

June 11, 2020

ANNOUNCEMENT

Memorandum of Understanding on Development of Greenfield Investment Projects in Romania

S.N.G.N. ROMGAZ S.A. informs its shareholders and investors that, on June 10, 2020, ROMGAZ and LIBERTY GALATI S.A. have agreed to conclude a Memorandum of Understanding on establishing a joint venture company with the aim of developing greenfield investment projects, i.e. development of an electric power generation unit fueled by natural gas (CCGT) and electric power generation units from renewable sources, based on wind as well as photovoltaic technologies.

Under this Memorandum of Understanding the two companies agreed to work together in the true spirit of partnership to ensure there is a united and responsive approach as regards the implementation of the investment projects to be financed from own capital as well as from external sources through the joint venture company seeking to attract EU funds under the "Green Deal" founding mechanism and/or the available financing schemes in Romania.

The implementation period of such investment projects will last between 3.5 and 4 years, during which both companies will cooperate and join efforts for such projects to become a reality and a model of good practice in the Romanian economy.

Mr. Adrian Volintiru, Romgaz' CEO stated: *"This partnership is an example for Romania. We thus pursue Romgaz priorities included in the Long Term Development Strategy under which we are striving to diversify the channels of enhanced gas usage. It is an important investment at national level and represents a first step towards putting Romania on the EU map of green steel production. Such investments lead to the horizontal development of many economic sectors and, implicitly, motivation for ROMGAZ to increase its exploration-production programs."*

Mr. Sanjeev Gupta, Executive Chairman of GFG Alliance declared: *"Based on the agreement signed with Romgaz today we will be able to deliver competitive energy on a long term basis required to sustain such a fascinating project of low-emission steel production in Galati. I am very confident that the project will succeed and put Galati on the map, not only in Europe but also at global level, as a low-emission steel production unit, sustainable, for a new era built for the generations to come."*

About ROMGAZ

S.N.G.N. Romgaz S.A. is the largest natural gas producer and the main supplier in Romania. The company is listed on Bucharest Stock Exchange and GDRs are traded on London Stock Exchange. The majority shareholder is the Romanian State owning a 70% stake. The company has a vast experience in the field of gas exploration and production, with a history that began in 1909 and spans more than 100 years.

Romgaz undertakes geological exploration with the aim of discovering new gas reserves, produces methane by exploiting the reservoirs included in the company's portfolio and stores natural gas in underground storages; it performs well interventions, workover and special operations, and ensures technological transportation professional services. In 2013, Romgaz extended its scope of work by taking over the Iernut thermoelectric power plant, and thus it also became an electric power supplier.

About LIBERTY GALATI S.A.

LIBERTY Steel Group is part of GFG Alliance, an international grouping of undertakings and investments owned by Sanjeev Gupta and its family. The alliance is structured on three main industrial pillars; LIBERTY Steel Group, ALVANCE Aluminium Group and SIMEC Energy Group, independent from each other but united by common values and having the aim of creating a sustainable future for the industry and society. GFG Alliance has more than 35,000 employees in 10 countries and incomes amounting to USD20 billion.

The GFG Alliance is leader in the sustainable industry having the mission of becoming carbon neutral by 2030.

Liberty Galati is the biggest integrated steel mill in Romania, with 7,600 employees and a current production capacity of 2 million tons of steel per year for customers in the field of construction, shipbuilding, oil and gas, as well as wind energy generation.

**Chief Executive Officer,
Constantin Adrian VOLINTIRU**