

16 June 2023

RELEASE

At the headquarters of the Romanian Government, in the presence of the Vice Prime Minister Marian Neacșu and the Minister of Energy, Mr. Sebastian Burduja, the Director General of the National Gas Transmission Company Transgaz SA, Mr. Ion Sterian, signed today the works commencement order for the Tuzla-Podișor gas pipeline. The event was also attended on behalf of OMV-Petrom by Mr. Alexandru Maximescu -Vice President of OMV, the Chief Executive Officer of Romgaz, Mr. Răzvan Popescu, as well as by other personalities from the industry.

Transgaz signed the works execution contract with the company KALYON INSAAT SANAYI VE TICARET ANONIM SIRKETI from Türkiye. The Tuzla-Podisor gas transmission pipeline project, worth approximately 500 million euros, consists of the construction of a 308.3 km long natural gas transmission pipeline that will link the natural gas resources exploited in the Neptune Deep block to the BRUA corridor, thus ensuring the possibility of transporting natural gas through existing interconnections.

On this occasion, the Director General of the National Gas Transmission Company Transgaz SA, Mr Ion Sterian, stated: ***"We are witnessing a historic moment: the signing of this works commencement order and the completion of preparations for the exploitation of gas from the offshore Black Sea blocks. Transgaz will carry out the project under the same conditions of proven performance and efficiency, in accordance with the implementation schedule, because it is important that the gas infrastructure is completed by the time the exploitation of natural gas from the Neptune Deep offshore block in the Black Sea begins. Romania's energy security is our top priority. We have worked extremely well with the Romanian Government and will continue to do so. Being a project of strategic importance for the economic and social development of the country, the Romanian Government and the other public institutions and authorities support this project through all the steps taken and will continue to support all other investments aimed at the strategic and sustainable development of the national natural gas transmission infrastructure, increasing Romania's role in the regional, European and international energy sector."***

After the BRUA and Ungheni-Chisinau gas transmission pipelines, the 308 km long Tuzla-Podisor pipeline, worth about 500 million euros, is the most important gas infrastructure project Transgaz is building, being a strategic project, vital for energy security, its consolidation and the sustainable development of the national economy. The Tuzla-Podișor gas transmission pipeline is also needed in order to transport the 15 billion cubic metres of natural gas that will be transported to Romania and the Caspian Sea area from LNG terminals in Türkiye and Greece. The operationalisation of the

pipeline is important in the context of an expected increase in demand for natural gas consumption in the coming years, given the decarbonisation policies, i.e. the transition from coal to gas power plants, and also considering the completion of investments in the industrial and energy sectors and investment in the development and expansion of the NTS to enable the connection of all localities to the gas infrastructure. Transgaz prepared for this project in advance and signed the construction contract with the winner of the tender. We are ready to fulfil our mission to ensure Romania's energy security and to build this gas pipeline under the same conditions of safety, efficiency and performance as we have implemented every investment".

Project information

The Tuzla-Podişor gas pipeline allows the creation of a transmission infrastructure linking the natural gas from the Neptune Deep offshore block to the BRUA corridor, and it represents a project of particular importance for Romania in terms of ensuring and strengthening energy security.

The works commencement order comes three months after the signing ceremony of the natural gas transmission contracts concluded by Transgaz, OMV-Petrom and Romgaz as a result of the capacity booking procedure for the NTS entry/exit point for the natural gas from the Black Sea - i.e. Tuzla - which was held on 16 March at the Romanian Government headquarters as well.

The "Black Sea-Podisor natural gas transmission pipeline" project is included in the NTS 10-year Development Plan, in the list of EU projects of common interest and has been submitted for funding through the Modernisation Fund, obtaining a financing of euro 85 million. The funding gap will be covered by a competitive financial mix.

The pipeline is located in the south-eastern part of the country and crosses 3 counties: Constanța, Călărași and Giurgiu, i.e. 42 territorial administrative units (TAU). This investment will significantly contribute to increasing the security of natural gas supply in Romania, to diversifying the natural gas supply sources, to the social-economic development of the crossed areas, by creating new jobs, both during the implementation of the project and during the operation period.

The Tuzla - Podișor gas pipeline will contribute to ensuring the necessary natural gas consumption for the economy and the population, to creating the conditions for stimulating private investments in the area, to providing additional income for the crossed TAUs, to supplying natural gas to the localities in the project area, i.e. to approximately 184,221 inhabitants and 523 public institutions (schools, town halls, dispensaries, cultural centres, medical practices, etc.).

COMMUNICATION DEPARTMENT