



**S.N.G.N.
ROMGAZ S.A.
STRATEGY
2021 – 2030**





Mission, vision, goal



MISSION

Sustainable increase of added value for the company, employees and shareholders, resilient over the long term.

VISION

Gaining profit by producing and trading hydrocarbons and electricity, including electricity from renewable sources, under efficiency and low emission conditions.

GOAL

Future ambition to reach NetZeRomGAZ* in our business.

* S.N.G.N. Romgaz SA plans to develop its business and to reach net zero CO₂ emissions by 2050.

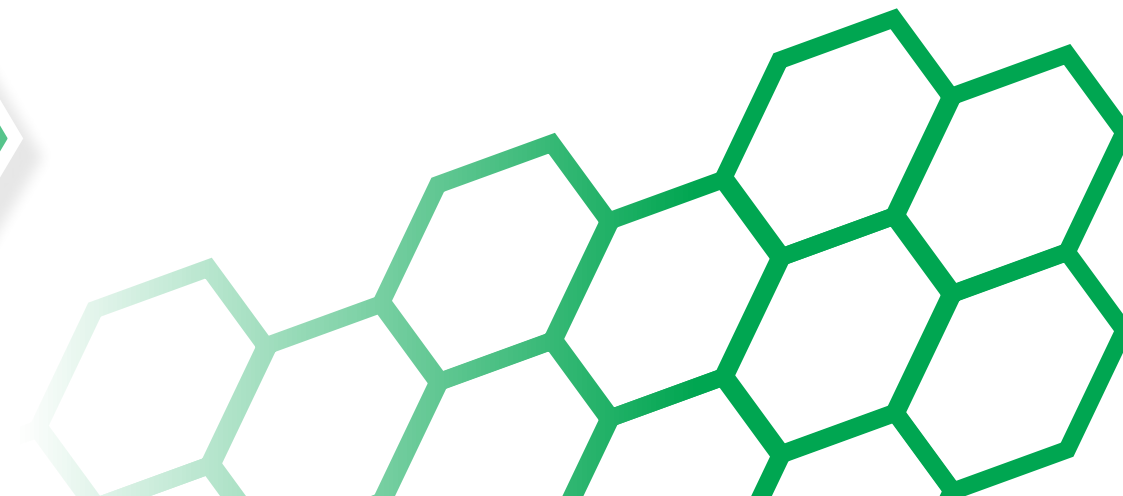
Strategic options

We continue to develop the portfolio of resources focused on mitigating climate changes effects, centered on resilient hydrocarbons and on operational safety and reliability.

Create long-term relationships with equal profitability for both the market and social environment.

Electricity and energy with low CO2 emissions with large scale use of renewable energy sources, seeking opportunities on the hydrogen market and developing a portfolio of gas clients to complete such low CO2 emission energy.

Digital transformation of the company and supporting innovations to approach new customer interaction methods, to increase efficiency and to support new development directions.



Strategic objectives

- Minimum 10% reduction of carbon, methane and other gas emissions (10-10-10)*
- Annual natural gas production decline below 2.5%
- EBITDA margin between 25-40%
- ROACE equal to or higher than 12%



*) Reduction is set for the validity term of the strategy (2021-2030) having 2020 as reference year



Decarbonization Policy

- Production of energy from renewable sources;
- Production of electricity based on natural gas with reduced emissions;
- Implementation of a NOx emissions management system;
- Implementation of a Program to Detect and Reduce Fugitive Emissions as part of the production equipment integrity management system;
- Implementation of a program to reduce gas emissions during well testing operations;
- Reduction of execution time to develop production facilities in order to decrease energy consumption and emissions;
- Use of flow-back closed systems at technological well groups;
- Focus on using electrically- driven drilling rigs;
- Reduction of emissions at compressor stations;
- Reduction of flaring gas through methane capture systems and methane added value solutions;
- Reduction of transportation by vehicle of fluids resulted from production operations;
- Modernization and efficiency enhancement of the existing motor vehicle fleet.



*) Reduction is set for the validity term of the strategy (2021-2030) having 2020 as reference year

We continue to develop the portfolio of resources focused on mitigating climate changes effects, centered on resilient hydrocarbons and on operational safety and reliability

SECONDARY OBJECTIVES

Maximize the recovery factor of hydrocarbon reserves under safety, reliability and sustainable development conditions

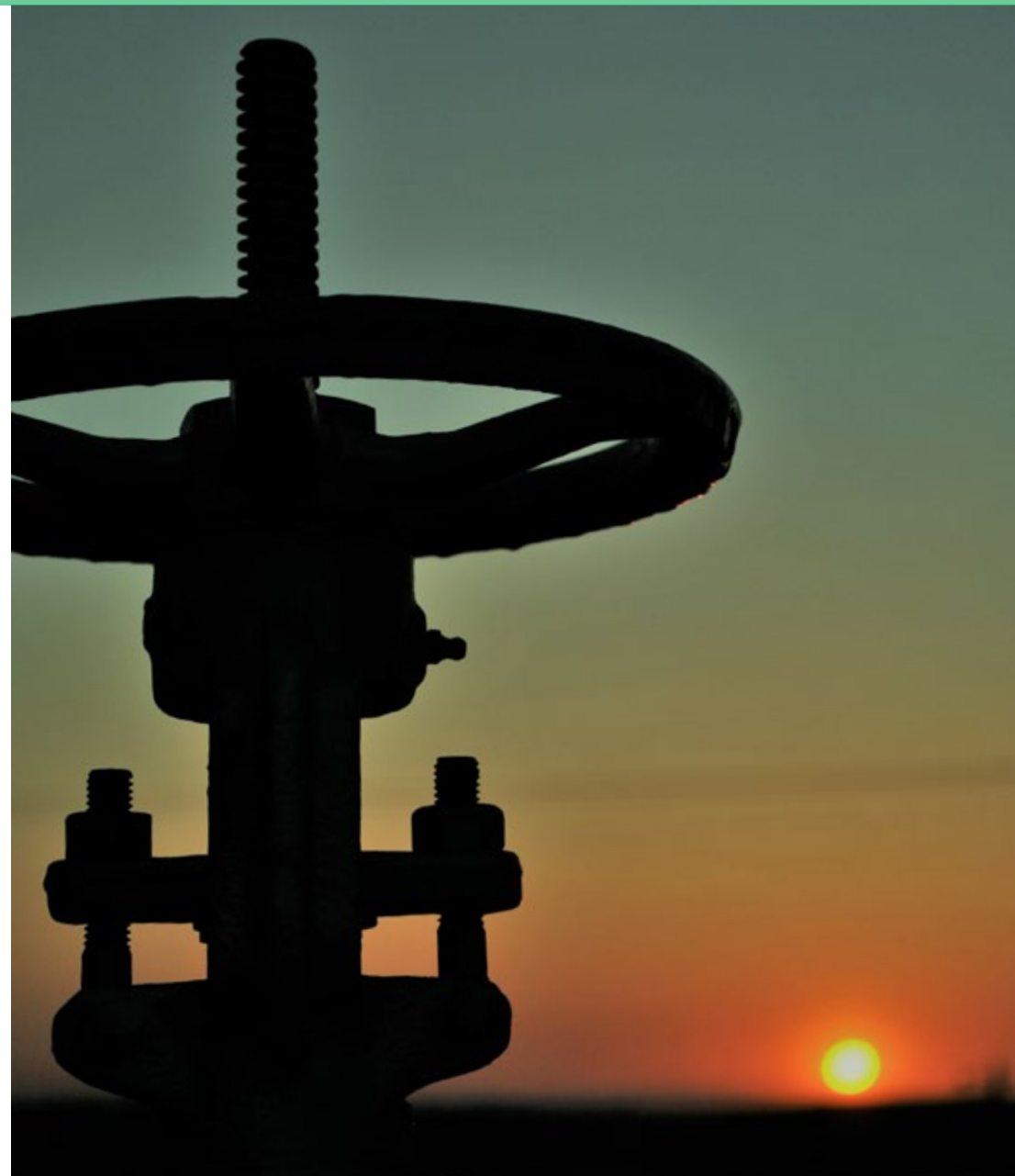
Lines of actions

- Extension of production period for mature gas fields;
- Emissions reduction and efficiency increase of gas production surface facilities.

