

Romgaz S.A. has as main activity:

1. geological research for the discovery of natural gas, crude oil and condensed reserves;

2. exploitation, production and usage, including trading, of mineral resources;

3. natural gas production for:
   - ensuring the storage flow continuity;
   - technological consumption;
   - delivery in the transportation system;

4. underground storage of natural gas;

5. commissioning, interventions, capital repairs for wells equipping the deposits, as well as the natural gas resources extraction wells, for its own activity and for third parties.

6. production and sale of electricity, following the takeover of Iernut power plant.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The individual interim financial statements of the Company have been prepared in accordance with the provisions of the International Financial Reporting Standards as adopted by the European Union (IFRS). For the purposes of the preparation of these individual interim financial statements, the functional currency of the Company is deemed to be the Romanian Leu (RON). IFRS as adopted by the EU differ in certain respects from IFRS as issued by the IASB, however, the differences have no impact on the Company's individual interim financial statements for the periods presented.

The same accounting policies and methods of computation are followed in these individual interim financial statements as compared with the most recent annual financial statements issued by the Company.

Basis of preparation

The individual interim financial statements have been prepared on a going concern basis under the historical cost convention adjusted for hyperinflation effects until December 31, 2003 for share capital. For items of property, plant and equipment, the Company selected the deemed cost method allowed for by IFRS 1. The deemed cost as of January 1, 2010, the date of transition to IFRS, was determined based on a valuation report prepared by an independent appraiser. These interim financial statements are prepared based on the statutory accounting records prepared by the Company in accordance with Romanian accounting principles which have been adjusted for to comply with IFRS. The principal accounting policies are set out below.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these individual interim financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Accounting is kept in Romanian and in the national currency. Items included in these individual interim financial statements are denominated in Romanian lei and have been prepared on a going concern basis.

The Company prepares individual interim financial statements as it has no subsidiaries and incorporated the entities associated, entities over which the Company has a significant influence, by equity accounting. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. When necessary, adjustments are made to the financial statements of associates to bring their accounting policies in line with those used by the Company.

These individual interim financial statements are prepared for general purposes, for users familiar with the International Financial Reporting Standards as adopted by EU; these are not special purpose financial statements, prepared for listing purposes or other specific purposes. Consequently, these individual interim financial statements must not be used as sole source of information by a potential investor or other users interested in a specific transaction.

Associated entities

An associate is a company over which the Company exercises significant influence through participation in decision making on financial and operational policies of the entity invested in. The results, assets and liabilities of associates are incorporated in the individual interim financial statements using the equity method.

Joint ventures

A joint venture is a contractual arrangement whereby the Company and other parties undertake an economic activity that is subject to joint control, i.e. when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control.

When the Company undertakes its activities under joint venture arrangements directly, the Company's share of jointly controlled assets and liabilities incurred jointly with other venturers are recognized in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Company's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognized when it is probable that the economic benefits associated with the transactions will flow to/from the Company and their amount can be measured reliably.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards and Interpretations effective in the current period

The following amendments to the existing standards issued by the International Accounting Standards Board and adopted by the EU are effective for the current period:

- **IFRS 13 "Fair Value Measurement"**, adopted by the EU on December 11, 2012 (effective for annual periods beginning on or after January 1, 2013);
- **Amendments to IFRS 1 "First-time Adoption of IFRS"** – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters, adopted by the EU on December 11, 2012 (effective for annual periods beginning on or after January 1, 2013);
- **Amendments to IFRS 1 "First-time Adoption of IFRS"** – Government Loans, adopted by the EU on March 4, 2013 (effective for annual periods beginning on or after January 1, 2013);
- **Amendments to IFRS 7 "Financial Instruments: Disclosures"** – Offsetting Financial Assets and Financial Liabilities, adopted by the EU on December 13, 2012 (effective for annual periods beginning on or after January 1, 2013);
- **Amendments to IAS 1 "Presentation of financial statements"** – Presentation of Items of Other Comprehensive Income, adopted by the EU on June 5, 2012 (effective for annual periods beginning on or after July 1, 2012);
- **Amendments to IAS 12 "Income Taxes"** – Deferred Tax: Recovery of Underlying Assets, adopted by the EU on December 11, 2012 (effective for annual periods beginning on or after January 1, 2013);
- **Amendments to IAS 19 "Employee Benefits"** – Improvements to the Accounting for Post-employment Benefits, adopted by the EU on June 5, 2012 (effective for annual periods beginning on or after January 1, 2013);
- **Amendments to various standards "Improvements to IFRSs (2012)"** resulting from the annual improvement project of IFRS published on May 17, 2012 (IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34) primarily with a view to removing inconsistencies and clarifying wording, adopted by the EU on March 27, 2013 (amendments are to be applied for annual periods beginning on or after January 1, 2013);
- **IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"**, adopted by the EU on December 11, 2012 (effective for annual periods beginning on or after January 1, 2013).

The adoption of these amendments to the existing standards has not led to any changes in the Company's accounting policies.

Standards and Interpretations issued by IASB and adopted by the EU but not yet effective

At the date of authorisation of these individual interim financial statements the following standards, revisions and interpretations adopted by the EU were in issue but not yet effective:

- **IFRS 10 "Consolidated Financial Statements"**, adopted by the EU on December 11, 2012 (effective for annual periods beginning on or after January 1, 2014);
- **IFRS 11 "Joint Arrangements"**, adopted by the EU on December 11, 2012 (effective for annual periods beginning on or after January 1, 2014);
- **IFRS 12 "Disclosures of Interests in Other Entities"**, adopted by the EU on December 11, 2012 (effective for annual periods beginning on or after January 1, 2014);

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards and Interpretations issued by IASB and adopted by the EU but not yet effective (continued)

- **IAS 27 (revised in 2011) "Separate Financial Statements"**, adopted by the EU on December 11, 2012 (effective for annual periods beginning on or after January 1, 2014);
- **IAS 28 (revised in 2011) "Investments in Associates and Joint Ventures"**, adopted by the EU on December 11, 2012 (effective for annual periods beginning on or after January 1, 2014);
- **Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosures of Interests in Other Entities"** – Transition Guidance, adopted by the EU on April 4, 2013 (effective for annual periods beginning on or after January 1, 2014);
- **Amendments to IAS 32 "Financial instruments: presentation"** – Offsetting Financial Assets and Financial Liabilities, adopted by the EU on December 13, 2012 (effective for annual periods beginning on or after January 1, 2014);

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except from the following standards, amendments to the existing standards and interpretations, which were not endorsed for use as at September 30, 2013:

- **IFRS 9 "Financial Instruments"** (effective for annual periods beginning on or after January 1, 2015);
- **Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures"** – Mandatory Effective Date and Transition Disclosures;
- **Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosures of Interests in Other Entities" and IAS 27 "Separate Financial Statements"** – Investment Entities (effective for annual periods beginning on or after January 1, 2014);
- **Amendments to IAS 36 "Impairment of assets"** - Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after January 1, 2014);
- **Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" – Novation of Derivatives and Continuation of Hedge Accounting** (effective for annual periods beginning on or after January 1, 2014);
- **IFRIC 21 "Levies"** (effective for annual periods beginning on or after January 1, 2014).

The Company anticipates that the adoption of these standards, amendments to the existing standards and interpretations will have no material impact on the individual interim financial statements of the Company in the period of initial application.

At the same time, hedge accounting regarding the portfolio of financial assets and liabilities, whose principles have not been adopted by the EU, is still unregulated.

According to the Company's estimates, application of hedge accounting for the portfolio of financial assets or liabilities pursuant to **IAS 39: "Financial Instruments: Recognition and Measurement"**, would not significantly impact the individual interim financial statements, if applied as at the balance sheet date.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenues refer to goods sold (gas) and services supplied.

Revenue from the sale of goods is recognized when all of the following conditions are met:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from rendering of services is based on the stage of completion as a percentage from total revenues from service contract, the percentage being determined by the fraction between the performed services until the balance sheet date and the total services to be performed.

Revenue arising from royalties is recognized on an accrual basis in accordance with the substance of the relevant agreements.

Interest revenue is recognized periodically and proportionally as the respective revenue is generated on accrual basis.

Dividends are recognized as revenue when the legal right to receive payment is established.

Foreign currencies

The functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. The Company operates in Romania and it has the Romanian Leu (RON) as its functional currency.

In preparing these individual interim financial statements of the Company, transactions in currencies other than functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences are recognized in profit or loss in the period in which they arise.

Employee benefits

(1) Benefits granted upon retirement

In the normal course of business, the Company makes payments to the Romanian State on behalf of its employees, at statutory rates. All employees of the Company are members of the Romanian State pension plan. These costs are recognized in the statement of comprehensive income together with the related salary costs.

Based on the Collective Labor Agreement, the Company is liable to pay to its employees at retirement a number of gross salaries, according to the years worked for the Company, work conditions etc. To this purpose, the Company recorded a provision for benefits upon retirement. This provision was computed according to actuary methods based on estimates of the average salary, the average number of salaries payable upon retirement, on the estimate of the period when they shall be paid and it was brought to present value using a discount factor based on interest related to a maximum degree of security investments (government securities).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

The Company does not operate any other pension scheme or post-retirement benefit plan and, consequently, has no obligation in respect of pensions.

