

## CURRENT REPORT

**In compliance with the Romanian Capital Market Law no. 297/2004, art.224 and CNVM Regulation no. 1/2006, art.113**

Report date: **November 1, 2016**

Company name: **Societatea Nationala de Gaze Naturale ROMGAZ S.A.**

Address: **Medias, 4 Constantin I. Motas Square, Sibiu County – Romania, 551130**

Phone/fax no: **004-0269-201020 / 004-0269-846901**

Fiscal Code: **RO14056826**

Trade Register registration number: **J32/392/2001**

Subscribed and paid in share capital: **385,422,400 RON**

Regulated market where the issued securities are traded: **Bucharest Stock Exchange (BVB), London Stock Exchange (LSE)**

### ***Important event to be reported:***

- **S.N.G.N. ROMGAZ S.A. concluded a new legal document whose estimated value exceeds 10% of the net turnover for financial year 2015**

In compliance with art.224 paragraph 5 of Law no.297/2004 on the Capital Market and art. 113.B letter c) of C.N.V.M. Regulation no.1/2006, S.N.G.N. ROMGAZ S.A reports the conclusion of the public procurement contract, by the open bid procedure, for performing the turnkey project “Development of CTE Iernut Power Plant by building a new combined cycle CCTG power plant.”

One of the main strategic directions of S.N.G.N. ROMGAZ S.A is to consolidate its position on energy markets. In this case, in the field of electric power generation, the performance of this project aims to make the activity more efficient by: increasing CTE Iernut Power Plant efficiency to a minimum of 56%, compliance with the environment requirements (NO<sub>x</sub>, CO<sub>2</sub> emissions) and improving safety operations.

The project is financed from own sources and funds from the National Investment Plan (NIP) in compliance with GD 1096/2013, updated.

<b>Party to the Agreement</b>	Partnership between DURO FELGUERA S.A. and S.C. ROMELECTRO S.A.
<b>No and date of Agreement</b>	Works contract no.13384/October 31, 2016
<b>Scope of Agreement</b>	Performance of the turnkey project (namely design, equipment delivery, performance of works and commissioning) “ <i>Development of Iernut Power Plant by building a new combined cycle CCGT power plant.</i> ”

<b>Duration of the Contract</b>	Works completion term: 36 months from the effective date of the contract. The contract shall be effective within 5 working days from the date the NIP financing is approved, by complying with GD 1096/2013, updated
<b>Estimated Value of Agreement (VAT exclusive)</b>	268,836,329.82 EUR
<b>Terms and Methods of Payment</b>	<ul style="list-style-type: none"> <li>- For the technical project: 30 days from ROMGAZ endorsement</li> <li>- For equipment: 30 days from the acceptance at the location</li> <li>- For works performed: 30 days from ROMGAZ confirmation of works status</li> </ul>
<b>Mutual Receivables</b>	Not applicable
<b>Issued Guarantees</b>	Performance bond in amount of 10% from the contract value (VAT exclusive)
<b>Penalties</b>	<ul style="list-style-type: none"> <li>- For the works provider: 0.1%/day for the value of the not fulfilled obligations</li> <li>- For ROMGAZ: 0.1%/day from the outstanding payment</li> </ul>

**Director General,  
Virgil - Marius METEA**