



**SOCIETATEA NAȚIONALĂ DE TRANSPORT
GAZE NATURALE "TRANSGAZ" SA MEDIAȘ**

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24 January 2019

RELEASE

In a symbolic moment for our country's European destiny, i.e. the taking over of the presidency of the EU Council and the celebration of 160 years from the unification of Moldavia and the Romanian Country, the National Gas Transmission Company Transgaz SA and the European Investment Bank (EIB) are strengthening their cooperation and creating the conditions for the implementation of gas infrastructure projects meant to increase the security of gas supply and to reduce energy dependency by diversification of gas supply sources and routes.

Today, the 24th of January 2019, Transgaz, by Mr. **Ion Sterian – Director General** and the European Investment Bank (EIB) by Mr. **Andrew McDowell – Vice-President** have signed in Luxembourg:

- **The Loan Contract for Euro 100 million representing the second tranche of the loan approved for Transgaz amounting to Euro 150 million** - the contract for the first tranche of Euro 50 million was signed on 17 December 2018. The European Investment Bank granted Euro 150 million for the funding of a new 308.2 km long gas transmission pipeline to connect Romania's Black Sea off-shore sources both to the National Gas Transmission System and to the BRUA Corridor (**Tuzla-Podisor pipeline**) thus interconnecting the gas transmission systems of the South-Eastern, Central and Western Europe. The provision of this funding is supported by the European Fund for Strategic Investments (EFSI), the financial pillar of the Investment Plan for Europe ("the Juncker Plan").
- **The Loan Contract amounting to Euro 38 million** whereby the European Investment Bank (EIB) gives funding to Eurotransgaz SRL, Transgaz' subsidiary in the Republic of Moldova, to finance Vestmoldtransgaz SRL in respect of **Ungheni – Chisinau interconnection project**.
The project consist in: the construction of a new gas transmission pipeline Ungheni-Chisinau, ND 600, NP 55 bar, L=120 km; three gas delivery stations (two in Chisinau and one in Ungheni, Semeni locality); equipping the steering and dispatching centre in Ghidighici.
The gas transmission network Ungheni-Chisinau represents phase II of the interconnection project Iasi-Ungheni-Chisinau.

His Excellency Mr. Lilian Zamfiroiu, Romania's Ambassador Extraordinary and Plenipotentiary in the Grand Duchy of Luxembourg, and Mr. Marius-Dănuț Carașol, CEO at CNEE Transelectrica SA, honoured the event with their presence.

EIB Vice-president, Mr. Andrew McDowell saluted the financial support EIB provided to Transgaz for the development of the national gas transmission infrastructure as well as the support provided to Transgaz' subsidiary of the Republic of Moldova, Eurotransgaz SRL, for the achievement of Ungheni-Chisinau interconnection.

EIB Vice-president, Mr. Andrew McDowell commented: *"The innovative projects signed today are important for Romania and Moldova as well as for the European Union. They contribute to the security of gas supplies and help to diversify energy resources. This increases the competitiveness in the energy sector with positive implications for clients in terms of fair prices and reliability"*.

Emphasising the importance of gas transmission infrastructure investment projects for Romania's energy security and the diversification of the regional gas supply, the increase in interconnectivity, sustainability and competitiveness and the as well as the considerable importance of EIB funding for such projects, Director General Ion Sterian stated:

"For our company, the special cooperation with the European Investment Bank is meant to ensure a competitive funding for Transgaz' strategic investment projects sustained by Romania's Government and intended to actually contribute to the accomplishment of the EU goals for the sustainable development of the gas transmission infrastructure, the increase in the interconnectivity, the diversification of the gas supply sources and the safeguarding of energy security and solidarity. EIB has signed three funding contracts with Transgaz amounting to Euro 50 million each, two for the implementation of the first phase of the Project of Common Interest (BRUA) and one as a first tranche for the construction of Tuzla-Podisor pipeline.

Today, the contract for the second tranche has been concluded for an amount of Euro 100 million of the total Euro 150 million loan given for this project. It is of strategic importance for the Black Sea gas to be circulated through the National Gas Transmission System to the Romanian and EU market in order to increase the security of gas supply to Romania and the EU and to increase the security of gas supply to the domestic and the regional consumers.

The financial support EIB has provided to us will massively contribute to the national gas transmission infrastructure and as far as the interconnection Ungheni-Chisinau is concerned, EIB funding will have a positive impact and will allow for the interconnection between the gas transmission systems of the Republic of Moldova and Romania, the increase in the energy security by diversification of the gas sources and routes, the decrease in the energy dependence and the integration of the Republic of Moldova into the EU Energy Infrastructure Projects. The European Investment Bank trusts Transgaz to complete such projects and contributes, by the given funding, to boosting confidence and solidarity between the EU countries benefitting from such strategic investments."

In order to streamline the development of our gas transmission network, Transgaz has to comply with and implement the European and national environmental and social laws for which it called for EIB's support within the operation of the European Investment Advisory Hub, as technical assistance for the preparation of the Strategic Integrated Environmental Assessment ("SEA") for all projects listed in the TYNDP (Ten Year Network Development Plan) which is an essential step in accelerating the implementation of such projects.

The national gas transmission company Transgaz SA devotes sustained efforts to obtain grants to finance investment projects with an impact on the modernization, upgrading and development of the NTS infrastructure, in order to obtain a financing mix that provides the lowest cost to finance the development program.

Transgaz has also planned investments for the development of the National gas Transmission System (NTS) on new consumption directions in order to ensure gas transmission to newly established gas distribution systems, the supply of newly connected consumers and to upgrade and retrofit the NTS, investments ensured by Transgaz from his own funds.

Today's event comes further to the one which took place in December 2018, when the loan agreement for the first tranche of €50m from the €150m approved by EIB for the construction of the Tuzla-Podisor pipeline was signed. The statements of Mr. Andrew McDowell, Vice-President of the EIB, Mr. Maroš Šefčovič, Vice-President of the European Commission responsible for the Energy Union and Mr. Ion Sterian, Transgaz' Director General, can be referred to at the following link:

<http://www.eib.org/en/infocentre/press/releases/all/2018/2018-351-investment-plan-for-europe-eib-supports-extension-of-romania-natural-gas-transmission-infrastructure.htm>