Increase of onshore and offshore (Black Sea) hydrocarbon resources and reserves portfolio

Lines of actions

- Exploration-development-production activities in gas fields under concession;
- Taking under concession new gas blocks;
- Acquisition of petroleum rights and obligations.



Electricity and energy with low CO2 emissions with large scale use of renewable energy sources, looking for opportunities on the hydrogen market and developing a portfolio of gas clients to complete such low CO2 emission energy



SECONDARY OBJECTIVES

Production of sustainable energy

Lines of action for sustainable energy

- Cogeneration of electricity and heat, including use of green hydrogen, by acquiring shares or booking of capacity;
- Production of photovoltaic energy (minimum 180 MW).

Minimum 10% reduction*of carbon, methane and other gas emissions (10-10-10)

Lines of action

- Implementing the decarbonization policy in our business;
- Assessing the feasibility of injecting carbon dioxide in depleted gas reservoirs with a view to secure future carbon storage services.

*) Reduction is set for the validity term of the strategy (2021-2030) having 2020 as reference year

Digital transformation of the company and supporting innovations to approach new customer interaction methods, to increase efficiency and to support new development directions

SECONDARY OBJECTIVES

Company digitalization

Lines of action

- Management, control and automation of production infrastructure in order to optimize the operation equipment under safe and reliable conditions, reducing the impact on the environment;
- Real time instrumentation, monitoring and balances for our future ambition to reach zero emissions - NetZeRomGAZ.

Increase of market share and portfolio diversification

Lines of action

- Portfolio diversification for products and services;
- Regional sale of products.



Create equally profitable long-term relationships with the environment, market and society



SECONDARY OBJECTIVES

Training human resources to embrace future trends in the field of sustainable energy

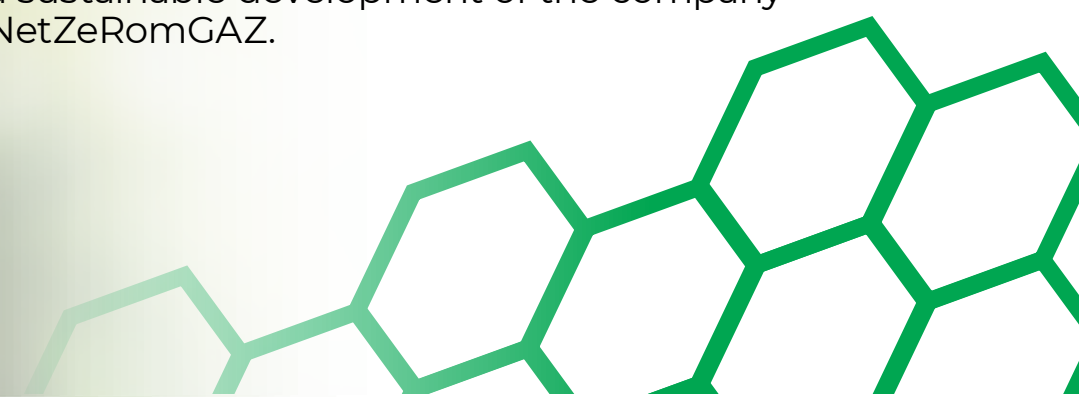
Lines of action

Ensure human resources for new challenges.

Citizens in a green society

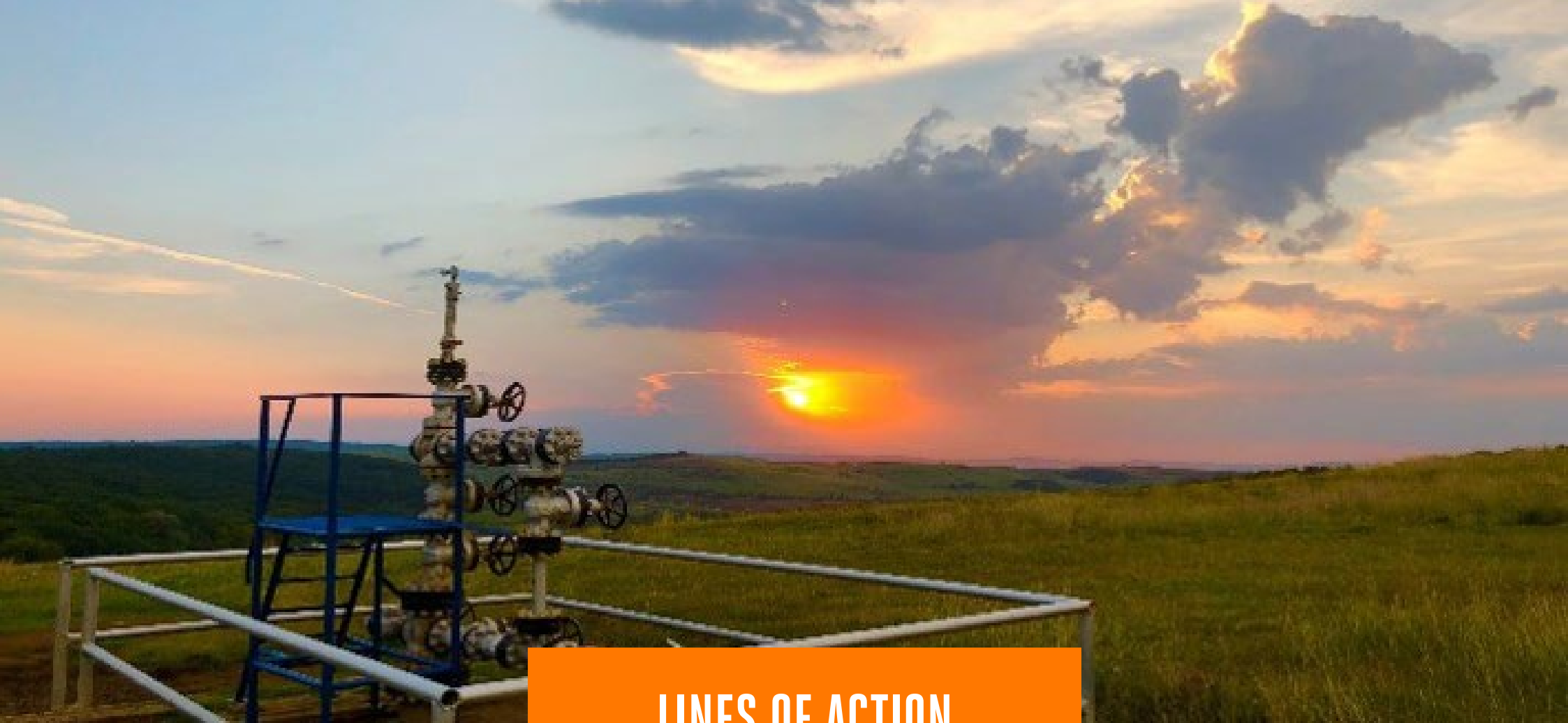
Lines of action

Involvement in non-fiscal projects to promote a sustainable development of the company NetZeRomGAZ.