(2) Employee participation to profit

In the nine months period ended September 30, 2013 the Company paid its employees the liability it recorded as of December 31, 2012 in connection with the fund for employee participation to profit in compliance with legislation in force. The liability for the year ended December 31, 2013 will be updated by year end.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions for decommissioning of wells and restoration of lands damaged by the activity of exploiting natural gas resources

Liabilities for decommissioning costs are recognized when the Company has an obligation to plug and abandon a well, dismantle and remove a facility or an item of plant and to restore the site on which it is located, and when a reliable estimate of that liability can be made.

The Company recorded a provision for decommissioning wells and restoring lands used in the activity of exploiting natural resources and returning them to the economic circuit. This provision was computed based on the estimated future expenditure determined in accordance with local conditions and requirements and it was brought to present value using a discount factor based on interest related to a maximum degree of security investments (government securities).

A corresponding item of property, plant and equipment of an amount equivalent to the provision is also recognized. The item of property, plant and equipment is subsequently depreciated as part of the asset.

The Company applies IFRIC 1 related to Changes in existing decommissioning, restoration and similar liabilities.

The change in the decommissioning provision for wells is recorded as follows:

a. subject to (b), changes in the liability shall be added to, or deducted from, the cost of the related asset in the current period.

b. the amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognised immediately in profit or loss.

c. if the adjustment results in an addition to the cost of an asset, the Company shall consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the entity shall test the asset for impairment by estimating its recoverable amount, and shall account for any impairment loss.

Once the related asset has reached the end of its useful life, all subsequent changes of debt shall be recognised in the income statement in the year when they occur.

The periodical unwinding of the discount is recognised annually in profit or loss as a finance cost as it occurs.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the individual interim financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

(1) Cost

(i) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of any decommissioning obligation. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

(ii) Development expenditure

Expenditure on the construction, installation and completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including service and unsuccessful development or delineation wells, is capitalized within property, plant and equipment and is depreciated from the commencement of production as described below in the accounting policy for property, plant and equipment.

(iii) Maintenance and repairs

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset that was separately depreciated is replaced and it is probable that future economic benefits associated with the item will flow to the Company, the expenditure is capitalized and the carrying amount of the replaced asset is derecognized. Inspection costs associated with major maintenance programmes are capitalized and amortized over the period to the next inspection. Overhaul costs for major maintenance programmes, and all other maintenance costs are expensed as incurred.

(2) Depreciation

For indirectly productive tangible assets, depreciation is computed using the straight–line method over the estimated useful life of the assets, as follows:

Asset	Years
Specific buildings and constructions	10 - 50
Technical installations and machines	3 - 20
Other plant, tools and furniture	3 - 30

Land is not depreciated as it is considered to have an indefinite useful life.

For directly productive tangible assets (assets related to natural gas extraction), the Company applies the depreciation method based on the unit of production in order to reflect in the profit or loss an expense proportionate with income realized from sale of production obtained from the total natural gas reserve certified at the beginning of the period. According to this method the value of each production well is depreciated according to the ratio of the natural gas quantity extracted during the period compared to the proved developed reserves at the beginning of the period.

For directly productive tangible assets involved in electricity production, the Company applies the straight line depreciation method over the useful life of the asset.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at historical cost, less any recognized impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Items of tangible fixed assets that are retired or otherwise disposed of are eliminated from the statement of financial position along with the corresponding accumulated depreciation. Any gain or loss resulting from such retirement or disposal is included in the current year's result.

Intangible assets

(1) Cost

Natural gas exploration, appraisal and development expenditure is accounted for using the principles of the successful efforts method of accounting.

(i) Exploration and appraisal expenditure

Costs directly associated with an exploration well are initially capitalized as an intangible asset until the drilling of the well is complete and the results have been evaluated. These costs include employee remuneration, materials and fuel used, rig costs and payments made to contractors. If potentially commercial quantities of hydrocarbons are not found, the exploration well is written off as a dry hole. If hydrocarbons are found and, subject to further appraisal activity, are likely to be capable of commercial development, the costs continue to be carried as an asset. Costs directly associated with appraisal activity, undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalized as an intangible asset. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off. When proved reserves of natural gas are determined and development is approved by management, the relevant expenditure is transferred to property, plant and equipment.

(ii) Other intangible assets

Licenses for software, patents and other intangible assets are recognized at acquisition cost. Exploitation and storage licenses issued by the National Authority for Energy Regulation ("ANRE") and concessions for natural gas fields from the National Agency for Mineral Resources ("ANRM") are recognized at cost from the moment they are obtained by the Company.

Intangible assets are not revalued.

(iii) Amortization

- *Development expenses*

Capitalized development expenses are amortized on a straight-line basis starting with the date when production is launched for the period the asset is expected to generate economic benefits.

- *Other intangible assets*

Patents, trademarks and other intangible assets are amortized using the straight-line method over their useful life, but not exceeding 20 years. Licenses related to the right of use of computer software are amortized over a period of 3 years. Exploitation, respectively storage licenses, are amortized over the period for which they were issued.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is generally determined using the specific identification method. The cost of finished goods and production in progress includes materials, labour, expense incurred for bringing the finished goods at the location and in the existent form and the related indirect production costs. Write down adjustments are booked against slow moving, damaged and obsolete inventory, when necessary. The net realizable value is estimated based on the selling price less any completion and selling expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets and liabilities

The Company's financial assets include cash and cash equivalents, trade receivables, other receivables, loans and other investments. Financial liabilities include interest-bearing bank loans and overdrafts and trade and other payables, accruals. For each item the accounting policies on recognition and measurement are disclosed in this note. Management believes that the estimated fair values of these instruments approximate their carrying amounts.

Financial assets are classified into the following categories: 'held-to-maturity investments' and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables, including trade and other receivables, bank balances and cash and other receivables, are initially recognized at fair value, net of transaction costs. Subsequently these are recorded at amortized cost using the effective interest method, less any impairment. Any difference between the initial recognition and repayable amount is recognized in profit and loss over the period of the loan, using the effective interest rate method.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method less any impairment.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities, other than financial liabilities at fair value through profit or loss, are deducted from the fair value of financial liabilities on initial recognition.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realize the asset and settle the liability simultaneously.

The classification of investment depends on the nature and purpose and is determined at the time of initial recognition.

Available for sale (AFS) financial assets

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as loans and receivables or held-to-maturity investments.

Shares held in unquoted equity instrument are classified as being AFS and are stated at fair value where it can be measured. Gains and losses arising from changes in fair value are recognized directly in equity in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognized directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in the investments revaluation reserve is included in profit or loss for the period.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets and liabilities (continued)

Dividends on AFS equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established.

Impairment of financial assets

Financial assets, other than those at fair value through profit and loss, are assessed for indicators of impairment at each balance sheet date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For unlisted shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

De-recognition of financial assets and liabilities

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Reserves

Reserves include:
- legal reserves, which are used annually to transfer profits from retained profits, up to 5% of the statutory profit being transferred each year, but not to exceed 20% of the Company's statutory share capital;
- other reserves, which represent allocations from profit in accordance with Government Ordinance no. 64/2001, paragraph (g) for the Company's development fund.

Use of estimates

The preparation of the financial information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenue and expenses during the reporting period. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates (continued)

The following are the critical judgments that the management has made in the process of applying the Company's accounting policies, and that have the most significant effect on the amounts recognized in the individual interim financial statements.

Estimates related to revenue recognition

As of September 30, 2013 the Company recorded an estimate on invoices to be issued of thousand RON 15,325 (as of December 31, 2012: thousand RON 388,109) related to goods delivered in the financial year for which no invoice was yet issued. In making its judgment, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in IAS 18 Revenue and, in particular, whether the Company had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed analysis, the management is satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate.

Estimates related to Iernut takeover – settlement of receivable from S.C. Electrocentrale Bucuresti S.A.

One of the largest customer balance (S.C. Electrocentrale Bucuresti S.A.) in amount of thousand RON 653,000 was assumed to be recoverable due to an in-kind settlement agreement whereby S.C. Electrocentrale Bucuresti S.A. was to transfer one of its power units (CET Iernut) to S.N.G.N. Romgaz S.A. In January, 2013 the Company took over Iernut power unit from S.C. Electrocentrale Bucuresti S.A. The transaction was considered to be a transaction between owners, not a business acquisition, as both the Company and S.C. Electrocentrale Bucuresti S.A. have the Ministry of Economy as major shareholder. The Company recorded the items of property, plant and equipment taken over from S.C. Electrocentrale Bucuresti at thousand RON 40,467. Based on a fair value analysis, as of September 30, 2013 the Company fully impaired the related items of property, plant and equipment. As the related receivable balance was fully provided as of December 31, 2012, the settlement of the receivable during the period did not generate any loss in the current individual interim financial statements.

The Company recorded allowances for other bad debts related to receivables from various customers due to existing litigating cases related to these receivables. The estimated recoverability of the related receivables is nil.

The rest of the allowance for bad debt recorded relates to the effect of loss of value as a result of exceeding the maturity by more than 1 year. The estimate was performed based on prior history.

