

***INDEPENDENT LIMITED ASSURANCE REPORT ON THE INFORMATION
INCLUDED IN THE CURRENT REPORTS PREPARED BY THE COMPANY IN
ACCORDANCE WITH LAW 297/2004***

To the Board of Director of Transgaz SA

1. This report was prepared in accordance with the Service Contract signed on 7 October 2014 in order to report to the Board of Directors of Transgaz SA (“the Company”) on whether the Company complied with the criteria described in paragraph 3 of this report.

Management’s Responsibility

2. The management of the Company is responsible for the preparation of the Current Report “Current Report” in Appendix 1 - “Current Report filed with the Financial Surveillance Authority (“AFS”, formerly the Romanian National Securities Commission („CNVM”)) on 9 April 2014, 20 June 2014 and the corrigendum dated 26 November 2014” in accordance with article 225 of Law 297/2004, to be filed with the ASF and with the Bucharest Stock Exchange (“BVB”); and for the design and implementation of internal policies and procedures designed to preserve the Company’s interests, by reference to offers of the same type available on the market for transactions specified in article 225, point 1, of Law 297/2004 (“Internal Procedures for acquisitions and the Policies of the National transport grid for natural gas (“Grid Policies”) approved by Ordinance 16/2013 of the Romanian Energy Regulatory Authority (“ANRE”).

Description of information analysed and criteria identification

3. The criteria refer to presentation requirements specified in art 225, point 3 of Law 97/2004 and the “Internal Procedures for acquisitions and Company Policies” defined by the Company as follows:
 - The acquisition of natural gas intended for internal technological consumption and for stabilising the National Transportation Grid (“SNT”) is exempt from the requirements related to gas mix, as per art. 8, para. (3), letter b) and c) of ANRE Ordinance 15/2013.

In accordance with this Ordinance, the Company acquires gas for technological consumption and for stabilising the SNT, from internal gas production, at the regulated price for the regulated market as per Governmental Resolution (“GR”) 22/2013. For the acquisition of gas intended for technological consumption we checked the contractual price against the requirements of GR 22/2013.

- Underground gas storage - in accordance with Ordinance 23/28 March 2014 of the ANRE President, the Company is required to maintain a gas stock of 212,000 MWH up to the end of the storage cycle 2014/2015. The tariffs for the storage services are regulated and determined for each storage operator by ANRE Ordinance (no. 29/9 April 2014 in force during the period 1 April 2014 to 30 March 2015).). The Company used the Ploiesti-based storage facility owned by SNGN Romgaz SA for technical reasons. For the acquisition of storage services we checked the contractual prices against the regulated prices as per ANRE Ordinance no. 29/2014.
- The terms and the contractual conditions presented in the Current Report are the same as those in the signed agreements and are compliant with the Company’s Internal Procedures for Acquisitions and Grid Policies.

Independent Auditor’s Responsibility

4. Our responsibility is to report on the transactions included by Transgaz S.A. in the Current Report („reported transactions”) based on the procedures followed and presented in paragraph 9.
5. Our work was performed in accordance with the International Standard for Assurance Engagements 3000 („ISAE 3000”) “Assurance Engagements Other than Audits or Review of Historical Financial Information”. This Standard requires us to comply with ethical requirements and to plan and perform our work in order to obtain limited assurance that the transactions included by Transgaz SA in the Current Report comply, in all material respects, with the criteria mentioned in para 3.
6. We did not perform any audit or limited review procedures on the reported transactions or on the sources from which the Current Report and the Reported Transactions were extracted.
7. Because of the fact that our work was performed in order to obtain limited assurance, our procedures were less than for a reasonable assurance assignment. Therefore, the assurance obtained is less than the assurance obtained from a reasonable assurance engagement. We consider that the evidence obtained is sufficient and appropriate for our limited assurance conclusion.

This version of our the accompanying documents is a translation from the original, which was prepared in Romanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the accompanying documents prevails over this translation.

