

INDEPENDENT AUDITOR'S REPORT

To the shareholders of the National Gas Transmission Company „Transgaz” SA

Report on the financial statements

1. We audited the attached financial statements of the National Gas Transmission Company „Transgaz” SA („the company”) comprising the statement of financial standing as at 31 December 2015, the statement of comprehensive income and of other comprehensive income elements, the statement of equity adjustment and the cash flow statement, as well as a summary of the significant accounting policies and other explanatory notes.

The management's liability for the Financial Statements

2. The Management is liable for the preparation and accurate presentation of the relevant financial statements according to the International Financial Reporting Standards adopted by the European Union and for any internal control the management deems necessary in order to prepare the financial statements void of considerable misrepresentation caused by fraud or errors.

The auditor's liability

3. Based on our audit, we are liable to state an opinion on the relevant financial statements. We conducted the audit pursuant to the International Standards on Auditing. According to these standards we are compelled to meet the ethical requirements, to plan and conduct the audit to obtain reasonable assurance that there is no considerable misrepresentation in the financial standards.
4. An audit consists of procedures for acquiring auditing evidence on the amounts and data under the financial statements. The selected procedures depend on the auditor's professional rationale, including the assessment of risks associated to a considerable misrepresentation of the financial statements, generated by fraud or errors. While assessing such risks, the auditor takes into consideration the relevant internal control for the preparation and the accurate presentation of the company's financial statements in order to set relevant auditing procedures under the actual circumstances; however not for the purpose of stating an opinion on the efficiency of the company's

internal control. An audit also includes the evaluation of the applied accounting policy adequacy and the reasonability of the accounting forecasts prepared by the management, as well as the evaluation of the overall financial statement presentation.

5. We consider the acquired auditing evidence to be sufficient and satisfactory in order for us to lay the basis of our auditing opinion.

Opinion

6. In our opinion, the attached financial statements provide an accurate image, in terms of all key aspects, of the company's financial standing as at 31.12.2015 and of the company's financial performance and cash flows related to the financial year ended as at the date, in compliance with the International Financial Reporting Standards adopted by the European Union and with the accounting policies contemplated in the notes to the financial statements.

Other aspects

7. The Company's financial statements for the financial year ended as at 31 December 2014 were audited by a different auditor and an unqualified report was issued on 23 March 2015.
8. This report refers only to the company's Shareholders' in general. Our audit was meant to allow us to notify the company's Shareholders of relevant aspects to be reported under a financial audit report, other purposes excluded. To the extent permitted by law, we do not accept and we do not take liability for our audit, this report or our opinion, otherwise than towards the company and its Shareholders, in general.

Report on the compliance of the Report issued by Transgaz Board of Administration with the financial statements

The Administrators are responsible for the preparation and presentation of the Administrators' Report - according to Order no. 1286/2012 of the Ministry of Public Finance - the Accounting Regulations on individual annual financial statements and consolidated annual financial statements, Chapter II, items 10-14 – which shall not contain significant discrepancies and as far as the internal audit the company deems necessary is concerned which shall allow the preparation of the Administrators' Report void of any considerable inconsistency caused by fraud or error.

Our opinion on the financial statements does not cover the Administrators' Report.

As far as our audit on the financial statements is concerned, we have read the Administrators' Report which was attached to the financial statements and we would like to point out the following:

- a) in the Administrators' Report we have not identified any inconsistency, in all material respects, with the data under the attached financial statements,
- b) the above-mentioned Administrators' Report includes, in all material respects, the information required by Order no. 1286/2012 of the Ministry of Public Finance – Chapter II, items 10-14,

- c) based on our knowledge and understanding acquired during the process for auditing the financial statements related to the financial year ended as at 31 December 2015 and regarding the company and its business environment, we have not identified information under the Administrators' Report to be significantly fallacious.

Farrukh Khan, Auditing Partner

The Romanian Chamber of Financial Auditors under no. 1533/25.11.2003

On behalf of
DELOITTE AUDIT SRL

Auditing company registered with
The Romanian Chamber of Financial Auditors under no. 25/25.06.2001

Bucharest, Romania
21 March 2016