

29 March 2018

Release

Conclusion of the sale-purchase contract related to the S.E. Vestmoldtransgaz Chișinău

On 28.03.2018, in the presence of the Minister of Economy of the Republic of Moldova, Mr. Chiril Gaburici and the Minister of Economy of Romania, Mr. Dănuț Andrușcă, Transgaz' Director - General, Mr. Ion Sterian, the representatives of Eurotransgaz Ltd. and of the Chisinau authorities signed the contract for the sale-purchase of the State Enterprise Vestmoldtransgaz. Together with the delegates of the companies and of the institutions involved in the transaction, Mr. Daniel Ioniță, Ambassador of Romania to the Republic of Moldova, employees of the Ministry of Economy and Infrastructure and of the Public Property Agency of the Republic of Moldova as well as representatives of Țuca, Zbârcea & Asociații and of the Romanian Commercial Bank Chișinău SA, who provided assistance for the preparation and conclusion of the contract, attended the ceremony held at the Ministry of Economy and Infrastructure of the Republic of Moldova.

The event marks the end of a stage in the privatization process of SE Vestmoldtransgaz through an investment contest and outlines one of the most significant transactions recently made by the Government of the Republic of Moldova, for a purchase price of Moldovan lei 180,200,000 and an investment plan of up to Euro 93,000,000 over the next two years.

It is worth mentioning that, on 27.02.2018, during the joint press conference with the Prime Minister Viorica Dăncilă, the Prime Minister Pavel Filip announced that Eurotransgaz Ltd., having Transgaz SA as sole shareholder, was declared the winner of the investment contest and invited the parties to conclude the sale-purchase contract, according to the privatization procedure.

On the occasion of the contract conclusion, the Minister of Economy and Infrastructure of the Republic of Moldova, Mr. Chiril Gaburici, underlined that *'by signing this contract, we may surely state that we have taken another major step towards the construction of a very important infrastructure project for Moldova. Through this privatization announced by the Moldovan authorities at the end of October 2017, Transgaz, and I dare say, the Romanian state confirmed its good and serious intentions to contribute to increasing the security of our country's natural gas supply. This project will implicitly contribute to the increase in the energy security of the Republic of Moldova during an extremely difficult period in which the diversification of the energy supplies, especially natural gas, is currently a very topical issue. Moreover, the Ungheni-Chisinau pipeline will allow the national authorities to meet one of their priority goals in sectoral strategies - to lay the foundations for a real gas market.'*

At his turn, the Romanian Minister of Economy, Mr. Danut Andrusca underlined that “this is more than a mere privatisation. It is more than a mere pipeline. It is more than a mere investment and more than a strategical move on behalf of Romania or the Republic of Moldova. It is about fraternity and unity of Romanian people with Romanian people. Now, by means of a contract, tomorrow by means of a pipeline and the day after tomorrow by other as firm and effective means. Romania adopts the policy of facts as far as the Republic of Moldova is concerned. This is what the Romanian and the Moldavian citizens expect of us.” Regarding the economic nature of the transaction, Mr. Andrusca referred to Transgaz’ becoming an important regional energy player and investor, emphasising that “Transgaz has asserted its place and role in the portfolio of the Ministry of Economy. As of today, the company has turned into a regional economic player. The investment will create new jobs, added value and will increase the energy security of both countries. It is a long-term binding and tangible contribution to the diversification of gas supply sources and routes to the Republic of Moldova.”

In the context of the contract signing ceremony, Transgaz’ Director-General, Mr. Ion Sterian stated that: “Today’s event is a step forward to create the proper conditions underlying the construction of the gas pipeline Ungheni-Chisinau, with all relevant milestones defined and approved under the FEED, which will offer higher flexibility to the Republic of Moldova in the selection of optimum gas sources and routes to supply the domestic consumers.”

As a representative of the sole shareholder of Eurotransgaz, Transgaz’ Director-General added that „it is an opportunity to highlight the fact that a necessary stage is fulfilled in line with the investment plan approved by Transgaz’ General Shareholders Meeting and to express sincere thanks to all the parties who made it possible for the buyer and the seller to reach an agreement, to congratulate the governmental authorities in Chişinău as well, the teams of negotiators and those within Transgaz, Eurotransgaz and Vestmoldtransgaz who made such achievement possible. An as intense period is to follow in which we will carry out our operational plans so as to be able to initiate the works provided for in the project implementation schedule. We assure the shareholders of our company, as well as the authorities and citizens of the Republic of Moldova, that Transgaz pays the greatest attention to this gas transmission pipeline and to carrying out such investment plan.”

Mr Ion Sterian also mentioned that it is a project meant to increase the level and the value of the interconnection between the two countries in terms of gas transmission infrastructure “Development of the National Gas Transmission System in the North Eastern part of Romania and the Ungheni - Chişinău gas transmission pipeline are projects whereby Transgaz operates, de facto, as a regional player. We have the competences, ability and willingness to fulfil Romania’s strategic objectives in the sector in which we operate. The financing, construction and operation of the Ungheni-Chişinău pipeline, bridging the Iaşi-Ungheni interconnection, will be achieved in predictable and safe conditions”.

The contract was perfected with the support of the law firm "Țuca, Zbârcea and Associates", represented at the ceremony by Sorin Vlădescu, as a partner, and by Nisa Jecu, as a senior associate. "Working according to an ambitious calendar has been a very intense experience for us which made us stronger. We are glad to have had the opportunity to be part of such a project. We have every confidence that, in the way we structured our support for our customers, we have managed to give value to the transaction and meet the very tight deadlines. We would like to express our hope that the dialogue and the coordination of the parties to this project will strengthen the confidence of other Romanian investors interested in the opportunities of the Republic of Moldova ", said Sorin Vlădescu.

Juan Luis Martin Ortigosa, CEO B.C.R. Chişinău S.A. mentioned that „B.C.R. Chişinău, as part of the B.C.R. group, is delighted to witness the entry of such an important Romanian investor as Transgaz on the market of the Republic of Moldova, hoping for a sustainable cooperation in view of the achievement of the investment and expressing his openness to collaborate with other potential investors.”

The National Gas Transmission Company Transgaz SA Romania is the technical operator of the National Gas Transmission System (NTS) ensuring the meeting of the national strategic goals for domestic and international gas transmission in conditions of efficiency, transparency, safety, non-discriminatory access and competitiveness, as well as the research and design in its specific domain of activity, compliant with the European and national laws, the quality, performance, environmental protection and sustainable development standards.

INSTITUTIONAL COMMUNICATION DEPARTMENT