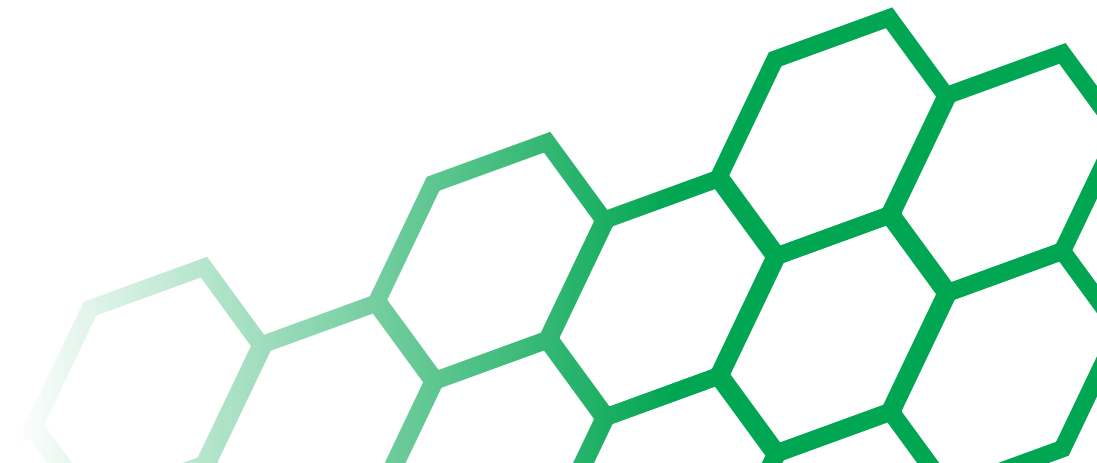


LINES OF ACTION



LINES OF ACTION

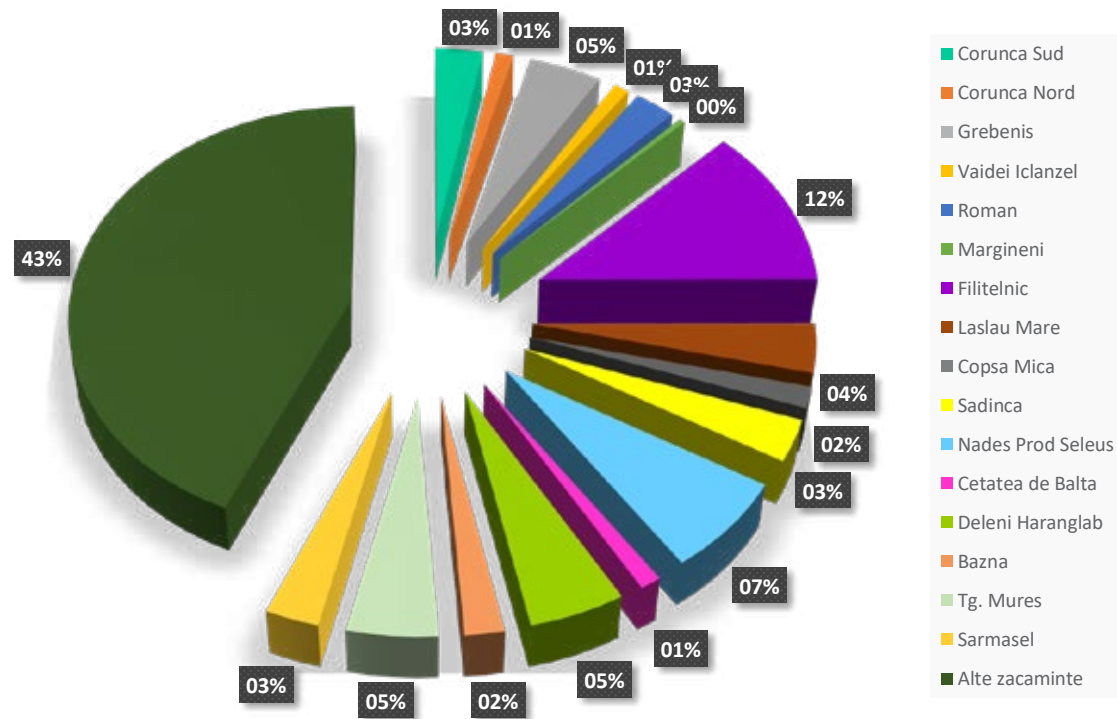
Maximizing the recovery factor of hydrocarbon reserves under safe, reliable and sustainable conditions.





Extension of production period for mature gas fields (1)

Rehabilitation projects in mature gas fields
Share in 2020 annual production



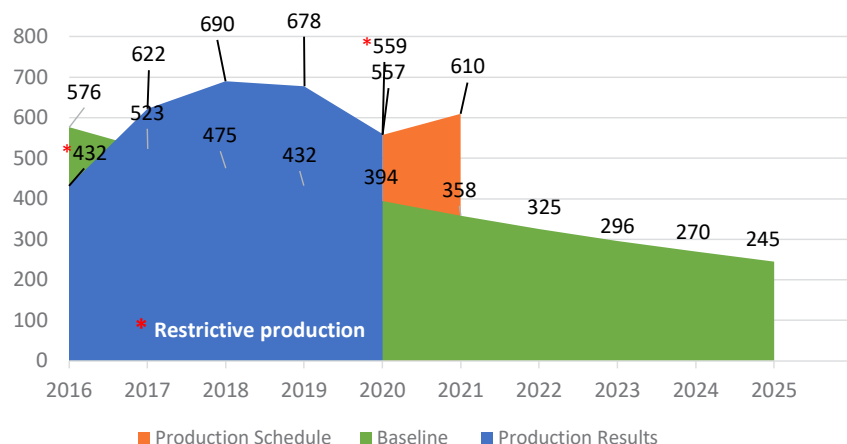
56,4% share of mature gas fields rehabilitation projects in annual production

16 commercial fields that secure approx. 56.4 % of the company's annual production, structured by 9 projects; multidisciplinary teams, integrated efforts between human resources, technologies, equipment and information.

A set of technical, economic and management strategies in order to maximize production and increase the recovery factor of gas reserves under profitability conditions.

Exploitation strategy is reviewed after recording a significant production history and implicitly a considerable depletion. Such approach aims at improving the value of the mature field.

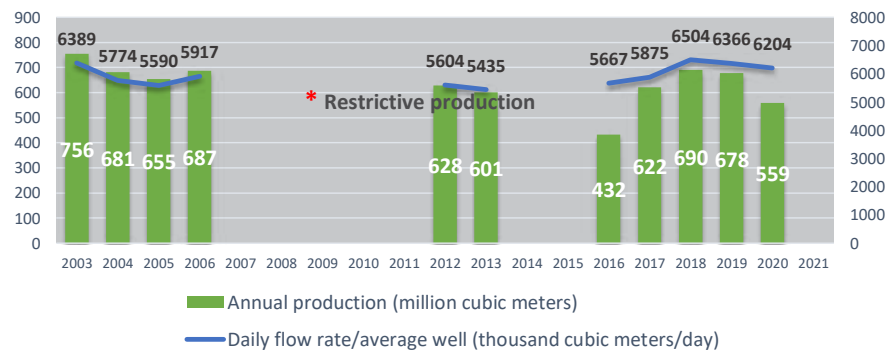
**Annual Production/ Baseline/
Production Schedule million cubic meters**



- Annual production doubled in the third largest field;
- In rehabilitated fields, the gas flow rate for the average well is comparable to the early flow rates, when the energy of the reservoir was much higher.