Estimates related to the exploration expenditure on undeveloped fields

If field works prove that the geological structures are not exploitable from an economic point of view or that they do not have hydrocarbon resources available, capitalised expenses are written off. The write off is performed based on geological experts technical expertise.

Estimates related to the developed proved reserves

The Company applies the depreciation method based on the unit of production in order to reflect in the income statement an expense proportionate with income realized from sale of production obtained from the total natural gas reserve certified at the beginning of the period. According to this method the value of each production well is depreciated according to the ratio of the natural gas quantity extracted during the period compared to the gas reserve certified at the beginning of the period. The gas reserves are updated on an annual basis starting 2011 (in the previous years, the gas reserves were updated every five years) based on internal assessment approved by the National Authority for Mineral Resources.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates (continued)

Estimates related to the decommissioning provision

Liabilities for decommissioning costs are recognized when the Company has an obligation to plug and abandon a well, dismantle and remove a facility or an item of plant and to restore the site on which it is located, and when a reliable estimate of that liability can be made.

The Company recorded a provision for decommissioning wells and restoring lands used in the activity of exploiting natural resources and returning them to the economic circuit. This provision was computed based on the estimated future expenditure determined in accordance with local conditions and requirements and it was brought to present value using a discount factor based on interest related to a maximum degree of security investments (government securities).

Estimates related to the retirement benefit obligation

Under the Collective Labor Contract, the Company is obliged to pay to its employees when they retire a multiplicator of the gross salary, depending on the seniority within the Company, working conditions etc. This provision was calculated based on actuarial methods to estimate the average wage, the average number of employees to pay at retirement, the estimate of the period when they will be paid and was brought to this value using a discount factor based on interest on investments with the highest degree of safety (government bonds).

The Company does not operate any other pension plan or retirement benefits, and therefore has no other obligations relating to pensions.

Estimates regarding the environment provision

The Company records a provision for the restoration of land and for the redemption of the land to the agricultural circuit, based on management's estimate of the necessary costs to be incurred in order to restore the land to its original state. The estimate is based on previous experience and based on budgeted well drilling and exploration.

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The Company works closely with qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Economic Director reports the valuation findings to the board of directors of the Company on a regular basis to explain the cause of fluctuations in the fair value of the assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Comparative Information

For each item of the statement of financial position, the statement of comprehensive income, and, where is the case, for the statement of changes in equity and for the statement of cash flows comparative information is presented as follows:

- Individual statement of financial position as of the end of the current interim period and a comparative statement of financial position as of the end of the immediately preceding financial year;
- Individual statements of profit or loss and other comprehensive income for the current interim period and cumulatively for the current financial year to date, with comparative individual statements of profit or loss and other comprehensive income for the comparable interim periods (current and year-to-date) of the immediately preceding financial year.;
- Individual statement of changes in equity cumulatively for the current financial year to date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year;
- Individual statement of cash flows cumulatively for the current financial year to date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year.

3. REVENUE AND OTHER INCOME

	9 Months ended September 30, 2013	9 Months ended September 30, 2012
	'000 RON	'000 RON
Revenue from gas sold - internal production	1,866,142	1,815,282
Revenue from gas acquired for resale-import gas	354,046	848,370
Revenue from gas acquired for resale-internal gas	4,946	2,864
Revenue from sale of goods	7,216	5,069
Revenue from services	349,528	196,725
Other operating revenues	45,415	116,843
Total	**2,627,293**	**2,985,153**

The Company's sales are cyclical, sales being highest in the cold months and lowest in the summer period.

4. INVESTMENT INCOME

	9 Months ended September 30, 2013	9 Months ended September 30, 2012
	'000 RON	'000 RON
Interest revenue	83,796	109,618
Total	**83,796**	**109,618**

5. COST OF COMMODITIES SOLD AND RAW MATERIALS AND CONSUMABLES USED

	9 Months ended September 30, 2013	9 Months ended September 30, 2012
	'000 RON	'000 RON
Consumables used	84,098	86,970
Cost of goods sold	337,510	730,349
Other consumables	3,644	1,918
Packages Consumed	-	-
Total	**425,252**	**819,237**

6. OTHER GAINS AND LOSSES

	9 Months ended September 30, 2013	9 Months ended September 30, 2012
	'000 RON	'000 RON
Forex gain	(6,043)	(9,607)
Forex loss	6,242	23,337
Loss on disposal of property, plant and equipment	2,627	6,635
Allowances and write offs, net	60,422	137,701
Recovery of written-off receivables	(28,941)	(115,595)
Impairment of financial assets	7,038	-
Total	**41,345**	**42,471**

7. DEPRECIATION, AMORTIZATION AND IMPAIRMENT EXPENSE

	9 Months ended September 30, 2013	9 Months ended September 30, 2012
	'000 RON	'000 RON
Depreciation and amortization		
Depreciation	496,769	486,889
Out of which:		
Depreciation of property plant and equipment	480,348	470,910
Amortization of intangible assets	16,421	15,979
Impairment of fixed assets	104,977	(44,448)
Total depreciation, amortization and impairment	**601,746**	**442,441**

8. EMPLOYEE BENEFITS AND SOCIAL CHARGES

	9 Months ended September 30, 2013	9 Months ended September 30, 2012
	'000 RON	'000 RON
Wages and salaries	289,005	263,849
Social security charges	89,871	81,200
Meal tickets	9,024	8,209
Total salaries	**387,900**	**353,258**

9. FINANCE COSTS

	9 Months ended September 30, 2013	9 Months ended September 30, 2012
	'000 RON	'000 RON
Interest Expense	25	395
Unwinding of the decommissioning provision	15,264	26,606
Total Interest	**15,289**	**27,001**

10. OTHER EXPENSES

	9 Months ended September 30, 2013	9 Months ended September 30, 2012
	'000 RON	'000 RON
Electricity	74,898	82,072
Protocol and advertising	125	229
Logistic expenses	3,119	12,953
Taxes and duties	269,171	190,976
Bank commissions and similar charges	1,408	390
Insurance expenses	2,111	2,570
Compensations,fines and penalties	716	72
Provision expenses	8,171	(26,863)
Other operating expenses	37,988	30,352
Total	**397,707**	**292,751**

11. INCOME TAXES

Income tax	Nine months ended Sep 30, 2013	Nine months ended Sep 30, 2012
	'000 RON	'000 RON
Current period tax expense	216,467	216,741
Deferred income tax expense/(revenue)	(55,873)	(9,314)
Income tax expense/(revenue)	**160,594**	**207,427**

The tax rate used for the 2013 and 2012 reconciliations below is the corporate tax rate of 16% payable by corporate entities in Romania on taxable profits under tax law in that jurisdiction.

The total charge for the period can be reconciled to the accounting profit as follows:

Deferred tax reconciliation	9 Months ended September 30, 2013	9 Months ended September 30, 2012
	'000 RON	**'000 RON**
Accounting profit before tax	**957,484**	**1,184,749**
Income tax expense calculated at 16%	153,197	189,560
Effect of income exempt of taxation	(16,114)	(24,691)
Effect of expenses that are not deductible in determining taxable profit	122,654	42,499
Other	(99,143)	59
Income tax	**160,594**	**207,427**

Components of deferred tax asset/ liability

	Sep 30, 2013		Dec 30, 2012	
Components of deferred tax	**Cumulative temporary differences**	**Deferred tax (asset)/liability**	**Cumulative temporary differences**	**Deferred tax (asset)/liability**
Provisions	(288,499)	(46,160)	(261,640)	(41,862)
Other liabilities	(9,492)	(1,519)	-	-
Property, plant and equipment	1,866,474	298,636	2,101,600	336,256
Exploration assets	(265,893)	(42,543)	(228,490)	(36,559)
Other assets	(40,326)	(6,452)	-	-
Total	**1,262,264**	**201,962**	**1,611,470**	**257,835**
Charged to income		**(55,873)**		**(8,324)**

12. PROPERTY, PLANT AND EQUIPMENT

	Land and land improvements	Buildings	Gas properties	Plant, machinery and equipment	Fixtures, fittings and office equipment	Storage Assets	Tangible exploration assets - WIP	Capital work in progress - other	Total
	'000RON	'000RON	'000RON	'000RON	'000RON	'000RON	'000RON	'000RON	'000RON
Cost									
As of Jan 1, 2013	**91,944**	**355,401**	**4,430,294**	**846,976**	**153,606**	**1,504,106**	**536,983**	**199,286**	**8,118,596**
Additions, of which:	5,502	37,920	77,447	110,180	880	3,695	162,959	279,737	678,320
- transfers	577	33,538	59,518	78,782	148	-	-	-	172,563
- decommissioning	-	-	13,328	-	-	-	-	-	13,328
Disposals, of which:	-	(144)	(2,308)	(760)	(14)	(144)	(22,410)	(150,153)	(175,933)
- transfers	-	-	-	-	-	-	(22,410)	(150,153)	(172,563)
- decommissioning	-	-	(148)	-	-	-	-	-	(148)
As of Sept 30, 2013	**97,446**	**393,177**	**4,505,433**	**956,396**	**154,472**	**1,507,657**	**677,532**	**328,870**	**8,620,983**
Accumulated depreciation									
As of Jan 1, 2013	**-**	**40,616**	**1,319,516**	**312,239**	**70,407**	**216,198**	**-**	**-**	**1,958,976**
Charge for the period	-	10,509	329,160	65,028	14,556	61,095	-	-	480,348
Depreciation charged to JV	-	-	2,507	-	-	-	-	-	2,507
Disposals	-	(49)	(8)	(2,646)	882	(84)	-	-	(1,905)
As of Sept 30, 2013	**-**	**51,076**	**1,651,175**	**374,621**	**85,845**	**277,209**	**-**	**-**	**2,439,926**

