

June 30, 2016

ANNOUNCEMENT**regarding a new discovery in Caragele structure
located in block RG 06 Muntenia Nord-Est**

Societatea Nationala de Gaze Naturale ROMGAZ S.A. announces a new hydrocarbon discovery on the Romanian territory in block RG 06 Muntenia Nord-Est, where it performs petroleum operations as sole titleholder of the Concession Agreement for Exploration-Development-Production, according to HG no.23/2000 and HG no.968/2011.

The discovery is located in the north eastern part of the Moesian Platform in Caragele structure. The 35 km long Caragele structure has been explored for production units located at depths between 1500 and 5000m, as part of the company's major exploration projects.

The production tests completed at two exploration wells, 55 Damianca and 77 Rosetti, confirm an important hydrocarbon accumulation in Jurassic calcareous reservoirs on a 120m interval at a depth of over 4000m. The results of the flow tests (DST) through 7mm and 9mm chokes predict a daily production between 1400 and 2200 boe/well. The contingent resource, evaluated based on drilling data such as well geophysics, cores, fluids and size of the trap according to 3D seismic, is estimated to be between 150 and 170 million boe.

"The results paid by the two wells confirm the correctness of our decision to use 3D seismic in the phase of exploration of high depth geological units. The productivity of the entire structural unit increases considerably following these results and provides the perspective for new significant discoveries in the next period. Exploration works will be carried out in accordance with the set schedule and include development plans to stream into production the new wells." – **Dumitru Rotar**, Deputy Director General - Exploration and Production – S.N.G.N. ROMGAZ S.A..

„Romgaz plays an important role on the regional market, and under an increasing competition for access to resources, our strategy aims at consolidating the position of the company on the profile market by identifying new increase and diversification opportunities and by improving company performance. Current market conditions require a careful analysis of the investment strategy of oil and gas companies. A constant priority for Romgaz is the increase of the hydrocarbon resources and reserves portfolio as well as the development of the storage activity. In a continuously changing market, the exploration, production and storage investments are highly important for the development of the company. The results prove that the investment program and the exploration activity have met the objectives creating good perspectives for continuing the exploration programs in Romania” –Virgil-Marius Metea, Director General – S.N.G.N. ROMGAZ S.A.

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S.N.G.N. ROMGAZ S.A. is the largest natural gas producer and main gas supplier in Romania. The Company is admitted to trading on Bucharest Stock Exchange (BVB) and London Stock Exchange (LSE). The main shareholder is the Romanian state holding 70% interest share. The Company has extensive experience in natural gas exploration and production, with a history that started more than 100 years ago in 1909. ROMGAZ performs geological research for discovery of new gas fields, produces methane gas from the fields under its portfolio, stores gas in UGS, performs workovers, recompletions and special operations in wells under company's portfolio and provides specialized technological transportation. ROMGAZ has extended its business area starting from 2013 by taking over Iernut power plant and has become electricity producer and supplier.

**Director General,
Virgil - Marius METEA**