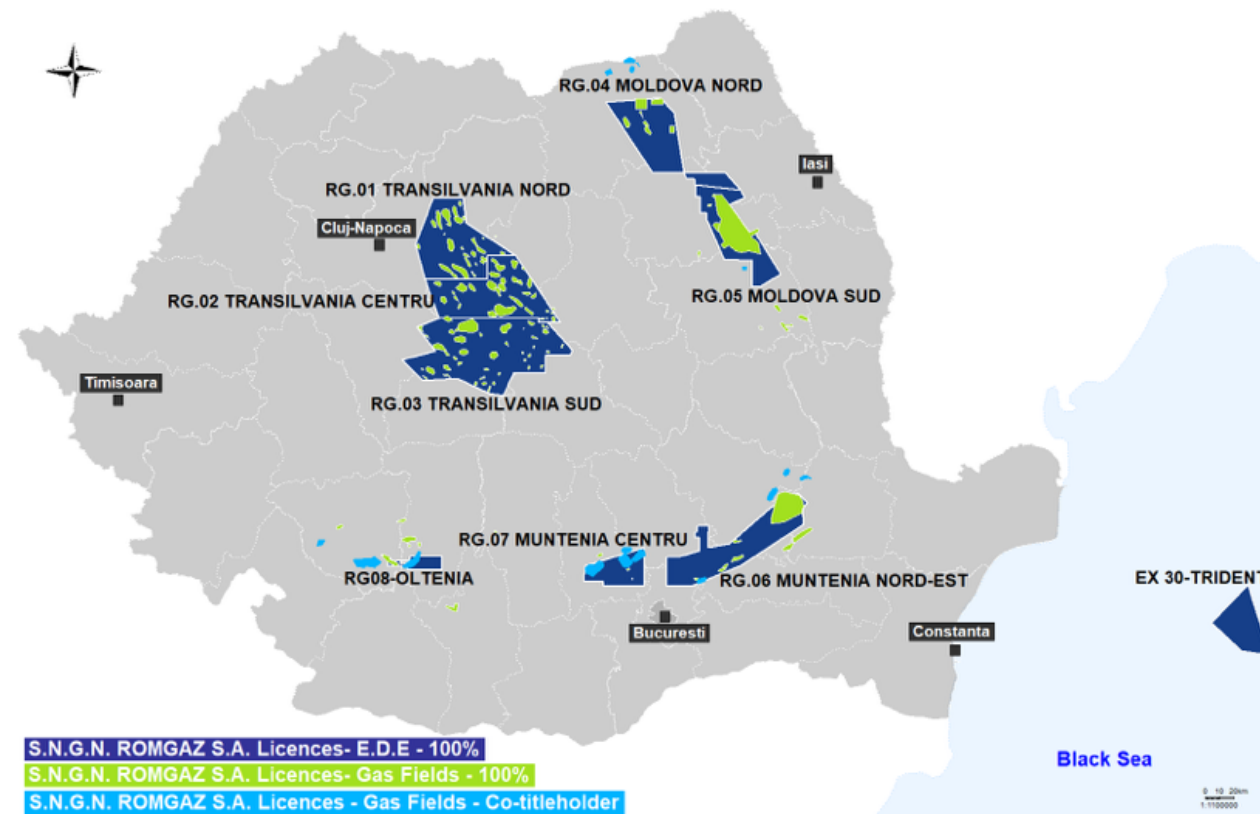
Extension of production period for mature gas fields (2)

Comparison between annual production and potential flow rate of the average well



- Rehabilitation projects in mature gas fields;
- Drilling and streamlining to production minimum 21 wells in undrained areas;
- Increasing the recovery factor of gas reserves;
- Annual gas production decline below 2.5%.

EXPLORATION-DEVELOPMENT-PRODUCTION ACTIVITIES IN BLOCKS UNDER CONCESSION (1)



S.N.G.N. Romgaz S.A. is the sole title holder of petroleum concession agreements in 8 onshore exploration-development-production blocks (RG.01 – RG.08), the exploration activity being organized on 3 major projects:

- “Transilvania” Project (blocks RG.01, RG.02, RG.03);
- “Moldova” Project (blocks RG.04, RG.05);
- “Muntenia – Oltenia” Project (blocks RG.06, RG.07, RG.08).

Exploration projects in mature areas within Transilvania, Moldova, Muntenia-Oltenia regions that support the current production of the company and which still offers a significant potential with better-controlled geological risks.

Zonal studies that also include re-evaluation of 3D geological models for mature reservoirs at different production stages with the purpose of identifying new hydrocarbon accumulations as an extension of known accumulations.

RG 06 Muntenia Nord Est

Caragele Project - Mesozoic

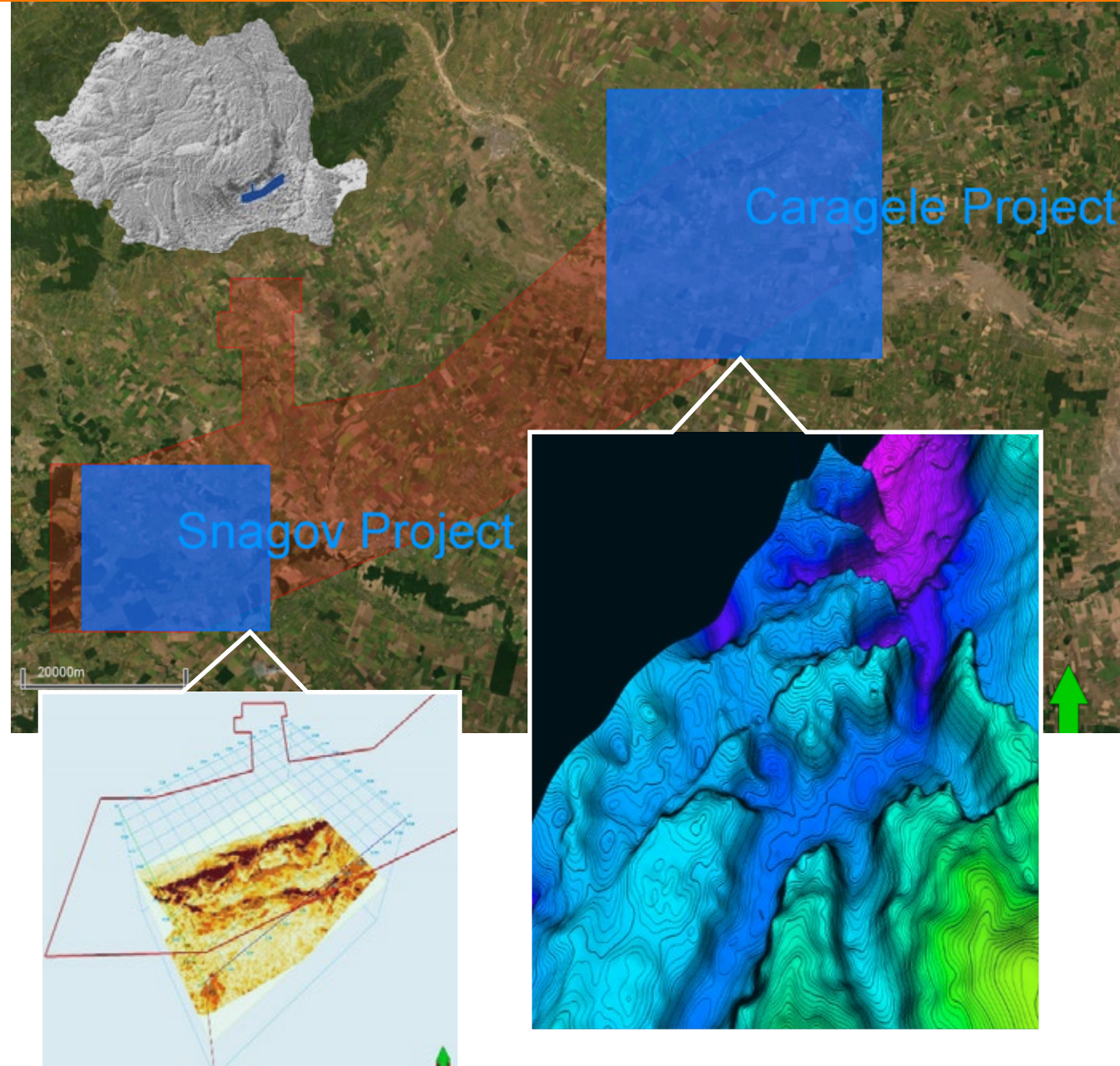
A high depth project, which simultaneously mobilizes substantial investments both in the development phase of already discovered accumulations and for assessing other accumulations identified by 3D seismic to be subject of future drilling programs.

