



SPAFID CONNECT

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Oggetto : Gas Plus: sanctioned the FID of the Romanian E&P project Midia Gas Development and farmed out a 5% participating interest to BSOG

Testo del comunicato

Vedi allegato.



PRESS RELEASE

Gas Plus: sanctioned the Final Investment Decision of the Romanian E&P project Midia Gas Development and farmed out a 5% participating interest to Black Sea Oil & Gas (Carlyle Group)

Milan, 7 February 2019 - With reference to its international Exploration & Production activities (E&P), yesterday evening, Gas Plus has sanctioned, throughout a fully owned subsidiary, the Final Investment Decision (FID) of the Midia Gas Development Project (MGD), offshore Romanian Black Sea.

Simultaneously, Gas Plus signed a Farm Out Agreement (FoA) with the operator Black Sea Oil & Gas (BSOG) to transfer a 5% participating interest in the project, maintaining a 10% participating interest; the transfer to BSOG is subject to pre-emption right, if exercised, by the other partner of the Joint Venture, Petro Ventures Resources, and to the approval of NAMR (Romanian National Agency for Mineral Resources).

The price for the FoA of the 5% participating interest was agreed in Euro 5.3 million, of which Euro 3.3 million to be paid at closing and Euro 2 million to be paid three months after first gas.

With the approval of the development project, sanctioned with the FID, by the Romanian authorities, Gas Plus will be able to add to its portfolio 2P reserves for a total of 754 million of cubic meters of gas (with reference to the 10% interest).

Davide Usberti, CEO of Gas Plus, commented: " We are very satisfied, because the FID approval means that our first international E&P project will reach the development phase. Moreover, the Midia Gas Development project will be the first Romanian offshore gas project entering into the development phase, since over 30 years, and after rump up it will have an overall yearly production of 1 billion Smc/year, approximately equivalent to the present amount of yearly Romanian gas import. The share of estimated production attributable to Gas Plus will be 100 MSmc/year, with a very relevant contribution to the Group's total gas production. The Farm Out of the 5% participating interest is in line with the Group's asset allocation strategy among its different investment sectors in the energy field. The fact that a counterpart such as BSOG



(Carlyle) has entered in the acquisition of a further percentage interest confirms the MGD investment as positive.

Gas Plus is the fourth largest producer of natural gas (as estimated by the Authority for Electricity, Gas and Water System, AEEGSI) after Eni, Edison and Shell Italia E&P. It is active in the main sectors of the industry of natural gas, particularly in the exploration, production, purchase, distribution and sale to retail customers. At 31 December 2017, the Group has 45 exploitation concessions located throughout the Italian territory, manages a total of approximately 1,600 kilometers of distribution network located in 39 Municipalities, serves a total of more than 72,000 end users, with a staff of 181 employees.

For further information: www.gasplus.it

IR contacts

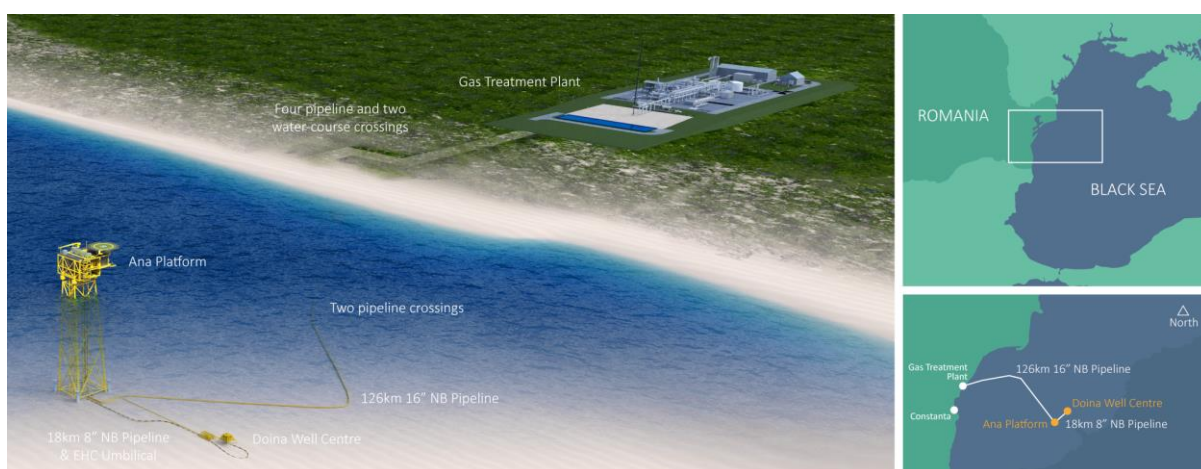
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Black Sea Oil & Gas moves forward with the Midia Gas Development Project