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and land improvements	Buildings	Gas properties	Plant, machinery and equipment	Fixtures, fittings and office equipment	Storage Assets	Tangible exploration assets - WIP	Capital work in progress - other	Total
	'000RON	'000RON	'000RON	'000RON	'000RON	'000RON	'000RON	'000RON	'000RON
Impairment									
As of Jan 1, 2013	**-**	**-**	**43,726**	**-**	**-**	**-**	**207,379**	**27,745**	**278,850**
Charge for the period	-	14,383	13,569	22,779	125	-	34,023	16,717	101,596
As of Sept 30, 2013	**-**	**14,383**	**57,295**	**22,779**	**125**	**-**	**241,402**	**44,462**	**380,446**
Carrying value as of Jan 1, 2013	**91,944**	**314,785**	**3,067,052**	**534,737**	**83,199**	**1,287,908**	**329,604**	**171,541**	**5,880,770**
Carrying value as of Sept 30, 2013	**97,446**	**327,718**	**2,796,963**	**558,996**	**68,502**	**1,230,448**	**436,130**	**284,408**	**5,800,611**

In January, 2013 the Company took over a power plant (CET Iernut) in exchange of receivables of thousand RON 653,000 it had against one of its clients, S.C. Electrocentrale Bucuresti S.A., which was fully impaired as of December 31, 2012

The Company started the negotiation regarding the transfer in 2010. Since the takeover in January, 2013 modernizations were performed on the plant, having a total value of thousand RON thousand RON 43,129, being carried at cost.

Currently, the Company is running a feasibility study based on which it will decide the future actions related to the plant. Based on the takeover agreement, the Company commits to take all necessary actions to continue the production of electricity and the operation of CET Iernut, and that it does not plan to immediately liquidate the plant and sell the inventory.

NOTES TO THE INDIVIDUAL INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

12. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land and land improvements	Buildings	Gas properties	Plant, machinery and equipment	Fixtures, fittings and office equipment	Storage Assets	Tangible exploration assets - WIP	Capital work in progress - other	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Cost									
As of Jan 1, 2012	**89,021**	**360,665**	**4,266,532**	**791,656**	**153,141**	**1,370,645**	**650,503**	**211,008**	**7,893,171**
Additions, of which:	1,749	9,989	105,258	49,653	141	106,090	78,297	160,374	511,551
- transfers	-	8,717	95,427	41,973	143	95,122	12,574	-	253,956
- decommissioning	-	-	7,736	-	-	-	-	-	7,736
Disposals, of which:	-	(13,686)	(116,231)	(1,441)	(89)	(4,653)	(53,815)	(187,567)	(377,482)
- transfers	-	(12,574)	-	-	-	-	(53,815)	(187,567)	(253,956)
- decommissioning	-	-	(114,649)	-	-	-	-	-	(114,649)
As of Sept 30, 2012	**90,770**	**356,968**	**4,255,559**	**839,868**	**153,193**	**1,472,082**	**674,985**	**183,815**	**8,027,240**
Accumulated depreciation									
As of Jan 1, 2012	**-**	**26,739**	**921,082**	**204,463**	**46,755**	**137,319**	**-**	**-**	**1,336,358**
Charge for the period	-	10,948	297,763	83,204	18,639	60,356	-	-	470,910
Depreciation charged to JV	-	-	4,508	-	-	-	-	-	4,508
Disposals	-	(958)	(243)	(774)	(720)	(989)	-	-	(3,684)
As of Sept 30, 2012	**-**	**36,729**	**1,223,110**	**286,893**	**64,674**	**196,686**	**-**	**-**	**1,808,092**

12. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land and land improvements	Buildings	Gas properties	Plant, machinery and equipment	Fixtures, fittings and office equipment	Storage Assets	Tangible exploration assets - WIP	Capital work in progress - other	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Impairment									
As of Jan 1, 2012	**-**	**12,465**	**-**	**-**	**-**	**-**	**166,343**	**13,536**	**192,344**
Charge for the period	-	-	43,726	-	-	-	17,850	4,482	66,058
Transfers	-	(12,465)	-	-	-	-	-	12,465	-
Release during the period	-	-	-	-	-	-	(1,245)	-	(1,245)
As of Sept 30, 2012	**-**	**-**	**43,726**	**-**	**-**	**-**	**182,948**	**30,483**	**257,157**
Carrying value as of Jan 1, 2012	**89,021**	**321,461**	**3,345,450**	**587,193**	**106,386**	**1,233,326**	**484,160**	**197,472**	**6,364,469**
Carrying value as of Sept 30, 2012	**90,770**	**320,239**	**2,988,723**	**552,975**	**88,519**	**1,275,396**	**492,037**	**153,332**	**5,961,991**

13. EXPLORATION FOR AND EVALUATION OF NATURAL GAS RESOURCES

The following financial information represents the amounts included within S.N.G.N. Romgaz S.A. totals relating to activity associated with the exploration for and evaluation of oil and natural gas resources. All such activity is recorded within the upstream segment.

	9 Months ended September 30, 2013	9 Months ended September 30, 2012
	'000 RON	'000 RON
Exploration expenditure written off	24,991	55,596
Net movement in exploration assets' impairment	37,404	(92,656)

	Sept 30, 2013	Dec 31, 2012
	'000 RON	'000 RON
Exploration assets	746,304	532,863
Liabilities	(56,505)	(27,245)
Net assets	689,799	505,618
Capital expenditure	298,251	227,709
Net cash used in investing activities	(264,228)	(214,439)

14. OTHER INTANGIBLE ASSETS

	Development expenses	Licenses	Intangible exploration assets - WIP	Intangible work in progress - other	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Cost					
As of Jan 1, 2013	**4,146**	**144,975**	**224,280**	**-**	**373,401**
Additions, of which:	-	7,796	135,292	7,608	150,696
- transfers	-	4,539	-	-	4,539
Disposals, of which:	-	-	(24,996)	(4,534)	(29,530)
- transfers	-	-	(5)	(4,534)	(4,539)
- exploration expenditure written-off	-	-	(24,991)	-	(24,991)
As of Sept 30, 2013	**4,146**	**152,771**	**334,576**	**3,074**	**494,567**
Accumulated amortization					
As of Jan 1, 2013	**3,952**	**117,724**	**-**	**-**	**121,676**
Charge for the period	118	16,303	-	-	16,421
Disposals	-	(428)	-	-	(428)
As of Sept 30, 2013	**4,070**	**133,599**	**-**	**-**	**137,669**
Impairment					
As of Jan 1, 2013	**-**	**-**	**21,021**	**-**	**21,021**
Charge for the period	-	-	3,381	-	3,381
As of Sept 30, 2013	**-**	**-**	**24,402**	**-**	**24,402**
Carrying value as of Jan 1, 2013	**194**	**27,251**	**203,259**	**-**	**230,704**
Carrying value as of Sept 30, 2013	**76**	**19,172**	**310,174**	**3,074**	**332,496**

14. OTHER INTANGIBLE ASSETS (continued)

	Development expenses	Licenses	Intangible exploration assets - WIP	Intangible work in progress - other	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Cost					
As of Jan 1, 2012	**3,910**	**142,394**	**225,701**	**445**	**372,450**
Additions, of which:	136	7,892	67,668	8,858	84,554
- transfers	-	7,431	-	-	7,431
Disposals, of which:	(95)	(8,795)	(56,712)	(6,315)	(71,917)
- transfers		-	(1,116)	(6,315)	(7,431)
- exploration expenditure written-off	-	-	(55,596)	-	(55,596)
As of Sept 30, 2012	**3,951**	**141,491**	**236,657**	**2,988**	**385,087**
Accumulated amortization					
As of Jan 1, 2012	**3,815**	**107,378**	**-**	**-**	**111,193**
Charge for the period	115	15,864	-	-	15,979
Disposals	-	(8,795)	-	-	(8,795)
As of Sept 30, 2012	**3,930**	**114,447**	**-**	**-**	**118,377**
Impairment					
As of Jan 1, 2012	**-**	**-**	**143,753**	**-**	**143,753**
Release during the period	-	-	(109,261)	-	(109,261)
As of Sept 30, 2012	**-**	**-**	**34,492**	**-**	**34,492**
Carrying value as of Jan 1, 2012	**95**	**35,016**	**81,948**	**445**	**117,504**
Carrying value as of Sept 30, 2012	**21**	**27,044**	**202,165**	**2,988**	**232,218**