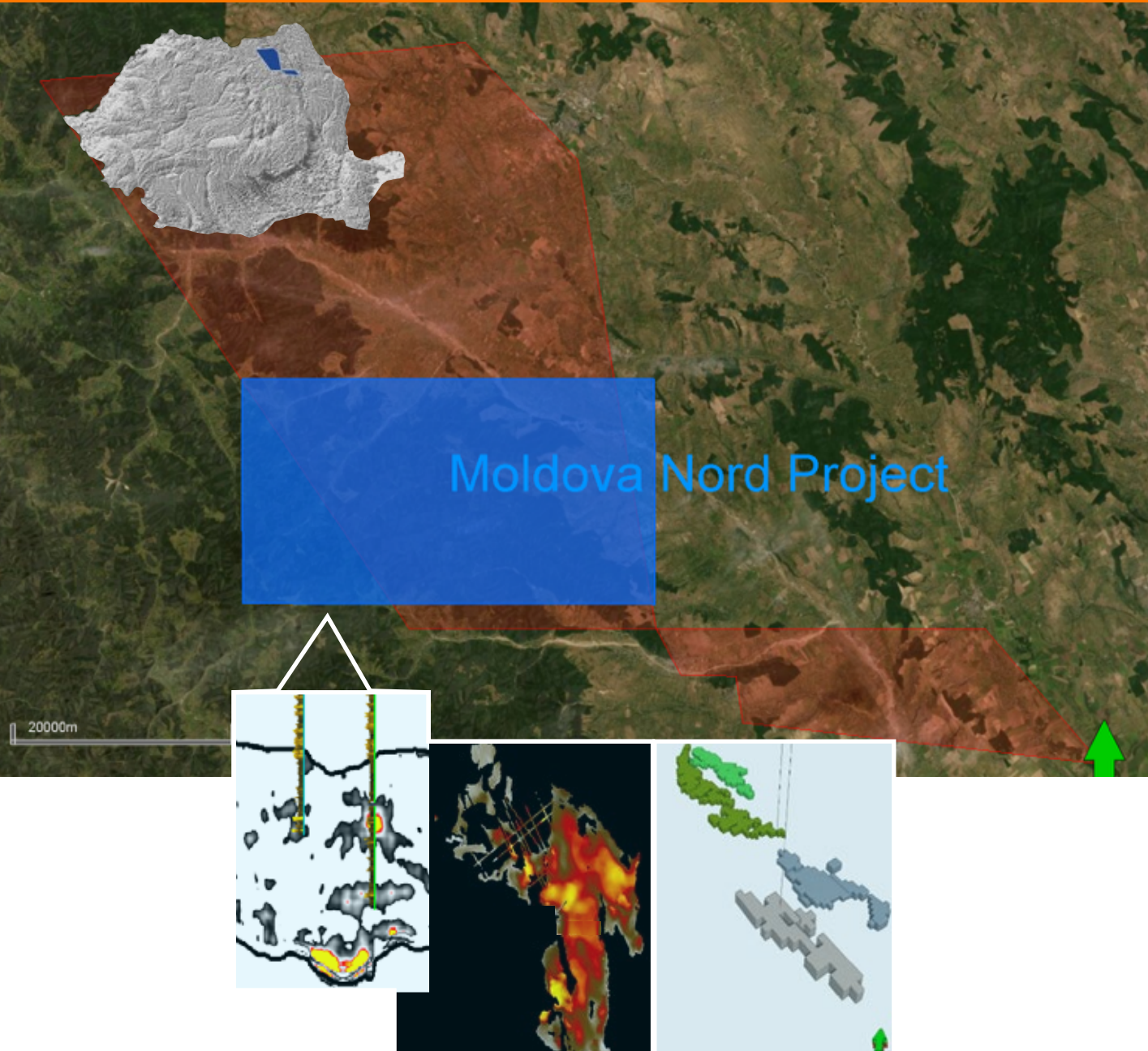
The project will imply drilling more than 20 exploration, appraisal and production wells, development of existing infrastructure and building new surface facilities.

Snagov Project

Construction of surface infrastructure required to stream into production wells that tested positive for hydrocarbons with commercial potential (more than 800 thousand m³/day).

The area has further potential for productivity growth, the exploration-appraisal activity being in progress.



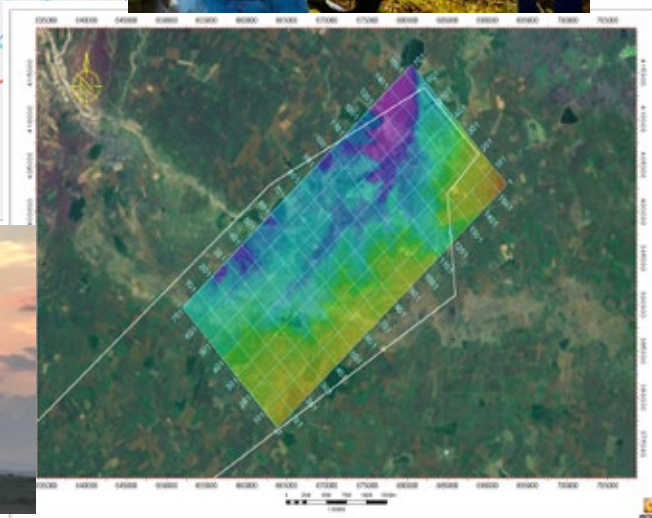
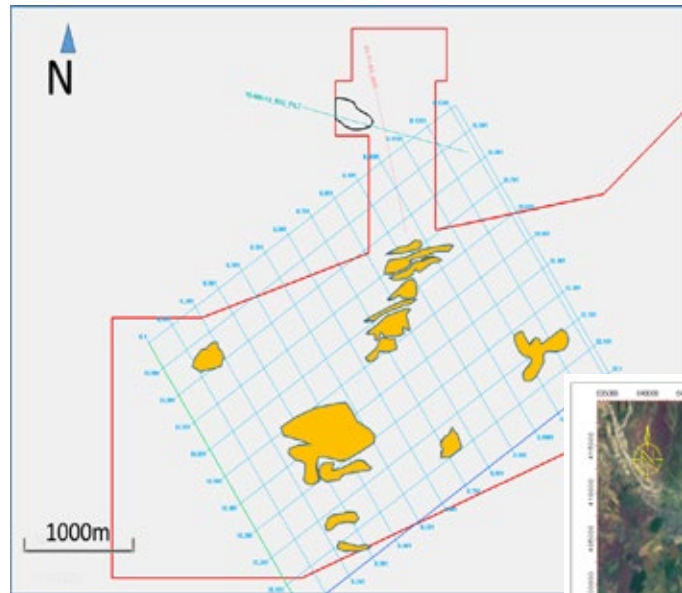
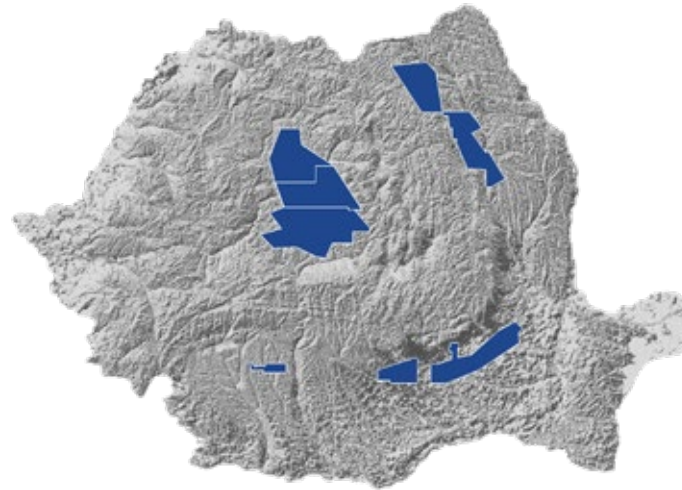


RG 04 Moldova Nord

Moldova Nord Project

- An important project for Moldova geographical area that focuses on assessing and streaming into production hydrocarbon discoveries identified in the southern part of RG04 Moldova Nord block.
- Areas with high production potential were outlined in Sarmatian production units.
- The exploration activity in this area will continue by drilling a number of minimum 3 appraisal wells and by analyzing the prospective potential of some possible adjacent accumulations which could be integrated in the development concept of the area.

