

Date of report: **01 October 2019**

Name of issuing entity: **SNTGN TRANSGAZ SA MEDIAS**

Headquarters: Mediaș, 1 Constantin I. Motaș Square, Sibiu County

Telephone/fax number: **0269803333/0269839029**

Tax number: **RO 13068733**

Trade Register number: **J32/301/2000**

Subscribed and paid-up capital: **RON 117.738.440**

Regulated market on which issued securities are traded: **Bucharest Stock Exchange**

The National gas transmission company would like to inform shareholders and investors about the fact that **Transgaz and CEGH signed the Cooperation Agreement to establish the Romanian Gas Hub.**

Please find below the entire Press release:

The National Gas Transmission Company Transgaz SA (TSO), the gas transmission system operator (TSO) and the Central European Gas Hub AG, the operator of the Virtual Trading Point in Austria signed a Cooperation Agreement on the establishment of a Romanian stock company, "Romanian Gas Hub", joint venture to become the operator of the Romanian Virtual Trading Point (VTP).

The Cooperation Agreement was signed by Mr. Ion Sterian, Director General, on behalf of Transgaz SA Romania and by Mr. Gottfried Steiner, CEO of Central European Gas Hub AG.

Subsequent to the conclusion of the Agreement the actions for the incorporation of the new company "Romanian Gas Hub" shall start and it shall provide professional gas hub services for Romania (including trading and ancillary services) and shall become the operator of the Romanian Virtual Trading Point (VTP). Transgaz will hold 51% of the shares, CEGH 49%. Transgaz will nominate the Director General and CEGH the Deputy Director General.

Romania has a geostrategic position, being located on important transmission corridors in between the demanding CE markets and the SEE supply sources. Romania has a pipeline network of over 13,000 km, a high domestic gas production of approx. 10 bcm/year and a gas consumption of approx. 11 bcm/year. The network is operated professionally by Transgaz and it has the best prerequisites for establishing a functioning, liquid and well-accepted gas hub.

Romanian Gas Hub aims at the construction of a new vision on the gas market, i.e. the construction of an open, liquid, responsible, closely monitored market allowing for the means to support the vulnerable consumers, solely dispatched in order to prevent emergency crises and fully integrated with the European Energy Union. The Hub entails the redesigning of all gas sector activities for a single purpose, particularly to facilitate gas trading to obtain the most effective gas prices at a certain point in time and to ensure quality services.

Transgaz, as the Romanian TSO, supports this project with deep knowledge of the national gas market and many years of experience in technical operations in the country.

Central European Gas Hub, as the operator of the VTP in Austria, contributes to the cooperation with know how in operating a successful gas hub, as CEGH is the most important trading place for natural gas in the CEE region.

With the establishment of the "Romanian Gas Hub" the two partners want to provide the market with a liquid trading place for natural gas in Romania and to support gas traders in their business.

Ion Sterian, Director General of Transgaz SA:

"By this gas hub, Transgaz definitively asserts its central role in safeguarding the energy security of Romania and the region. The Romanian Gas Hub is a crucial achievement creating the proper conditions for Romania's economic and financial development. Transgaz has the capacity and the necessary know-how to manage this project. With the support of the Ministry of Economy, Transgaz' majority shareholder, of all decision makers, we will manage to develop the gas sector, to transform it in one of the countries' main drivers. After the implementation of the timeline for the establishment of the new company, the Romanian Gas Hub, estimated for the end of February 2020. Based on the decision of the Romanian state, Romanian companies such as Romgaz, OMV Petrom, other Romanian gas producers, CEC or Exim Bank as clearing houses, OPCOM, the Romanian Commodity Exchange, Bucharest Stock Exchange, etc", may participate as shareholders.

Gottfried Steiner, CEO of Central European Gas Hub AG:

"Romania with its large gas pipeline system and an enormous national gas production provides ideal conditions for a gas trading place. CEGH has successfully established the most liquid gas trading place in CEE and is proud of supporting Transgaz to develop a gas hub in Romania."

Background information:

Central European Gas Hub:

Central European Gas Hub AG (CEGH) is the operator of the Virtual Trading Point (VTP) in Austria and provides a gas nomination platform for international gas companies. The Gas Exchange products for the Austrian and Czech market are offered on the PEGAS platform in cooperation between Powernext and CEGH. CEGH is a subsidiary of OMV Gas & Power (65%), Wiener Boerse (20%) and Eustream (15%). CEGH established itself as one of Central Europe's leading trading platforms with a nominated volume of 659 TWh of natural gas at the CEGH VTP and a traded volume of 133 TWh at the PEGAS CEGH Gas Exchange Market (2018).

For more information: www.cegh.at

Transgaz:

The National Gas Transmission Company Transgaz SA is the sole operator of the National Gas Transmission System (NTS) ensuring the transmission of over 90% of the domestically consumed gas, under safe, efficiency and competitive conditions, in compliance with the EU performance and environmental standards.

Transgaz is an active presence on the Romanian capital market, being listed on Bucharest Stock Exchange. 58.5097% of its shares are held by the Romanian State by the Ministry of Economy and 41.4903% (free float) by minor shareholders.

The company operates a pipeline network of 13,300 km with a total transmission capacity of 30 bcm/y and in 2018, it handled a gas quantity of 13.07 bcm.

As a gas transmission system operator certified according to the Third Energy Package, since July 2010, Transgaz has been a member of the European Network of Transmission System Operators for Gas: www.transgaz.ro

For further information, please contact:



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