

To: **Bucharest Stock Exchange
Financial Supervisory Authority**

The current report according to Art. 113 point A, paragraph (1) letter i) of the Regulation of the Romanian National Securities Commission no. 1/2006 regarding the issuers and the operations with securities, as subsequently amended and completed, as well as the provisions of art. 99 of the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments.

Important events to be reported:

Update regarding the share capital of SC Fondul Proprietatea SA (the "Fund")

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch ("FTIML Bucharest Branch / The Fund Manager"), in its capacity of Sole Administrator and Fund Manager of the Fund, hereby announces that the paid share capital of the Fund will increase by RON 133,940 to RON 13,412,937,506 starting with 15 May 2013. The subscribed share capital of the Fund will remain unchanged at RON 13,778,392,208.

The increase in the Fund's paid share capital will be the result of the compensation of the value of the shares received from SNGN Romgaz S.A. Medias ("Romgaz"), following a share capital increase with the value of the land for which Romgaz obtained property rights, with part of the Fund's shares unpaid by the Romanian State.

Therefore, the Fund Manager will unblock a number of 133,840 shares out of the 365,588,542 shares unpaid by the Romanian State and blocked by the Fund Manager through Decision no. 4/1 February 2013.

The compensation and the increase of the Fund's paid share capital will be effective on 15 May 2013, which marks the expiry of a 15 day term from the registration with the Trade Registry of the Romgaz shareholders' resolution approving the

Report date:

8 May 2013

Name of the issuing entity:

S.C. Fondul Proprietatea S.A.

Registered office:

78-80 Buzesti St.,
7th floor, district 1,
Bucharest, postal code 011017

Phone/fax number:

Tel.: + 40 21 200 9600

Fax: + 40 21 200 9631

Sole Registration Code with the Trade Register Office:

18253260

Order number in the Trade Register:

J40/21901/2005

Subscribed share capital:

RON 13,778,392,208

Paid share capital:

13,412,803,666

Regulated market on which the issued securities are traded:

Bucharest Stock Exchange

share capital increase and the transfer of the shares to the Fund, in accordance with the provisions thereof.

**Franklin Templeton Investment Management Ltd. United Kingdom Bucharest
Branch, acting as Sole Administrator on behalf of S.C. FONDUL
PROPRIETATEA S.A.**

**Oana Valentina Truta
Legal Representative**