EXPLORATION-DEVELOPMENT-PRODUCTION ACTIVITIES IN BLOCKS UNDER CONCESSION (4)

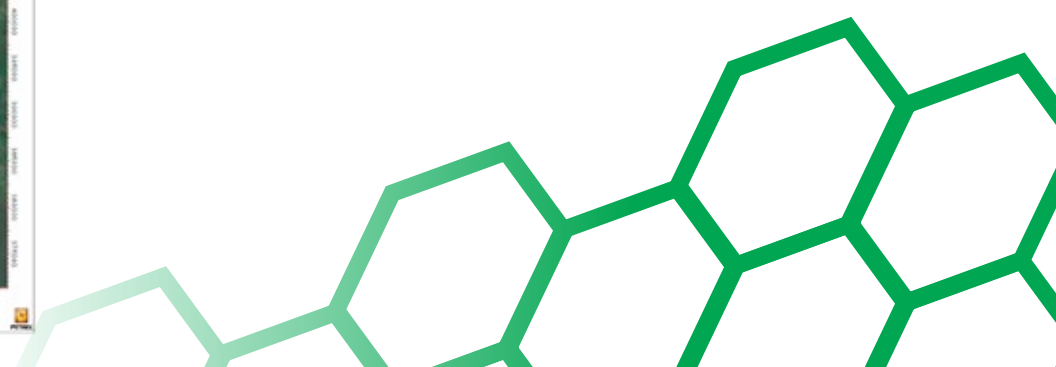


Reserve Replacement Ratio

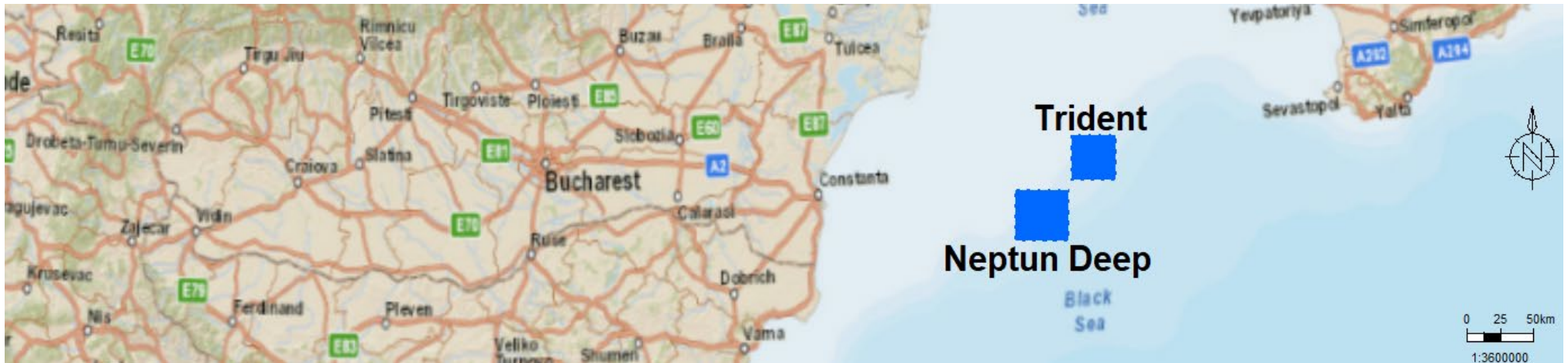


- 59 exploration, appraisal and production wells;
- Extension of existing capacities and construction of new surface facilities;
- Approximately RON 1,900 million invested in exploration.

Over 50% annual reserve replacement ratio



Concession of new blocks and offshore gas exploitation in the Black Sea



Trident Project

S.N.G.N. ROMGAZ S.A. holds 12.2 % share of EX-30 Trident block concession in the Black Sea alongside Lukoil Overseas Atash B.V.

Neptun Deep Project

Acquisition of ExxonMobil Exploration and Production Romania Ltd., the company holding 50% of rights and obligations in XIX Neptun Deep block in the Black Sea.





