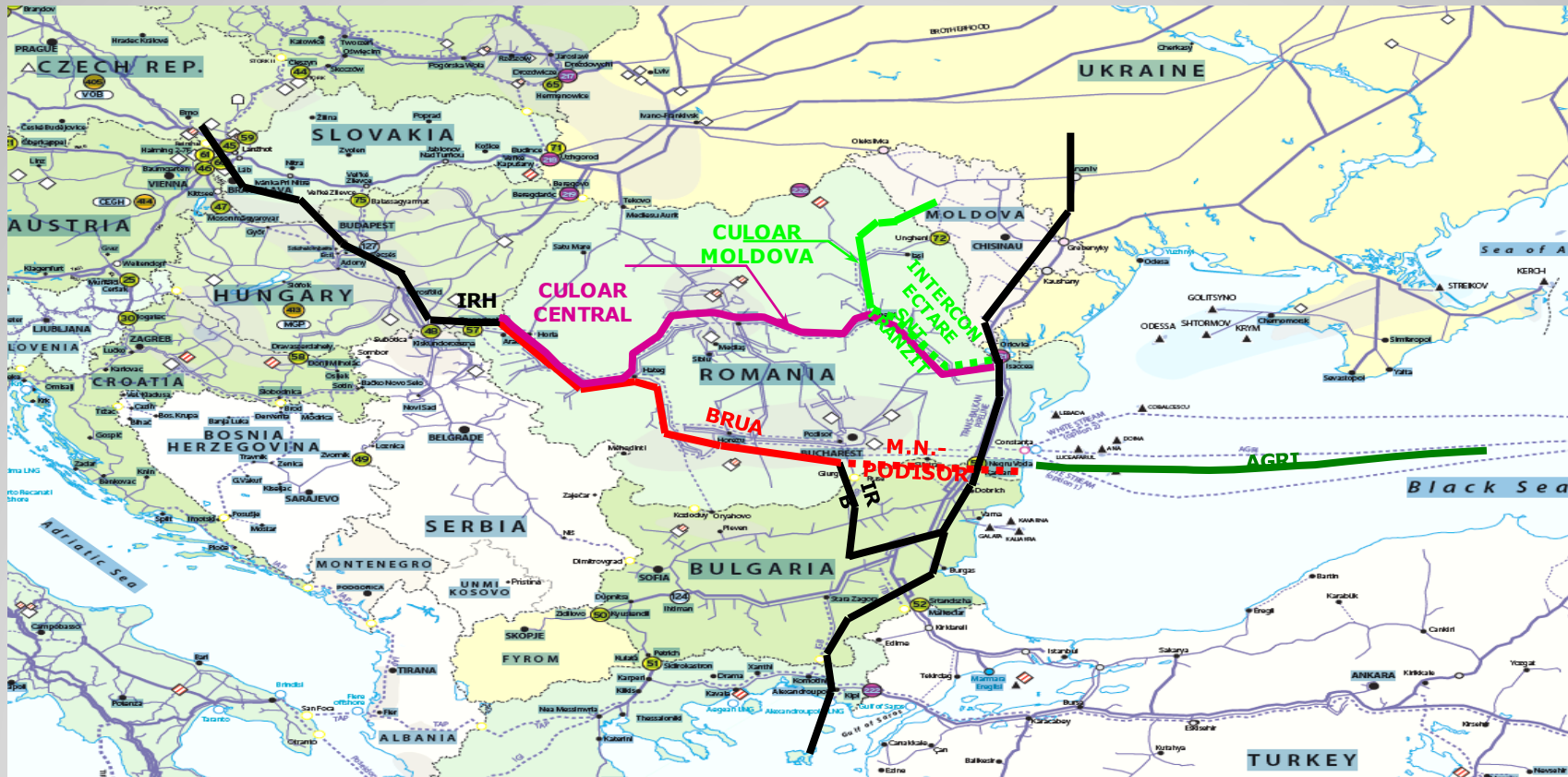


Romania

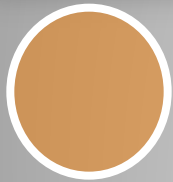


“BLACK SEA PROJECT”



Central European Energy Conference, 22-24 November 2015



“Black Sea Project”



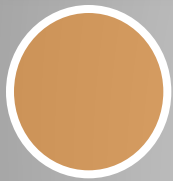
Given that Europe is becoming increasingly more dependent on imports of natural gas, access to new gas resources is an urgent priority to counter the development of the current European situation.