15. INVENTORIES

	30-Sep-2013	31-Dec-2012
	'000 RON	'000 RON
Spare parts and materials	126,725	121,399
Work in progress	481	258
Finished goods	424,945	263,403
Residual products	68	64
Price differences	(93,547)	(52,379)
Inventories at third parties	27,237	35,231
Commodities (gas from import)	83,729	148,928
Packaging	5	4
Impairment for slow moving inventory	(9,059)	(9,059)
Total	**560,584**	**507,849**

16. ACCOUNTS RECEIVABLE

a) Trade and other receivables

	30-Sep-2013	31-Dec-2012
	'000 RON	'000 RON
Trade receivables - short term	901,973	1,286,212
Bad debt allowances - short term	(266,836)	(767,515)
Trade receivables - long term	-	104,078
Bad debt allowances - long term	-	(51,432)
Accrued receivables	15,325	388,109
Total trade receivables	**650,462**	**959,452**

b) Other assets

	30-Sep-2013	31-Dec-2012
	'000 RON	'000 RON
Advance paid to suppliers	90,385	32,185
Joint venture receivables	4,402	7,125
Loans to associates (see note 27)	16,333	16,466
Interest on loan to associates	711	460
Other receivables	51,452	89,344
Prepayments	4,936	1,934
VAT not yet due	172	1,865
Bad debt allowances for other receivables (see note 16 c)	(19)	(19)
Total other assets	**168,372**	**149,360**

16. ACCOUNTS RECEIVABLE (continued)

c) Changes in the allowance for doubtful debts

	30-Sep-2013	31-Dec-2012
	'000 RON	'000 RON
At 1 January	**818,966**	**684,259**
Charge during the period	100,898	134,724
Releases during the period	(653,009)	(17)
At 31 December	**266,855**	**818,966**

As of September 30, 2013, the Company recorded allowances for bad debts related to receivables from GHCL Upsom of thousand RON 60,542 (December 31, 2012: thousand RON 60,842), Interagro of thousand RON 65,062 (December 31, 2012: thousand RON 48,188), CET Iasi of thousand RON 46,270 (December 31, 2012: thousand RON 46,271) and Electrocentrale Galati of thousand RON 77,595 due to existing financial conditions of these customers as well as ongoing litigating cases related to these receivables.

The rest of the allowance for bad debt recorded as of September 30, 2013, relates to the effect of loss of value as a result of the exceeding of the maturity by more than 1 year.

	Sept 30, 2013	Dec 31, 2012
	'000 RON	'000 RON
Current and not impaired	464,320	282,597
Overdue receivables but not impaired		
Less than 30 days overdue	13,208	11,971
30 to 90 days overdue	10,581	1,350
90 to 360 days overdue	605	63,274
Over 360 days overdue	146,423	212,151
Total past due but not impaired	**170,817**	**288,746**

17. SHARE CAPITAL

	Share capital Sept 30, 2013
	'000 RON
38,542,240 fully paid ordinary shares – nominal value	385,422
Hyperinflation adjustment	1,507,259
Total	**1,892,681**

	Share capital Dec 31, 2012
	'000 RON
38,303,828 fully paid ordinary shares – nominal value	383,038
Hyperinflation adjustment	1,507,259
Total	**1,890,297**

The shareholding structure as at September 30, 2013 is as follows:

	Number of shares *)	Amount	Percentage (%)
		'000 RON	
Romanian State through the Ministry of Economy and Commerce ("MEC")	32,763,644	327,636	85.01
„Proprietatea" Fund	5,778,596	57,786	14.99
Total	**38,542,240**	**385,422**	**100**

*) On October 4, 2013 before the approval of these financial statements, 38,542,240 shares of RON 10 each were further divided into 385,422,400 shares of 1 RON each. For the purpose of earnings per share, the new divided number of shares are used. See also note 32 for changes to share capital subsequent to September 30, 2013.

The shareholding structure as at December 31, 2012 was as follows:

	Number of shares	Amount	Percentage (%)
		'000 RON	
Romanian State through the Ministry of Economy, Commerce and Business Environment ("M.E.C.M.A.")	32,560,984	325,610	85,01
„Proprietatea" Fund	5,742,854	57,428	14,99
Total	**38,303,838**	**383,038**	**100,00**

All shares are ordinary and were subscribed and fully paid as at September 30, 2013. All shares carry equal voting rights and have a nominal value of RON 10/share.

„Proprietatea" Fund

Based on Law 247- 2005 title VII art. 6 and art. 12 of Government Decision no.1481/ 2005, S.C "Fondul Proprietatea" S.A was incorporated, its initial share capital being created from assets stated under art.3 par. (1) let. a) – e) of title VII of Law 247/ 2005.

According to legal provisions in force, M.E.C participated in 2005 to the creation of the initial capital of Fondul Proprietatea with shares in several trading companies in its portfolio. According to provisions 1.2 of Annex to Title VII of Law no.247/ 2005, M.E.C contributed to the creation of capital of S.C. Fondul Proprietatea S.A. with shares representing 15% of Romgaz share capital as at that date.

18. RESERVES

Description and nature of the Company's reserves is as follows:

	Sept 30, 2013	Dec 31, 2012
	'000 RON	'000 RON
Legal reserves	76,607	76,607
Other reserves	1,872,622	1,697,044
Total reserves	**1,949,229**	**1,773,651**

The legal reserves are made annually according to local requirements from the statutory profit of the Company, as per the quotas and within the limits set by the law (up to 20% of the issued capital). The legal reserves can be used only under the conditions stated by the law.

Other reserves represent allocations from profit in accordance with Government Ordinance no. 64/2001, paragraph (g) for the Company's development fund.

19. PROVISIONS

	31-Dec-2012	30-Sep-2013
	'000 RON	'000 RON
Decommissioning provision - long term portion	164,515	185,229
Decommissioning provision - short term portion	11,001	14,808
Other provisions	17,734	21,429
Total	**193,250**	**221,466**

Decommissioning provision

Decommissioning provisions were set up using best estimates considering the applicable legislation.

The amount of the provision as at September 30, 2013 is explained in the below table:

	30-Sep-2013	31-Dec-2012
	'000 RON	'000 RON
At 1 January	**175,516**	**266,002**
Additional provision recorded against non-current assets	13,329	12,970
Unwinding effect	15,264	23,671
Recorded in profit or loss	(3,924)	(27,414)
Release against non-current assets	(148)	(99,713)
At 30 September/31 December	**200,037**	**175,516**

19. PROVISIONS (continued)

In determining those provisions management of the Company considered existing and future technologies that were expected to be used in the period when it is expected that the costs will be incurred.

The Company makes full provision for the future cost of decommissioning natural gas wells on a discounted basis upon installation. The provision for the costs of decommissioning these wells at the end of their economic lives has been estimated using existing technology, at current prices or future assumptions, depending on the expected timing of the activity, and discounted using a real discount rate of 11%. The average period over which these costs are generally expected to be incurred is estimated to be approximately 17 years. While the provision is based on the best estimate of future costs and the economic lives of the wells, there is uncertainty regarding both the amount and timing of these costs.

Retirement benefit obligation

In the ordinary course of business, the Company makes payments from health funds, state pensions and unemployment benefits on behalf of its employees at statutory rates. All Company's employees are members of the Romanian state pension plan. These costs are recognized in profit or loss in the same time with the wages recognition.

Under the Collective Labor Contract, the Company is obliged to pay to its employees when they retire a multiplicator of the gross salary, depending on their seniority within the Company, working conditions etc. This provision was calculated based on actuarial methods to estimate the average wage, the average number of employees to pay at retirement, the estimate of the period when they will be paid and was brought to this value using a discount factor based on interest on investments with the highest degree of safety (government bonds).

The Company does not operate any other pension plan or retirement benefits, and therefore has no other obligations relating to pensions.

The management of the Company considers the change in liability as of September 30, 2013 is not significant compared to December 31, 2012. The provision will be updated based on actuarial computation at year end. The change in the value of the provision of thousand RON 8,401 as at September 30, 2013 relates to the takeover of CET Iernut during the period.

Other provisions

As of September 30, 2013, the Company recorded a provision for environment restoration of thousand RON 15,991 (December 31, 2012: thousand RON 17,734). The provision was recorded for the restoration of land and for the redemption of the land to the agricultural use, based on management's estimate of the necessary costs to be incurred in order to restore the land to its original state.

Also, as of September 30, 2013 the Company recorded a provision for greenhouse gas emission certificates of thousand RON 5,438.

20. TRADE AND OTHER CURRENT LIABILITIES

	30-Sep-2013	31-Dec-2012
	'000 RON	'000 RON
Accruals	28,472	36,379
Payables related to employees	22,063	42,138
Trade payables	25,007	19,277
Payables to fixed assets suppliers	73,753	58,909
Gas royalty	55,784	55,476
Social security taxes	14,231	13,254
Other current liabilities	12,463	17,029
Joint venture payables	1,867	2,594
Advances from customers	25,681	178,121
VAT	21,362	50,611
Other taxes payable	15,046	3,498
Total	**295,729**	**477,286**

21. FINANCIAL INSTRUMENTS

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, inflation risk interest rate risk), credit risk, liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance within certain limits. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements. The Company does not use derivative financial instruments to hedge certain risk exposures.