Midia Gas Development Project, offshore Black Sea site facilities and gas treatment plant in Corbu commune

Bucharest, Romania, 7 February 2019: Black Sea Oil & Gas SRL (“BSOG”) together with its co-venture partners, Petro Ventures Resources SRL (“Petro Ventures”) and Gas Plus International B.V. (“Gas Plus”) are pleased to announce that they have approved the Final Investment Decision (“FID”), to proceed with the \$400 million Midia Gas Development Project (“MGD Project”), offshore Black Sea.

FID has been taken in good faith and on the assumption that BSOG and its joint venture partners will successfully be able to restore all of their rights with respect to the removal of any newly imposed supplemental taxes and fees, as well as removing any restrictions, in accordance with EU legislation, on the free movement of gas on a fully liberalized market in order to not only make MGD Project a viable investment, but also to encourage further gas developments in the Black Sea.

The MGD Project, which is the 1st new offshore gas development project in the Romanian Black Sea to be built after 1989, consists of 5 offshore production wells (1 subsea well at Doina field and 4 platform wells at Ana field) and a subsea gas production system over the Doina well which will be connected through an 18 km pipeline with a new unmanned production platform located over Ana field. A 126 km gas pipeline will link the Ana platform to the shore and to a new onshore gas treatment plant (“GTP”) in Corbu commune, Constanta county, with a capacity of 1 BCM per year representing 10% of Romania’s consumption. The processed gas will be delivered into the National Transmission System operated by SNTGN Transgaz SA (“Transgaz”) at the gas metering station to be found within the GTP.



BSOG has secured a long-term gas sales agreement with a Romanian subsidiary of ENGIE for the entire gas production, reduced by the volumes that the producers are currently obliged to sell on the centralized market. BSOG has also secured a gas transmission contract with Transgaz for the transport of gas for a period of 15 years.

The entire project infrastructure, including all offshore and onshore facilities, has been contracted to be built, installed and commissioned under an EPCIC Contract with GSP Offshore SRL (“GSP”), with a contracted delivery date Q1 2021. The development drilling of the five production wells will also be performed by GSP for which Uranus rig will be deployed.

BSOG is pleased to confirm that all the contracting activities for this project will, in total, have Romanian content of roughly 70%.

In 2019, BSOG anticipates having completed the detailed engineering for the MGD Project, commenced the fabrication of the Ana Wellhead Platform at the shipyard in Agigea, commenced the civil constructions at the GTP and have purchased a number of company items.

Mark Beacom, BSOG CEO commented: “MGD Project is very much a pioneering project with many firsts having been successfully achieved in Romania. Together with our joint venture partners, we very much appreciate the support we have received along the way from many Romanian institutions, Transgaz, our community of Corbu and contractors, which were vital for reaching this critical milestone of FID. We look forward to build and operate this game changing project for Romania’s energy industry.”

About BSOG

BSOG, owned by Carlyle International Energy Partners and the European Bank for Reconstruction and Development, is a Romanian based independent oil and gas company, targeting exploration and development of conventional oil & gas resources. The company’s current portfolio is made up of XV Midia Shallow Block and XIII Pelican Block concession in the Romanian Black Sea where it is the operator and holds a 65% interest.

Gas Plus is the fourth largest producer of natural gas in Italy active in the main sectors of natural gas industry, particularly in exploration, production, purchase, distribution and sale to retail customers. At 31 December 2017, the Group had 45 exploitation concessions located throughout Italy, a total of approximately 1,600 kilometers of distribution network in 39 municipalities, serving a total of more than 72,000 end users, with a staff of 181 employees. Gas Plus holds 15% interest in the XV Midia Shallow Block and XIII Pelican Block concession in the Romanian Black Sea.

Petro Ventures, a private investment group, holds 20% interest in the XV Midia Shallow Block and XIII Pelican Block concession in the Romanian Black Sea.

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