

Petrom began the construction of the Brazi power plant

- ▶ The largest private power generation project in Romania
- ▶ Investments of approximately EUR 500 mn
- ▶ Petrom will become an important player on the Romanian power market

Petrom, the largest oil and gas producer in South-Eastern Europe, began the actual construction of the Brazi gas fired power plant after having started preparatory work already in 2008. The power plant in Brazi is a greenfield project developed in accordance with the European energy strategy and in observance with EU environmental compliance demands. Petrom will begin the supply in the national energy system in the second half of 2011.

Petrom took the decision to build the Brazi power plant in 2007, considering the Romanian context: aged generation capacities, which require significant investments in order to be replaced with other less polluting with reduced lower carbon emission, high cost for compliance with EU environmental standards but also the energy growth estimates (around 18% for the period 2007-2015*).

Mariana Gheorghe, Petrom CEO: „In the context of the Romanian electricity market, approaching this sector is a special opportunity for Petrom, one of the most important gas producers in Romania. The extension of our activities in the electricity sector is a significant component for the sustainable development of the company. This private power generation project will contribute to the growth of Romania’s energy security, in accordance with all EU environment norms.”

The plant’s configuration is unique in Romania and ensures flexibility in its operation as well as increased efficiency. With two gas turbines, two heat recovery boilers and a steam turbine, the power plant will have a capacity of 860 MW and an increased efficiency of approximately 57% comparing with the average of 30% of units in Romania that develop similar capacities. Moreover, the plant will benefit from state of the art emissions reduction equipment that will allow it to place itself under the European average of CO₂ emissions.

A consortium made out of General Electric (USA) and Metka (Greece) will build and deliver turn key the power plant by September 2011.

Gerald Kappes, member of Petrom Executive Board, responsible for Gas, Power and Chemicals: „Our project, in which we invest around EUR 500 mn, is an important step not only for the company but also for the electricity market in Romania. After its commissioning, the Brazi power plant will supply approximately 8% of the electricity produced in Romania, with most of it destined for the market. We have recently obtained the power supply license which will allow us to become an active player on the electricity market by the end of this year.”

* According to the Union for the Co-ordination of Transmission of Electricity

The Brazi power plant project includes the construction of a 30 km pipeline, which will ensure the transport of gas to the power plant and a 3 km high voltage connection for the link with the national high voltage system.

The financing for the project, worth around EUR 500 mn is ensured from internal sources and from two corporate unsecured loans signed with EBRD and EIB, each amounting to EUR 200 mn.

Contact details

Sorana Baciú, Corporate Development & Investor Relations

Tel: 0040-372-429 082, Fax: 0040-372-868544

e-mail address: investor.relations.petrom@petrom.com