LINES OF ACTION

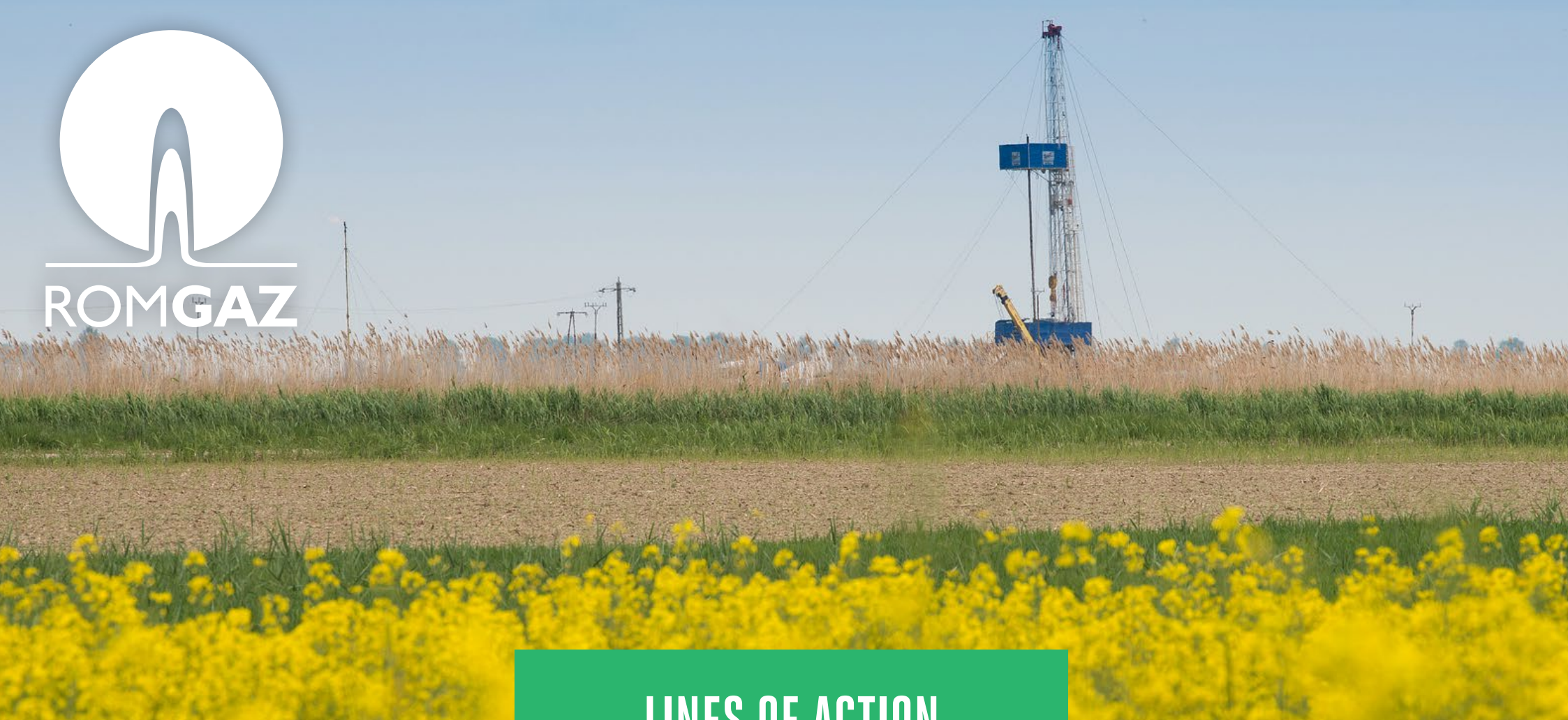
Producing sustainable energy



Electricity and energy with low CO2 emissions

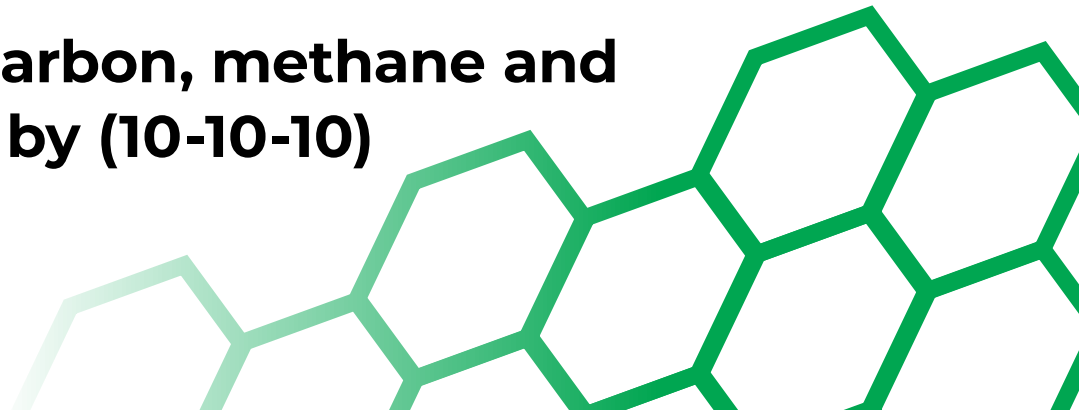
- Development of 180 MW capacities to generate electricity from renewables – a 60 MW solar park to be operational by the end of 2023.
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- Assessing the feasibility to construct new gas-fired power plants, including use of green energy and hydrogen (possible locations Halânga, Mintia, Constanța) subject to securing project financing and possibility to access grants;
 - Assessment of feasibility and implementation of power plants projects to be made by Romgaz or in partnership(s).
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- Assessing the feasibility to book capacity in gas-fired power plants provided Romgaz keeps the title on natural gas and on resulting electricity;
 - Capacity booking in power plants, under feasibility conditions, in compliance with applicable legislation.





LINES OF ACTION

Minimum 10% reduction of carbon, methane and other gas emissions by (10-10-10)





Decarbonization of the E&P Segment

Exploration

- Emphasis on using electrically-driven drilling rigs;
- Reducing gas emissions during well testing;
- Management of NOx emissions during exploration.

Production

- Implementation of a Program to Detect and Reduce Fugitive Emissions as part of the production equipment integrity management system;
- Reduction of execution time to develop production facilities in order to decrease energy consumption and emissions, respectively;
- Use of flow-back closed systems at technological well groups;
- Reduction emissions at compressor stations;
- Reduction transportation by vehicle of liquids resulted from production operations
- Reduction of flaring gas through methane capture systems and methane added value solutions.



REDUCTION OF EMISSIONS AND INCREASING THE EFFICIENCY OF GAS PRODUCTION SURFACE FACILITIES

- Modernize equipment and facilities
- High-technology equipment in order to reduce pollutant emissions
- Solutions for methane capture
- 5 compressor stations
- 5 dehydration stations
- Technological groups

10% reduction of emissions



MODERNIZATION AND EFFICIENCY ENHANCEMENT OF THE EXISTING MOTOR VEHICLE FLEET

By 2030 - 80% of the motor vehicle fleet to run on low emissions fuels

- Replacement of diesel buses with buses using green energy;
- Replacement of diesel or petrol cars with cars using green energy;
- Replacement of specific heavy-duty diesel vehicles with vehicles using green energy.

Investments of EUR 59 million

Annual savings of EUR 4.5 million





LINES OF ACTION

Company digitalization



MANAGEMENT, CONTROL AND AUTOMATION OF PRODUCTION INFRASTRUCTURE FOR OPTIMIZING PERFORMANCE OF EQUIPMENT UNDER SAFETY AND RELIABILITY CONDITIONS

SCADA@romgaz.ro

- The project will implement a centralized system for collecting and storing all production data, for managing alarms of technological equipment, for remote control of automated field equipment and for the provision of real time reports;
- Single dispatching system for all production branches.

RON 14 million minimum investment

- Real time monitoring, control and reporting, up to 100,000 data acquisition points and 10,000 Historian points;
- Increasing quality of services, transparency in data transmission and acquisition for all categories of technological locations;
- Commercial optimization;
- Increasing the availability of production capacities by up to 10%.



REAL TIME INSTRUMENTATION, MONITORING AND BALANCES FOR OUR FUTURE AMBITION OF NETZEROMGAZ



INFOWEB@romgaz.ro

- Extending the data network capacity;
- Diversifying internal electronic services;
- Modern concepts to monitor the quality of transmitted data;
- Centralized configuration and cyber security.

Minimum investment of RON 12 million

- Extending and increasing the internal network capacity;
- Digital transformation;
- Increasing security by hardware upgrading and implementing new communication protocols.

15 % increase of electronic data flows compared to the classic ones, and of IT infrastructure availability by ensuring a 99.9% SLA



LINES OF ACTION

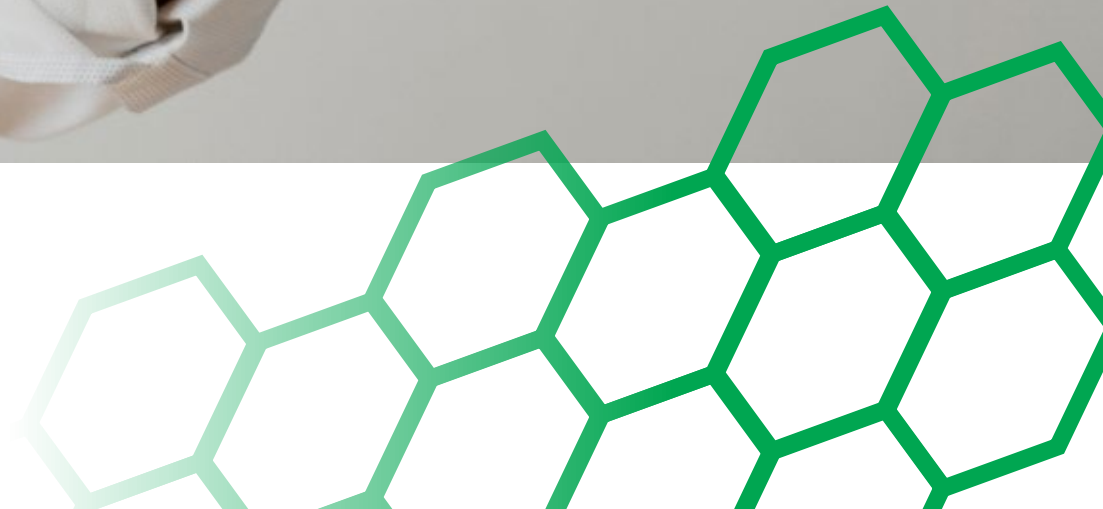
Increase of market share and portfolio diversification

**Minimum 3% market share increase
by 2025 in order to maximize the
added value**

- Attract to the portfolio large wholesale end customers from the Romanian market;
- Access the supply market to retail customers;
- Development of trading activity.