TRANSGAZ included in its TYNDP for 2014-2023, prepared in accordance with EU Directive / 73/2009 and law no. 123/2012, a series of projects designed to:

-  **increase the interconnectivity between the Romanian gas transmission system and the neighbouring countries**
-  **create adequate transmission capacity to take over and transport Black Sea gas to the regional markets**

"Black Sea Project"



Romania by its geographical position is located at the crossroads between the well developed Central European gas markets and the South Eastern gas supply sources



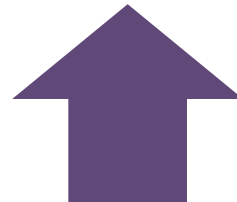
Creates access to important supply sources:

Romania becomes a bridge towards Western & Central Europe (Germany, Austria, Slovakia, Hungary) and South & Eastern Europe (Greece, Bulgaria, Ukraine, Moldova)



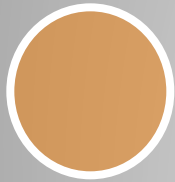
Black Sea offshore

Caspian gas coming via Bulgaria



"Black Sea Project"

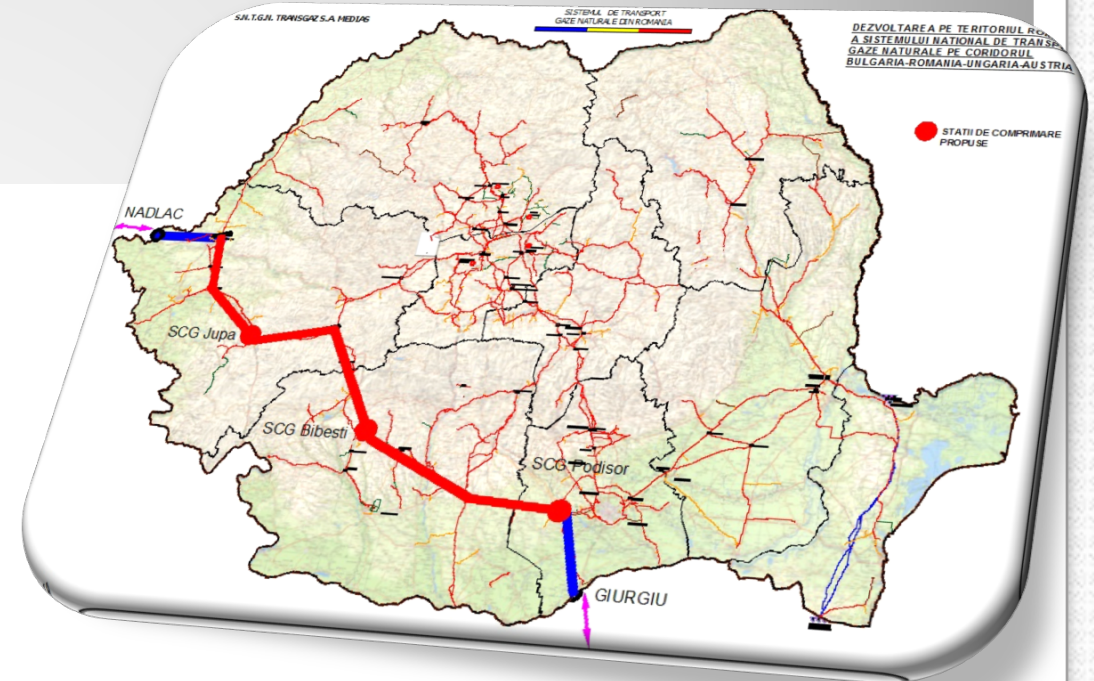
1) The Danubian Southern Corridor-BRUA



The development of the national gas transmission system on the territory of Romania, part of Bulgaria - Romania - Hungary - Austria Corridor, known as BRUA - PCI 7.1.5 (first list)



The project aims to create transmission capacity at the interconnection points between the Romanian and the Hungarian as well as between the Romanian and the Bulgarian gas transmission systems.