Management reviews financial risks periodically, with the objective of ascertaining whether they are likely to exceed certain limits. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

(a) Market risk

(i) *Foreign exchange risk*

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and euro. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

The Company imports gas from European countries, has foreign currency denominated trade payables.

Due to the high costs associated, the Company's policy is not to use derivative financial instruments to reduce this risk.

The official exchange rates as at September 30, 2013 were RON 3.3051 to USD 1 and RON 4.4604 to EUR 1 (December 31, 2012: RON 3.3575 to USD 1 and RON 4.4287 to EUR 1; September 30, 2012: RON 3.5029 to USD 1 and RON 4.5331 to EUR 1).

21. FINANCIAL INSTRUMENTS (continued)

Financial risk factors (continued)

(a) Market risk (continued)

(ii) *Inflation risk*

The official inflation rate in Romania, during the year ended December 31 2012 was under 10% as provided by the National Commission for Statistics of Romania. The cumulative inflation rate for the last 3 years was under 100%. This factor, among others, led to the conclusion that Romania is not a hyperinflationary economy starting with January 1, 2004.

(iii) *Interest rate risk*

The Company was exposed in the past to interest rate risk due to loans from the International Bank for Reconstruction and Development. In 2012 the Company had repaid all its loans.

As of September 30, 2013, the Company had granted variable interest bearing loans of thousand RON 16,333 (December 31, 2012: thousand RON 16,466).

Bank deposits and treasury bills bear a fixed interest rate.

(b) Credit risk

Financial assets, which potentially subject the Company to credit risk, consist principally of cash and cash equivalents, deposits with banks, trade receivables and loans. The Company has policies in place to ensure that sales of services are made to customers with an appropriate credit history. The carrying amount of accounts receivable, net of impairment provision, cash and cash equivalents and loans, represent the maximum amount exposed to credit risk. The Company has a concentration of credit risk in respect of its top 4 clients, which together amount to 75% of trade receivable balance at September 30, 2013. Although collection of receivables could be influenced by economic factors, management believes that there is no significant risk of loss to the Company beyond the bad debt allowance already recorded.

(c) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to minimise the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company's policy is to only resort to borrowing if investment needs cannot be financed internally.

(d) Fair value estimation

Carrying amount of financial assets and liabilities are assumed to approximate their fair values.

Financial instruments in the balance sheet include trade receivables and other receivables, cash and cash equivalents, short-term loans and trade and other payables. The estimated fair values of these instruments approximate their carrying amounts. The carrying amounts represent the Company's maximum exposure to credit risk for existing receivables.

The shares held in available for sale financial investments are not quoted in an active market and their fair value cannot be reliably measured, therefore they are measured at cost. At each period end the Company makes an assessment to determine whether there is any indication of impairment. As of September 30, 2013 the Company did not identify any indication of impairment of other financial investments, other than the impairment recognized as at September 30, 2013.

NOTES TO THE INDIVIDUAL INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

21. FINANCIAL INSTRUMENTS (continued)

Sept 30, 2013	EUR 1 EUR =	GBP 1 GBP =	USD 1 USD =	RON 1 RON	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Financial assets					
Available for sale financial assets	-	-	-	77,363	77,363
Cash at bank and cash equivalents	342	-	2,190	1,887,136	1,889,668
Held-to-maturity investments	-	-	-	463,879	463,879
Interest on investments	-	-	-	1,139	1,139
Trade and other receivables	-	-	-	650,462	650,462
Loans granted	16,333	-	-	-	16,333
Total financial assets	**16,675**	**-**	**2,190**	**3,079,979**	**3,098,844**
Financial liabilities					
Trade and other payables	1,160	-	10,919	256,102	268,181
Total financial liabilities	1,160	**-**	10,919	256,102	268,181
Net	**15,515**	**-**	**(10,919)**	**2,823,877**	**2,830,663**

Dec 31, 2012	EUR 1 EUR = 4.4287	GBP 1 GBP = 5.4297	USD 1 USD = 3.3575	RON 1 RON	Total
	'000 RON	'000 RON	'000 RON	'000 RON	'000 RON
Financial assets					
Available for sale financial assets	-	-	-	1,646	1,646
Cash at bank and cash equivalents	24,071	14	366	1,714,879	1,739,330
Held-to-maturity investments	-	-	-	890,834	890,834
Interest on investments	-	-	-	37,401	37,401
Trade and other receivables	-	-	-	1,094,712	1,094,712
Loans granted	16,926	-	-	-	16,926
Total financial assets	**40,997**	**14**	**366**	**3,739,472**	**3,780,849**
Financial liabilities					
Trade and other payables	(39)	-	(27,985)	(267,661)	(295,685)
Total financial liabilities	**(39)**	**-**	**(27,985)**	**(267,661)**	**(295,685)**
Net	**40,958**	**14**	**(27,619)**	**3,471,811**	**3,485,164**

21. FINANCIAL INSTRUMENTS (continued)

The Company is mainly exposed in respect of the exchange rate of the EUR and USD vs. RON. The following table details the Company's sensitivity to a 5% increase/decrease in EUR and USD against RON. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

	Sept 30, 2013	Dec 31, 2012
	'000 RON	'000 RON
Weakening of RON Profit/(loss)	230	668

Liquidity and interest risk

As of September 30, 2013, the Company's exposure to interest risk is limited, due to the fact that it has no borrowings and financial assets bear a fixed interest rate, except for the loans granted by the Company. However, these loans do not pose significant interest risk.

Maturity analysis for non-derivative financial assets and financial liabilities

Sept 30, 2013	Due in less than a month	Due in 1 - 3 months	Due in 3 months to 1 year	Due in 1 - 5 years	Due in over 5 years	Total
	'000RON	'000RON	'000RON	'000RON	'000RON	'000RON
Trade receivables	595,646	26,641	28,175	-	-	650,462
Treasury bills	-	-	451,900	-	-	451,900
Total	**595,646**	**26,641**	**480,075**	**-**	**-**	**1,102,362**
Trade payables	(152,913)	-	-	-	-	(152,913)
Total	**(152,913)**	**-**	**-**	**-**	**-**	**(152,913)**
Net	**442,733**	**26,641**	**480,075**	**-**	**-**	**949,449**

21. FINANCIAL INSTRUMENTS (continued)

Dec 31, 2012	Due in less than a month	Due in 1 - 3 months	Due in 3 months to 1 year	Due in 1 - 5 years	Due in over 5 years	Total
	'000RON	'000RON	'000RON	'000RON	'000RON	'000RON
Trade receivables	778,038	16,207	112,561	52,646	-	959,452
Treasury bills	-	-	890,834	-	-	890,834
Total	**778,038**	**16,207**	**1,003,395**	**52,646**	**-**	**1,850,286**
Trade payables	(292,685)	-	-	-	-	(292,685)
Total	**(292,685)**	**-**	**-**	**-**	**-**	**(292,685)**
Net	**485,353**	**16,207**	**1,003,395**	**52,646**	**-**	**1,557,601**

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Company's management, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

22. RELATED PARTY TRANSACTIONS

The main transactions and balances with related parties are detailed below.

(i) Sales of goods and services

	Nine month period ended as at Sept 30, 2013	Nine month period ended as at Sept 30, 2012
	'000 RON	'000 RON
Romgaz SA's associates	20,521	13,340
Total	**20,521**	**13,340**

(ii) Purchases of goods and services

	Nine month period ended as at Sept 30, 2013	Nine month period ended as at Sept 30, 2012
	'000 RON	'000 RON
Romgaz SA's associates	271	-
Total	**271**	**-**

(iii) Balances arising from the sale/purchase of goods/services

	Sept 30, 2013	Dec 31, 2012
	'000 RON	'000 RON
Receivables from related parties		
Romgaz SA's associates	804	-
Total	**804**	**-**

23. INFORMATION REGARDING THE EMPLOYEES AND THE MEMBERS OF THE ADMINISTRATIVE BODIES, MANAGEMENT AND SUPERVISORY

The remuneration of directors and managers

The Company has no contractual obligations on pensions to former executives and directors of the Company.

During the year, no loans and advances were granted to directors and managers of the Company, except for work related travel advances, and they do not owe any amounts to the Company from such advances.

	Nine month period ended as at Sept 30, 2013	Nine month period ended as at Sept 30, 2012
	'000 RON	'000 RON
Salaries paid to directors	7,894	7,538

	Sept 30, 2013	Dec 31, 2012
	'000 RON	'000 RON
Salaries payable to directors	461	465

24. ASSOCIATES

Name of associate	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held (%)	
			31-Dec-2012	30-Sep-2013
SC Amgaz SA Medias	gas production	Romania	35	35
SC Depomures SA Tg.Mures	storage of natural gas	Romania	40	40
Energia Torzym Polonia	gas production	Poland	30	30
Cybinka Polonia	gas production	Poland	30	30
SC Agri LNG Project Company SRL	Feasibility projects	Romania	25	25

	31-Dec-2012	30-Sep-2013
	'000 RON	'000 RON
Investments in associates	12,409	12,803
Impairment	(4,795)	(11,556)
Total	**7,614**	**1,247**

Due to insignificant size of these companies, the Company did not include in these individual interim financial statements as of September 30, 2013 its share of the results obtained by the associates in the nine-month period ended September 30, 2013.

