

REPORT ON PAYMENTS TO GOVERNMENTS**In compliance with EU Regulations, Romanian and British Legislation**Report date: **July 01, 2016**Company name: **Societatea Nationala de Gaze Naturale ROMGAZ S.A.**Address: **Medias, 4 Constantin I. Motas Square, Sibiu County - Romania, 551130**Phone/fax no: **004-0269-201020 / 004-0269-846901**Fiscal Code: **RO14056826**Trade Register registration number: **J32/392/2001**Subscribed and paid in share capital: **385,422,400 RON**Regulated market where the issued securities are traded: **Bucharest Stock Exchange (BVB), London Stock Exchange (LSE)*****Significant event to be reported:***

- **Reporting payments to governments for year 2015**

S.N.G.N. Romgaz SA, a company operating in the extractive industry and one of the companies listed on Bucharest Stock Exchange (with shares) and London Stock Exchange (with global depositary receipts, GDRs), is conforming to Romanian and UK reporting requirements and must comply with both the capital market law and the specific legislation of the industry it activates in.

In compliance with Directive 2013/34/EU of the European Parliament and of the Council, chapter 10 „Report on Payments to Governments” large undertakings and public-interest entities which are active in the extractive industry or logging of primary forests should disclose material payments made to governments in the countries in which they operate in a separate report, on an annual basis, in order to provide for enhanced transparency of payments made to governments.

Chapter 10 from the Accounting Directive is incorporated into Chapter III¹ “Report on Payments to Governments” of Order no.1286/2012 for approving the accounting regulations in compliant with the International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market, as amended from time to time. According to Article 14, paragraph 1¹ of Order no.1286/2012, the obligation to report payments to governments applicable to companies whose securities are admitted to trading on a regulated market is effective as of **2016 financial year**.

In November 2014, the UK government signed into law regulations related to amendments to the EU Transparency Directive, “Reports on Payments to Governments Regulations 2014,” effective for financial reporting periods beginning on or after **January 1, 2015**. The new reporting obligation is also contained in **Disclosure and Transparency Rule 4.3A of London Stock Exchange**.

As a result of the above-mentioned reporting obligations, S.N.G.N. ROMGAZ S.A. publishes its **Report on payments to governments for 2015 financial year**, observing the structure specified at Article 36¹ para. (1) item 5 of Order no.1286/2012 as amended from time to time:

Ctr. No.	Payment Type	Payments made to Governments ^{*)}		
		Romania (thousand RON)	Slovakia (thousand EUR)	Poland (thousand EUR)
a)	Total amount of payments	1,903,221.9	109.2	65.1
b)	Amount per type of payment^{*)}	x	x	x
1	production entitlements	-	n/a	n/a
2	taxes levied on the income, production or profits of companies, excluding taxes levied on consumption such as value added taxes, personal income taxes or sales taxes	736,286.8	n/a	n/a
3	royalties	303,596.5	n/a	n/a
4	dividends	849,942.7	n/a	n/a
5	signature, discovery and production bonuses	-	n/a	n/a
6	licence fees, rental fees, entry fees and other considerations for licences and/or concessions	6,489.5	109.2	-
7	payments for infrastructure improvements	6,376.4	n/a	n/a

^{*)} Note: In accordance with Article 36⁵ paragraph (1) of Order no.1286/2012, as amended from time to time, any payment, whether made as a single payment or as a series of related payments, need not be taken into account in the report if it is below RON 443.4 thousand (equivalent of EUR 100 thousand, at the exchange rate published in the EU Official Journal on July 19, 2013) within a financial year".

Director General
Virgil Marius METEA