Pipeline length: 550 km

3 compressor stations

Estimated value: 560 mil. €



Deadline: Q1, 2019

“Black Sea Project”

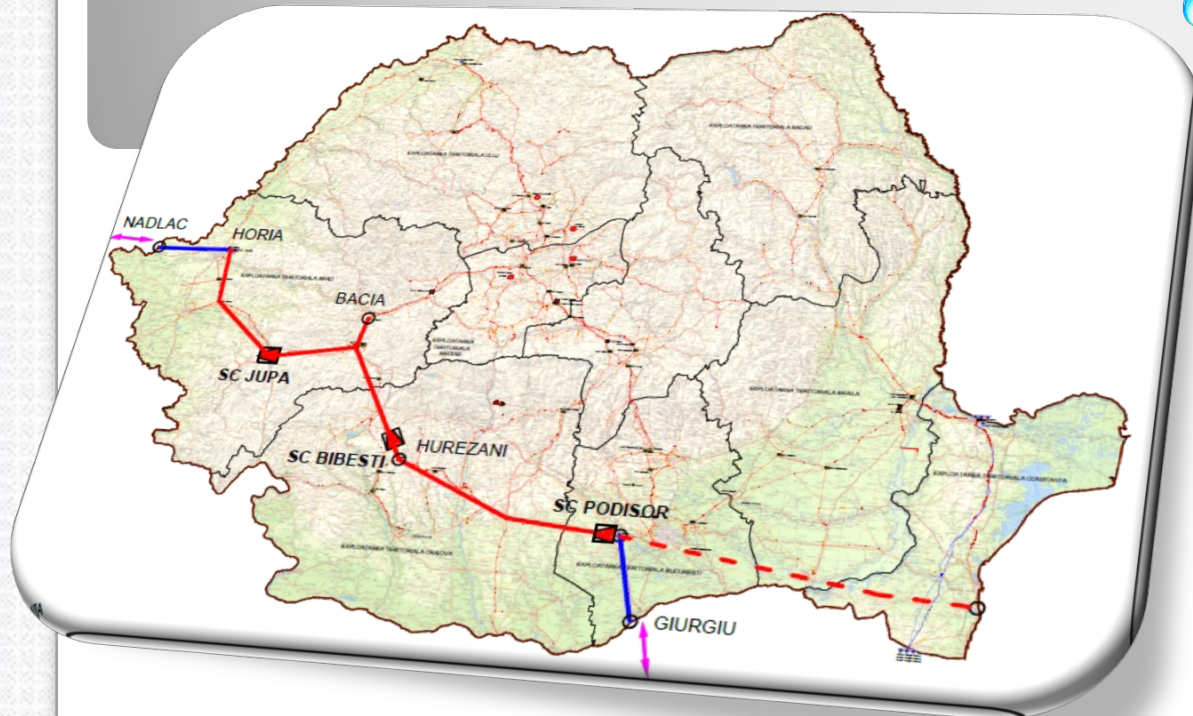
2) The Danubian Southern Corridor: Black Sea-Podisor pipeline



The development of the Danubian Southern Corridor to accommodate the Black Sea gas: Black Sea - Podisor Pipeline (dotted red line on the map) PCI proposed for the 2nd list

🔥 Pipeline length: 285 km 🔥 Deadline: Q1, 2019

🔥 Estimated value: 255 mil. €



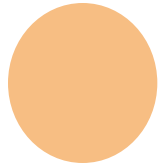
The project aims to create a link between the Black Sea shore and the Podisor technological node to transport the Black Sea offshore gas through the Danubian Southern Corridor-BRUA (Bulgaria - Romania - Hungary - Austria)

“Black Sea Project”

3) Central Corridor (PCI proposed for the 2nd list)



Assuming that the transmission capacity needed to transport the Black Sea gas to the Central-Western European markets outweighs the potential of the “Danubian Southern Corridor”, the development of the Central Corridor is envisaged to compensate for the difference (green line and red dotted line on the map).