25. OTHER FINANCIAL ASSETS

Company	Activity	Percentage held	Value as of 30-Sep-2013	Impairment as of 30-Sep-2013	Carrying value as of 30-Sep-2013
			'000 RON	'000 RON	'000 RON
Electrocentrale Bucuresti SA	electricity and thermal power producer	2.35%	66,287	-	66,287
MKB Romexterra Bank S.A.	other activities - financial intermediations	0.12%	840	278	562
Mi Petrogas Services S.A.	services related to oil and natural gas extraction, excluding field work	10%	60	-	60
Black Sea LPG Romania S.A.	foreign trade, oil products trading and maritime transportation	6.30%	50	50	-
S.C. GHCL Upsom	manufacture of other chemical, anorganic base products	4.21%	17,100	17,100	-
Vanco Int Ltd		10%	2,076	-	2,076
Lukoil Oil Company		10%	8,378		8,378
Total			**94,791**	**17,428**	**77,363**

On November 21, 2012 the Company and S.C. Termoelectrica S.A. signed an agreement by which receivable outstanding from S.C. Termoelectrica S.A. would be settled by transfer of shares in S.C. Electrocentrale Bucuresti S.A. The agreement was enforced on January 24, 2013. At transfer, the shares in S.C. Electrocentrale Bucuresti S.A. were recorded at a cost of thousand RON 66,287, as measured by an independent appraiser.

The shares held in the share capital of the companies above are not quoted in an active market and their fair value cannot be reliably measured therefore they are measured at cost. At each period end the Company makes an assessment to determine whether there are any indications of impairment. As of September 30, 2013 the Company did not identify any indication of impairment of other financial investments, other than the impairment recorded as of September 30, 2013.

25. OTHER FINANCIAL ASSETS (continued)

Other financial Investments **Company**	**Activity**	**Percentage held**	**Value as of 31-Dec-2012**	**Impairment as of 31-Dec-2012**	**Carrying value as of 31-Dec-2012**
			'000 RON	**'000 RON**	**'000 RON**
MKB Romexterra Bank S.A.	other activities - financial intermediations	0.12%	840	-	840
Mi Petrogas Services S.A.	services related to oil and natural gas extraction, excluding field work	10%	60	-	60
Black Sea LPG Romania S.A.	foreign trade, oil products trading and maritime transportation	6.30%	50	50	-
S.C. GHCL Upsom	manufacture of other chemical, anorganic base products	4.21%	17,100	17,100	-
Vanco Int Ltd		10%	149	-	149
Lukoil Oil Company		10%	597	-	597
Total			**18,796**	**17,150**	**1,646**

26. SEGMENT INFORMATION

a) Products and services from which reportable segments derive their revenues

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the upstream segment, storage services and others, including headquarters. The Directors of the Company have chosen to organize the Company around difference in activities performed.

Specifically, the Company is organized in the following segments:

- upstream, which includes exploration activities, natural gas production and gas trade; these activities are performed by Medias, Mures and Bratislava branches.

- storage activities, performed by the Ploiesti branch;

- other activities, such as technological transport, well operations, electricity production and sale, and corporate activities.

b) Segment assets and liabilities

September 30, 2013	Upstream '000 RON	Storage '000 RON	Other '000 RON
Property plant and equipment	3,985,036	1,456,497	359,078
Other intangible assets	308,659	887	22,950
Other investments	-	-	78,610
Trade and other receivables	585,714	64,078	670
Other non-current assets	-	-	17,044
Inventories	437,325	100,012	23,247
Other financial assets	209,848	61,940	192,091
Other assets	62,336	73,302	15,690
Cash and cash equivalents	38,444	4,207	1,847,017
Total assets	**5,627,362**	**1,760,923**	**2,556,397**
Retirement benefit obligation	-	-	72,186
Deferred tax liabilities	-	-	201,962
Provisions	216,028	-	5,438
Other liabilities	22,472	1,537	188,227
Trade and other payables	126,022	2,346	24,545
Total liabilities	**364,522**	**3,883**	**492,358**

26. SEGMENT INFORMATION (continued)

December 31, 2012	Upstream '000 RON	Storage '000 RON	Other '000 RON
Property plant and equipment	4,005,412	1,368,467	506,891
Exploration assets		-	-
Other intangible assets	210,276	885	19,543
Other investments	-	-	9,260
Deferred tax asset	-	-	-
Trade and other receivables	934,017	24,429	1,006
Other non-current assets	-	-	16,926
Inventories	410,297	80,971	16,581
Other financial assets	432	504	927,299
Other assets	28,526	17,410	86,498
Cash and cash equivalents	229,941	47,208	1,462,181
Total assets	**5,818,901**	**1,539,874**	**3,046,185**
Retirement benefit obligation	-	-	63,785
Deferred tax liabilities	-	-	257,835
Provisions	193,250	-	-
Other liabilities	28,610	1,562	222,473
Trade and other payables	245,645	4,909	42,131
Borrowings	-	-	-
Total liabilities	**467,505**	**6,471**	**586,224**

26. SEGMENT INFORMATION (continued)

c) Segment revenues, results and other segment information

Nine months ended September 30, 2013	Upstream	Storage	Other	Consolidation adjustment and eliminations	Total
	'000RON	'000RON	'000RON	'000RON	'000 RON
Sales and other operating revenues	2,262,551	226,903	350,905	(253,310)	2,587,049
Less: sales and other operating revenues between businesses	(3,230)	-	(250,080)	253,310	-
Third party sales and other operating revenues	2,259,321	226,903	100,825	-	2,587,049
Interest income	6,423	1,631	75,742	-	83,796
Interest expense	(15,289)	-	-	-	(15,289)
Depreciation and amortisation	(436,040)	(67,455)	(98,251)	-	(601,746)
Segment profit before tax	860,164	96,871	449	-	957,484

Nine months ended September 30, 2012	Upstream	Storage	Other	Consolidation adjustment and eliminations	Total
	'000RON	'000RON	'000RON	'000RON	'000 RON
Sales and other operating revenues	2,698,781	175,379	254,712	(255,873)	2,872,999
Less: sales and other operating revenues between businesses	(3,362)	-	(252,511)	255,873	-
Third party sales and other operating revenues	2,695,419	175,379	2,201	-	2,872,999
Interest income	5,705	2,454	101,459	-	109,618
Interest expense	(26,803)	(198)	-	-	(27,001)
Depreciation and amortisation	(311,499)	(65,969)	(64,973)	-	(442,441)
Segment profit before tax	1,023,396	38,424	122,929	-	1,184,749

26. SEGMENT INFORMATION (continued)

c) Segment revenues, results and other segment information (continued)

The Company's main clients are identified in the table below. All sales are revenue recorded in the upstream segment.

Client	Nine month period ended Sept 30, 2013	Nine month period ended Sept 30, 2012
	'000 RON	'000 RON
E.ON GAZ ROMANIA SA TG.MURES	611,294	635,206
SC GDF SUEZ SA	626,970	476,803
AZOMURES	225,812	241,760
ELECTROCENTRALE BUCURESTI	203,870	406,267
SC CONEF SRL	169,543	177,992
ARELCO BUCURESTI	40,888	150,460
ELECTROCENTRALE GALATI	111,793	174,306
TEN GAZ (former AMGAZ)	41,266	66,254
TRANSGAZ	69,447	101,482

27. OTHER NON-CURRENT ASSETS

During 2011, Romgaz S.A. signed two loan contracts with Energia Torzym Spolka and Energia Cybinka Spolka, each with a maximum amount of EUR 5,000,000. Both agreements will terminate on December 31, 2015. Interest is calculated on the balance of the loan drawn down on an annual basis rate equivalent to ECB Euro base interest rate plus 1% per annum. The applicable ECB Euro base interest rate will be used as at the last working day of a calendar year. Interest is not to be capitalized. The receivable as of September 30, 2013 is thousand RON 16,333.

28. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks, short-term deposits and treasury bonds with a maturity under 3 months. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement can be reconciled to the related items in the balance sheet as follows:

Cash and cash equivalents	**30-Sep-2013**	**31-Dec-2012**
	'000 RON	**'000 RON**
Current bank accounts in RON	127,939	165,130
Current bank accounts in foreign currency	366	1,956
Petty cash	27	38
Short-term deposits	2,181	1,288,204
Treasury bonds with maturity below three months	1,759,144	283,983
Amounts under settlement	11	19
Total	**1,889,668**	**1,739,330**

29. OTHER FINANCIAL ASSETS

Other financial assets represent mainly treasury bonds with a maturity of over 3 months.

	Sept 30, 2013	Dec 31, 2012
	'000 RON	'000 RON
Shares in unquoted entities	77,363	1,646
Held-to-maturity investments	463,879	928,235
Total	**541,242**	**929,881**

30. COMMITMENTS UNDERTAKEN

	Sept 30, 2013	Dec 31, 2012
	'000 RON	'000 RON
Commitments for purchase of import gas	65,506	283,642
Capital commitments	29,753	27,888
Other commitments	2,255	2,812
Total	**97,513**	**314,342**

From the facility of million USD 29 given by RBS Bank for opening letters of credit in favor of suppliers, as at September 30, 2013 are available for utilization thousand USD 7,845 (December 31, 2012: thousand USD 20,694).

