

INDEPENDENT AUDITORS' REPORT FOR THE SHAREHOLDERS OF THE NATIONAL GAS TRANSMISSION COMPANY

Report on financial statements

1. We audited the attached financial statements of TRANSGAZ ("the company") consisting of the balance sheet on December 31st, 2007, the profit and loss account, the statement on equity amendment and the treasury flow statement for the financial year ending on such date and a summary of the key accounting policies and other explanatory notes, numbered page 1 to page 52. The above-mentioned financial statements are related to the following:

- * Total equity Lei 1,566,931 thousand
- * Net result of the financial year Lei 224,006 thousand, profit

The management responsibility for the financial statements

2. The company's management is liable for the preparation and minute presentation of such financial statements under further amended Order no. 1752/2005 of the Ministry of Public Finance and under the accounting policies mentioned within the notes thereto. Such liability shall cover: the design, implementation, maintenance of a relevant internal control over the preparation and minute presentation of financial statements void of any potential significant distortions caused by fraud or errors, selection and application of appropriate accounting policies and drawing up of reasonable accounting forecasts under given circumstances.

Auditor's responsibility

3. Based on the performed audit, we are liable for giving an outlook on such financial statements. We performed the audit according to the auditing standards adopted by the Romanian Chamber of Financial Auditors. Under such standards we shall meet the Chamber's ethical requirements; we shall plan and perform audits in order to reasonably provide that the financial statements are void of any significant distortions.

4. Audits consist of testing procedures on the amounts and data provided in the financial statements. The selected procedures depend on the auditor's professional rationale, including the assessment of financial statement distortion risks caused by frauds or errors. Upon assessment of such risks, the auditor considers the relevant internal control over the preparation and minute presentation of the company's financial statements for setting relevant auditing procedures under given circumstances, but not for giving an outlook on the

efficiency of the company's internal control. Moreover, audits assess both the appropriateness of the implemented accounting policies and the reasonability of the accounting forecasts drawn up by the company and the presentation of the financial statements in general.

5. We consider that the audit samples we obtained are sufficient and adequate to support our auditing outlook.

Outlook

6. As far as we are concerned, TRANSGAZ financial statements for the financial year ended on December 31st, 2007 were properly drawn up, in all significant aspects, in compliance with further amended Order no. 1752/2005 of the Ministry of Public Finance and accounting policies specified in the notes thereto.

Other aspects

7. This report is exclusively meant for the company's shareholders. We performed this audit in order to be able to report to the company's shareholders such aspects as shall be reported for the purpose of a financial audit report, and not for other purposes. To the extent permitted by law, we shall not accept or undertake responsibility other than for the company and its shareholders, in general, for our audit, this report or resulted outlook.

8. The attached financial statements are not meant to express the financial standing, the result of operations or a complete set of notes to the financial statements under accounting regulations and policies applied in countries and jurisdictions, other than Romania. Therefore, the attached financial statements are not meant to be used by persons unaware of the Romanian legal and accounting regulations, including further amended Order no. 1752/2005 of the Ministry of Public Finance.

Report on the compliance of TRANSGAZ Management Report with the financial statements

Under Order no. 1752/2005 of the Ministry of Public Finance, Article 263, item 2, we read the Report of TRANSGAZ Management attached to the financial statements and numbered page 1-page 53. Such report is not part of the financial statements. Within the Report of TRANSGAZ Management, we did not identify any non-compliant financial data with the attached financial statements.

PricewaterhouseCoopers Audit SRL

Registered with the Romanian Chamber of Financial Auditors under no. 6/June 25th, 2001

Bucharest, April 4th, 2008