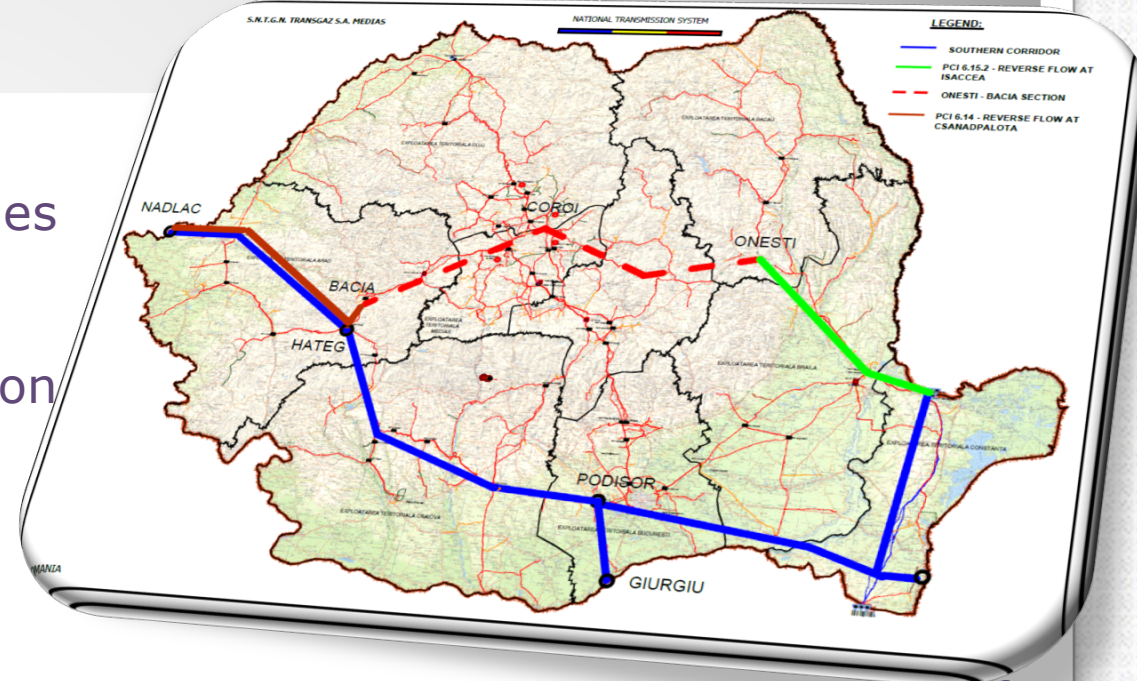


The project involves:

- upgrading works to the existent pipelines (400 km),
- replacement/construction of new pipelines
- construction of four compressor stations on the route of this corridor.



Estimated value: 544 mil. €



Relevance of the "Black Sea Project"

The implementation of the two gas transmission corridors will generate:

- ❑ A high pressure ring reinforcing and rendering the Romanian gas transmission system more effective.
- ❑ Functional interconnectivity between the Romanian and the neighbouring gas transmission systems, facilitating market diversification with beneficial effects on energy prices.
- ❑ Bidirectional capacities in compliance with the existing EU applicable regulations.
- ❑ Gas transmission capacity to accommodate the Black Sea off-shore gas.
- ❑ Additional income to the company and to the Romanian state.
- ❑ Romania's consolidated position as an important player on the key regional energy market and
- ❑ Significant contribution to the energy security of the Republic of Moldova (developments with Moldova on page 10).

