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GAZE NATURALE "TRANSGAZ" SA MEDIAȘ**

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In compliance with the principle of transparent, comprehensive and proactive notification of all stakeholders, for the correct understanding of the recently published information related to the Giurgiu-Ruse pipeline in view of the interconnection of the gas transmission systems of Romania and Bulgaria, as far as Transgaz is concerned, the following technical and general clarifications are deemed necessary:

As operators of neighbouring gas transmission systems, Transgaz and Bulgartransgaz EAD agreed in 2009, under a Memorandum of Understanding, to achieve a bidirectional interconnection between the Romanian and the Bulgarian gas transmission systems in order to be able to cover the crisis situations and to strengthen the partnership and solidarity between the two companies.

Subsequently, the parties also considered the possibility to operate the future interconnection under commercial conditions and in 2011, Transgaz together with Bulgartransgaz, undertook the implementation of a functional bidirectional interconnection taking into account the necessities of the Bulgarian partner's transmission system in terms of reverse flow offtake pressures even if the Romanian gas transmission system (NTS) is operated at lower pressures near the borders.

Therefore, in order to ensure *inter alia* the maximum operating parameters of the interconnection and a high degree of interconnectivity and flexibility of the NTS, Transgaz committed itself to the staged implementation of the project **„Development on the Romanian territory of the National Gas Transmission System on the Corridor Bulgaria-Romania-Hungary-Austria (BRUA)**, to be completed in December 2019.

After implementing stage 1 of the BRUA project, Transgaz will be able to ensure, at the Ruse/Giurgiu interconnection point, the maximum pressure parameters of the interconnection, in line with the agreed bilateral documents.

On the other hand, in order to allow for a more expeditious use of the Bulgarian – Romanian interconnection in reverse flow, to its full potential, Transgaz will take the necessary steps in view of prioritizing the construction works related to the Podisor Compressor Station.

Moreover, by the time the BRUA project has been completed, so as to enable the bidirectional operation of the Giurgiu-Ruse interconnection, immediately upon its commissioning, even at minimal parameters, Transgaz took all relevant steps to ensure, on seasonal basis (the winter period), an external pressure source located at a 265 km distance from Giurgiu, to guarantee a pressure increase to 30 bars in the border area – which, according to the agreed technological parameters, should allow the Bulgarian partners to take over gas flows of up to 0,8 bcm/y.

However, it is noteworthy that throughout the discussions with the Bulgarian transmission system operator, on the conclusion of an interconnection agreement, Transgaz proposed for the interim period, a transmission capacity on the Romania – Bulgaria direction of 40.000 cm/h in firm flow conditions during the winter period, while the Bulgarian partner proposed, otherwise than as agreed, an offtake capacity of only 6000 cm/h.

Transgaz' above mentioned actions prove that while acting in good faith and in line with the requirements of an integrated market, Transgaz pays due regard to its obligations in relation to the Romania-Bulgaria bi-directional project and is convinced that through concerted efforts it will manage together with the Bulgarian partner, Bulgartransgaz EAD, to materialize the scope of the bilateral documents concluded in this respect.

INSTITUTIONAL COMMUNICATION DEPARTMENT