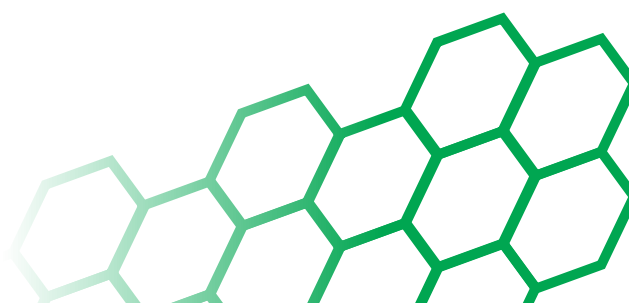
**Regional
sale of products**

- Establishment of 2 offices in neighboring countries, members of the European Union, to develop energy trading activity.





Business diversification (1)

- Assessing the feasibility to make new investments/acquisitions and implementing projects in the distribution sector;
 - Conducting an opportunity study and feasibility studies, if applicable, to assess the construction of methanol and olefin production units; assessing the feasibility and the implementation of such projects to be made by Romgaz or in partnership;
 - Development of *Gas to Power* projects in terms of feasibility with a view to exploit marginal/isolated natural gas reservoirs.
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Business diversification (2)

Development of hydrogen production to secure green fuel and supply to consumers:

- Assessment and feasibility study hydrogen production for the use of final customers; assessing the feasibility and the implementation of such projects to be made by Romgaz or in partnership;
- Converting 20% of the motor vehicle fleet into green vehicles using hydrogen for fuel.





LINES OF ACTION

**Training human resources to embrace future trends
in the field of sustainable energy**

Preparing future specialists

- Support in enhancing the quality of education in the field of energy by involving our company in practical activities of pupils/students;
- Mentoring programs;
- Recruitment of young graduates;
- Increasing satisfaction and engagement of employees.

Performance indicators

- Number of employed graduates;
- Employees' engagement and satisfaction rate higher than 60% based on the annual employee Satisfaction Questionnaires.





LINES OF ACTION

Citizens in a green society

HEALTH, SAFETY, SECURITY AND ENVIRONMENT (HSSE)

Fatal accidents:

Zero fatal accidents resulting from a work accident;

Reduce the number of incidents/accidents with lost working time;

Implement process safety monitoring and reporting.

Performance indicators:

- Zero fatal accidents;
- LTIR* - less than 0.4 (to 1 million hours worked);
- Completion of Monitoring Report within 2 years.



*) **Lost Time Incident Rate** – number of accidents involving incapacity for work during the reporting period x 1,000,000 hours worked, related to the total hours worked during the reporting period

SUSTAINABLE BUSINESS DEVELOPMENT



- Raise business ethics awareness for all employees through training courses and communication sessions on compliance with NetZeRomGaz;
- Evaluate the social impact, needs and risks of Romgaz operations for all new projects;
- Promote health projects for local communities;
- Human rights training sessions for all employees exposed to human rights risks;
- Development of in-house internship and training programs.

Performance indicators:

- Number of employees who attended training courses and/or communication sessions on compliance with NetZeRomGaz;
- Zero new investment projects without a social impact study;
- Minimum 10 health projects/year for local communities;
- Number of trained employees in the field of human rights by 2025;
- Number of participants to internship and training programs.

LINES OF ACTION



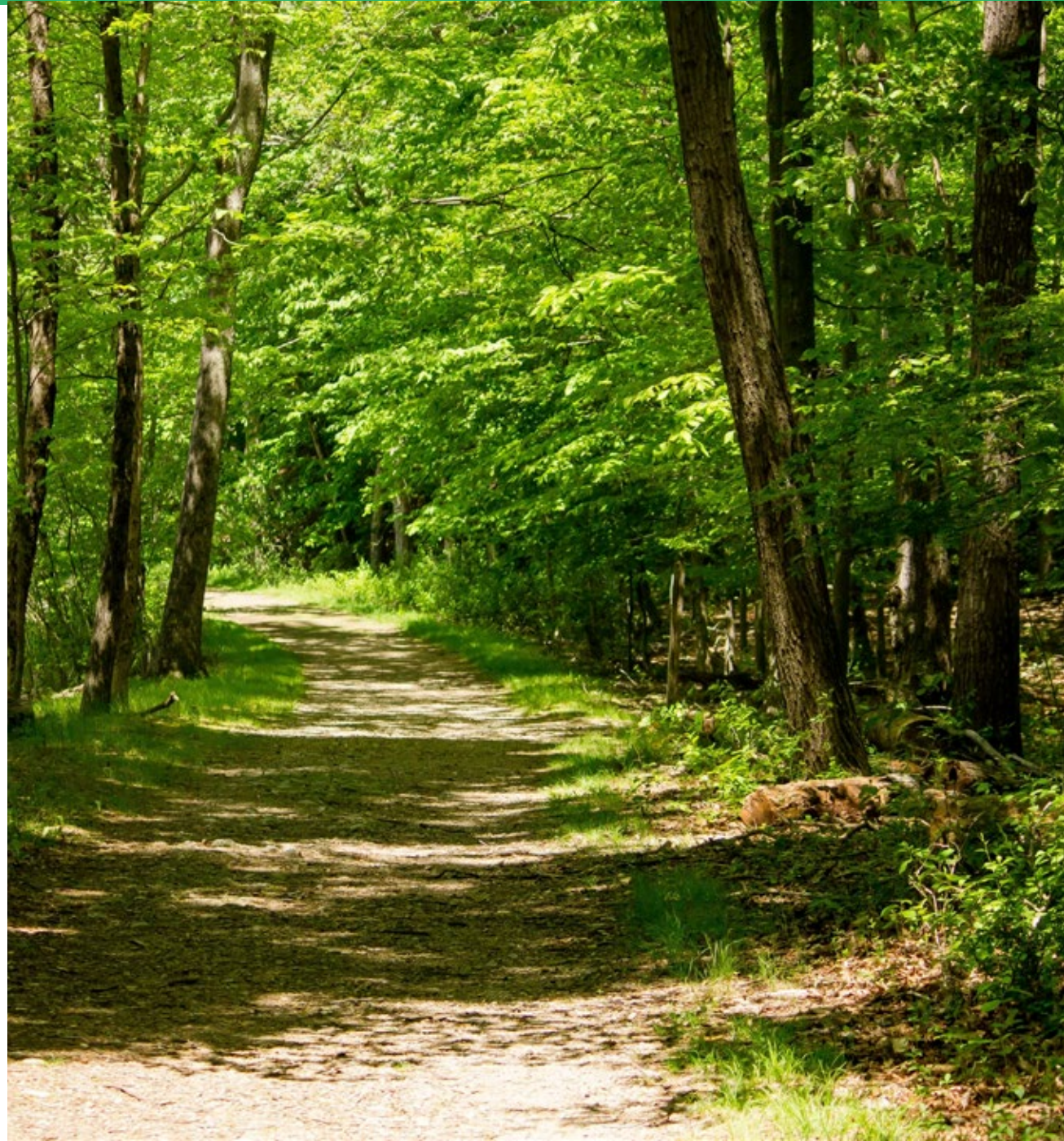
NetZeRomGaz

CARBON MANAGEMENT

Improvement of efficiency in terms of carbon emissions caused by ROMGAZ operations and product portfolio.
Climate change mitigation and responsible management of resources.

Performance indicators:

- 10% reduction of CO₂ emissions generated by Romgaz operations by 2030 (as compared to 2020);
- No new project with gas flaring and discharge in the atmosphere by latest 2030;
- 10% reduction of technological gas consumptions by 2030 (as compared to 2020).



SOCIAL RESPONSIBILITY ENGAGEMENTS



Together for a resilient community

- Involving the company in projects to support environmentally resilient activities, training and knowledge development activities for the general public and in projects designed to prepare the society for a carbon-free life.

We integrate traditions with the European specific

- We contribute to the enrichment of the value heritage and pass it on from generation to generation;
- We promote national material and spiritual-moral values;
- We support civic education, national awareness and humanism.



**S.N.G.N. ROMGAZ S.A.
2021 – 2030 Strategy**

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