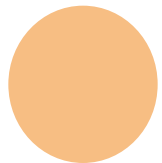
Benefits for the European Union



The implementation of these transportation corridors will allow the access to new gas supply sources for the European markets, which are located in close proximity and easy to approach.



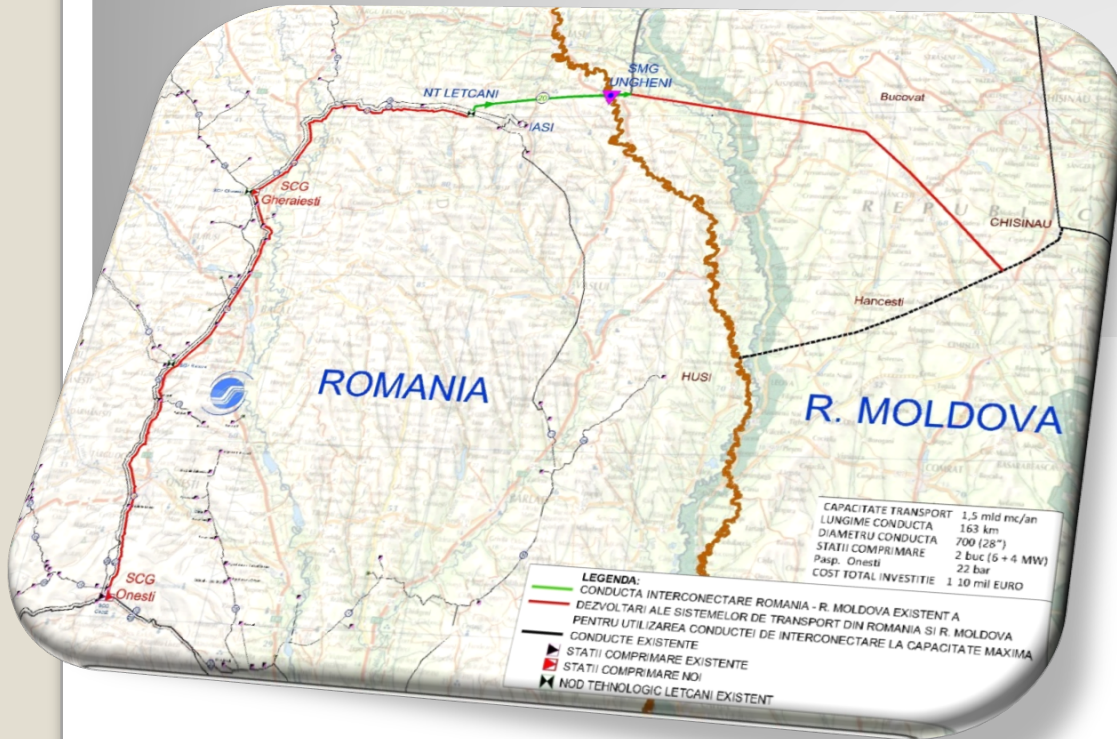
The access to new supply sources will facilitate the creation of a fully European transmission route and will improve market integration.



In the current geopolitical context, the two practical advantages mentioned above represent a crucial alternative for the European Union to diminish its dependence upon the Russian gas.

“Black Sea Project”

Development of the NTS in the Northeast region and developments with the Republic of Moldova



The project aims to provide bi-directional gas flow between Romania and Moldova (Iași – Ungheni) in order to ensure the technological parameters requested by Moldova (1.5 bcm/year)

The project consists of:

- construction of new pipeline for section I: 60 km (Gherăești-Lețcani)
- construction of new pipeline for section II: 103 km (Onești-Gherăești)
- building 2 new compressor stations on the route of this corridor (Onești and Gherăești).

🔥 Estimated deadline: Q4 2017 🔥 Current stage of the project: Feasibility study completed

🔥 Minimum estimated value: 110 mil. € (50% grant from EU&RO)