31. CONTINGENCIES

(a) *Litigations*

The Company is subject to several legal actions arisen in the normal course of business. The management of the Company considers that they will have no material adverse effect on the results and the financial position of the Company.

(b) *Ongoing judicial procedures for which Romgaz SA is not claimant or defendant*

On December 28, 2011, 27 former and current employees were notified by DIICOT (Direction for Investigation of Crimes of Organized Criminal Activity and Terrorism) regarding an investigation related to sale contracts signed with one of the Company's clients which are suspected to have been granted unauthorized discounts to this client during the period 2005-2010. The Direction mentioned that this may have resulted in a loss of USD 92 million for the Company. The internal analysis carried out by the Company's specialized departments concluded that the agreement was in compliance with legal provisions and all discounts were granted based on approvals from the Ministry of Economy and Finance and decisions of the General Shareholders' Board and Board of Directors. The management of the Company believes the investigation will not have a negative impact on the individual interim financial statements.

Also, during 2013 the National Agency for Integrity has initiated an investigation against a former general manager of the Company, as a result of identifying some indications of conflict of interest in awarding contracts to companies in which he has been administrator before becoming general manager of the Company. The management of the Company carried out an analysis and concluded that the investigation is ungrounded and that it will not have a negative impact over the Company's individual interim financial statements.

31. CONTINGENCIES (continued)

(b) Ongoing judicial procedures for which Romgaz SA is not claimant or defendant (continued)

We mention that the risk assessment carried out by the Company was performed without having access to the investigation files prepared by the National Agency for Intergrity and the Direction for Investigation of Crimes of Organized Criminal Activity and Terrorism. The Company is fully cooperating with DIICOT and ANI in providing all information necessary.

(c) *Taxation*

The Romanian taxation system is undergoing a process of consolidation and harmonization with the European Union legislation. However, there are still different interpretations of the fiscal legislation. In various circumstances, the tax authorities may have different approaches to certain issues, and assess additional tax liabilities, together with late payment interest and penalties (0.1% per day). In Romania, tax periods remain open for fiscal verification for 5 years. The Company's management considers that the tax liabilities included in these individual interim financial statements are fairly stated.

(d) *Environmental contingencies*

Environmental regulations are developing in Romania and the Company has recorded a liability at September 30, 2013 for anticipated costs, including legal and consulting fees, impact studies, the design and implementation of remediation plans, related to environmental matters in amount of thousand RON 15,991.

Environmental aspects

In accordance with the obligations assumed by Romania in the Position Paper, Chapter 22 – environmental protection and transposition of Directive 2001/80/CE by Government Decision no. 541/2003, an Implementation Plan has been developed to reduce emissions of certain pollutants into the air from large combustion plants, including those of the Company, ie. CET Iernut.

The Company has the obligation to reduce NOx emissions in CET Iernut, respectively SO2, of large installations until December 31, 2013, which requires subsequent investments to September 30, 2013. The Company intends to fund these investments from its own sources.

The Company has an ongoing program to improve efficiency of its capabilities and reduce the cost of compliance with environmental plan, which involves various changes. In this case, the Company has started the process of developing a feasibility study to analyse the potential of increasing the efficiency and reducing the pollution related investment in terms of utilizing rationally and efficiently the financial, human and material resources.

Future operation of the power blocks owned by the Company is dependent on meeting the deadlines stipulated in the Implementation Plan of Directive 2001/80/CE.

Environmental permits

In accordance with Government Emergency Ordinance no.152/2005, approved by Law no.84/2006 concerning integrated pollution prevention and control, with subsequent amendments and completions, the holding companies of combustion installations with a rated thermal input exceeding 50MWt are required to obtain integrated environmental authorization. The Company holds an environmental permit which is renewed periodically and is accompanied by a compliance program. Environmental conditions imposed by the permit relates to emissions of pollutants into the air, water, noise intensity at the enclosure's boundary, in compliance with the legislation on waste management and storage and respecting the compliance programs. This present environmental permit given to CET Iernut is valid until December 31, 2013.

31. CONTINGENCIES (continued)

Environmental permits (continued)

The Action Plan approved by the Mures Agency of Environmental Protection, the National Agency for Environmental Protection, Ministry of Environment and Climate Change includes the following measures:

1) Rehabilitation - modernizing wastewater treatment plant inside CET - Iernut - Investment value: thousand RON 675. Deadline: second semester of 2013. Currently, the works acquisition was published in SEAP, based on the project prepared by SC ECOROM SRL - Targu-Mures (company approved by the Ministry of Environment and Climate Change).

2) Purchase and installation of low NOx burners for IMA SE Mures no. 1 and no. 4. Deadline: fourth quarter, 2013. Currently, the Ministry of Environment and Climate Change approved the proposed solution of reduction of NOx emissions from boilers no.1 and 4 - CTE - Iernut below 300 mg NOx/ Nmc flue gas by gas recirculation; also, the management of SNGN ROMGAZ SA has approved the inclusion of the repairs done to the two boilers of SPEE Iernut in the current repair plans. Current repairs will be carried out by the Company (without contracting an outside firm). The cost of materials and spare parts for the implementation of the two repairs is thousand RON 2,500 (block 1 with the value of thousand 1,000 RON and block 4 with the value of thousand 1,500 lei).

(e) *Licenses for operation in the gas production field*

The Company operates natural gas fields based on the license issued by the National Agency for Mineral Resources (ANRM). Licenses for the extraction of hydrocarbons (natural gas and condensate) expire up to 2028 and may be extended upon request.

(f) *Insurance policies*

As at the end of the period, the Company has concluded insurance policies for tangible assets.

(g) *Green-house gas emission certificates*

Iernut power plant was allocated with a total number of 5,159,772 certificates for greenhouse gas emissions for the period 2008-2012 (according to Government Decision nr.60/2008). The obligation to manage the usage of the certificates for greenhouse gas emissions was under the responsibility of SC ELECTROCENTRALE BUCURESTI S.A.

Out of the total number of 5,159,772 certificates for the period 2008-2012, a number of 2,766,903 were consumed. The remaining of 2,392,869 certificates was managed by SC ELECTROCENTRALE BUCURESTI S.A.

For the period 2013 - 2020, no free of charge certificates have been allocated by the date these individual interim financial statements to Iernut. In September, 2013 the European Commission adopted a Decision regarding the allocation of “free of charge” certificates for greenhouse gas emissions for the period 2013-2020. The aforementioned decision include the preliminary number of free of charge certificates for greenhouse emissions for installations that falls under the scheme during the period 2013 - 2020 – number determined based on the allocation principles set out in Decision 2011/278/UEJ, and the amount of cross-sectorial correction factor, by which after the adoption of the Decision, the Member State authorities will determine the total final amount of certificates for greenhouse gas emissions allocated to each installation for the period 2013-2020. Iernut has not received free of charge certificates for greenhouse emissions and will receive only transitory free of charge certificates when the Governement Decision no. 780/2006 will be modified. As at September 30, 2013, the Company recorded a provision for gas emission certificates in amount of thousands RON 5,438.

32. EVENTS AFTER THE BALANCE SHEET DATE

On October 4, 2013 the nominal value of the shares was reduced from RON 10/share to RON 1/share, so that the number of shares increases from 38,542,240 to 385,422,400 shares.

On November 12, 2013 Romgaz shares (15%) were listed on the Bucharest Stock Exchange. On the same day transactions with deposit certificates began on the London market.

33. APPROVAL OF INDIVIDUAL INTERIM FINANCIAL STATEMENTS

The individual interim financial statements were approved by the board of directors and authorized for issue on November 13, 2013.

Virgil Metea
General Manager

Lucia Ionascu
Economic Director

Societatea Naţională de Gaze Naturale "ROMGAZ" S.A. MEDIAŞ J32/392/2001 3

To the Shareholders of
S.N.G.N Romgaz S.A.
Medias, Romania

REPORT ON THE REVIEW OF INTERIM INDIVIDUAL FINANCIAL INFORMATION

Introduction

1 We have reviewed the accompanying interim individual statement of financial position of S.N.G.N. Romgaz S.A. (the Company) as of September 30, 2013 and the related interim individual statements of comprehensive income, individual changes in shareholders' equity and individual cash flows for the nine-month period then ended. Management is responsible for the preparation and presentation of this interim individual financial information in accordance with International Financial Reporting Standards as adopted by the European Union. Our responsibility is to express a conclusion on this interim individual financial information based on our review.

Scope of Review

2 We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim individual financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

3 Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim individual financial information does not present fairly, in all material respects, the individual financial position of the Company as of September 30, 2013 and its interim individual financial performance and its cash flows for the nine-month period then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Other Matters

4 This report is made solely to the shareholders. Our review work has been undertaken so that we might state to the shareholders, those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the shareholders, for our review work, for this report, or for the conclusion we have formed.

Deloitte Audit S.R.L.
Bucharest, Romania
13 November 2013