Summary of work performed

8. Our procedures were applied only on the transactions presented in the Current Report dated 9 April 2014, 20 June 2014 and the corrigendum dated 26 November 2014, and with an actual or estimated value exceeding 50,000 EUR. We did not perform any procedure in order to assess if the Current Report includes all transactions which should have been included, for the period 1 January 2014 to 20 June 2014 in accordance with article 225 of Law 297/2004.
9. In accordance with the objectives agreed for our work, we performed the following procedures:
 - 9.1 We obtained from the management of the Company the Current Report dated 9 April 2014, 20 June 2014 and the corrigendum dated 26 November 2014, filed with the ASF, including the transactions similar to those mentioned in article 225 of Law 297/2004. The Current Report and the corrigendum are included in Appendix 1.
 - 9.2 We obtained from the management of the Company access to the following original legal documents:
 - 9.2.1 Agreement 20/2009 – extended under addendum 12/2014, between SNTGN Transgaz SA and SNGN Romgaz SA, on services of sale and purchase of domestic natural gas, covering the period 1 April 2014 to 31 December 2014.
 - 9.2.2 Agreement 4787/2013, between SNTGN Transgaz SA and SNGN Romgaz SA, on underground storage services, covering the period 16 April 2014 to 15 April 2015.
 - 9.3 For each legal document included in the Current Report obtained in accordance with Procedure 9.1 we compared the name of the signing parties; and the number, the date, and the nature of the legal document presented in the Current Report against the information contained in the original legal instrument.
 - 9.4 For each legal document included in the Current Report obtained in accordance with Procedure 9.1 we compared the object of the legal document presented in the Current Report against the information contained in the original legal instrument.
 - 9.5 For each legal document included in the Current Report obtained in accordance with Procedure 9.1 we compared the total amount as per the Current Report against the information contained in the original legal instrument.
 - 9.6 For each legal document included in the Current Report obtained in accordance with Procedure 9.1 we compared the total guarantees, penalties and payment terms and conditions as per the Current Report against the information contained in the original legal instrument.

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- 9.7 For each legal document included in the Current Report obtained in accordance with Procedure 9.1 we compared the prices against the relevant regulated tariffs as detailed at paragraph 3.
- 9.8 We obtained a written representation from the Management of the Company stating that, in their opinion, the Internal Acquisitions procedures are sufficient in order to ensure that the prices for the transactions presented in the Current Report are fair compared to similar offers existing in the market and considering all rights and obligations agreed between the parties.
- 9.9 We discussed with the Management of the Company about the nature of the transactions presented in the Current Report and we requested the management to provide us with appropriate documentation in accordance with the Internal Acquisitions and Grid Policies, included in paragraph 3 of this report, for all transactions presented in the Current Report and we analysed the compliance of those transactions with the requirements of those procedures.

Limited Assurance Conclusion

10. Based on the procedures performed, described in this report in “Summary of work performed”, nothing has come to our attention that would cause us to believe that, in all material respects:
- 10.1 The information referring to the names of the contractual parties, contract number, contract date, object of the contract and total amount of the contract, guarantees, penalties, terms and payment terms and conditions for the transactions included in the Current Report is not in accordance with the signed contracts.
- 10.2 The contracts provided to us are not duly authorised by the Company’s representatives.
- 10.3 The prices were not established in accordance with the regulated tariffs as per the ANRE Ordinances mentioned above, the terms and contractual conditions were not established by agreement of the parties in accordance with the type of goods/services and considering the terms and conditions mentioned in the agreements concerned and in the internal procedures and policies of the Company and in the Grid Policies.

Other aspects

11. This report refers only to the transactions included in the Current Report, under the conditions mentioned in previous paragraphs, and cannot be extended to other reports presented by the

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Company either individually or as a whole.

Restrictions concerning the use and distribution of the report

12. This independent limited assurance report was prepared exclusively for the information of the Board of Directors and Management of the Company and to be filed with the Bucharest Stock Exchange and ASF and cannot be used for any other purposes.

PricewaterhouseCoopers Audit SRL

Bucharest, 18 December 2014

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