

CURRENT REPORT
according to the provisions of the Article 224 of Law no.297/2004

Report date: **December 10th, 2009**

Name of the issuing entity: **SNTGN TRANSGAZ S.A. MEDIAS**

Headquarters: **Medias, 1 Constantin I. Motas Square, county of Sibiu**

Phone/fax numbers: **0269803333/ 0269839029**

Fiscal registration code: **RO 13068733**

Sequence number in the Commercial Register: **J32/301/2000**

Subscribed and paid share capital: **117,738,440 RON**

Regulated market where the issued movable assets are transacted: **Bucharest Stock Exchange**

The National Gas Transmission Company TRANSGAZ S.A. informs all those interested that in the meeting held on December 9, 2009, the Romanian Government has approved the Bill regarding the ratification of the Intergovernmental Agreement on the Nabucco Pipeline, concluded in Ankara on July 13, 2009 between Romania, Austria, Bulgaria, Hungary and Turkey and its forwarding for an emergency debate in the Romanian Parliament.

Transgaz SA Medias is the company that represents Romania in the Nabucco Project, which, along with the companies OMV (Austria), MOL (Hungary), Bulgargaz (Bulgaria), Botas (Turkey) and RWE (Germany), holds an equal share of 16.67% of the share capital of the company Nabucco Gas Pipeline International, as the others. Nabucco Pipeline will transport the natural gas from the Caspian region and Middle East to Central Europe through five countries: Turkey, Bulgaria, Romania, Hungary and Austria, having a total length of 3300 km.

According to the optimistic scenario the Nabucco Pipeline transport capacity will be 31 billion N cm / year.

The length of the Nabucco pipeline on the Romanian territory will be of 457 km and will cross the counties of Dolj, Mehedinti, Caras Severin, Timis and Arad. The natural gas takeovers that will be carried out by Romania will be at a level of 4-6 billion cm / year.

According to the project timetable, the Nabucco Pipeline construction is expected to begin at the end of 2011 and finalized at the end of 2013.

The total value of the investment in Nabucco Pipeline construction is estimated at about EUR 8 billion and will be funded according to the agreement concluded, in a proportion of 70% of the credits taken by the Nabucco consortium from the European Investment Bank (EIB), European Bank for Reconstruction and Development (EBRD) and other financial institutions and in a proportion of 30% from the own sources of the companies participating in the project.

The contribution of Transgaz related to the share of 16.67% of the share capital of Nabucco International Company (NIC) is about 1.3 billion euro. This contribution will be provided by Transgaz in a proportion of 31% by its own equity and 69% through the state guarantees obtained by Transgaz for the loans taken by NIC during Nabucco Pipeline construction.

Nabucco Project has a strategic importance for Europe and for Romania due to its economic, financial and social benefits:

- boost the competition on domestic natural gas market;
- diversify the structure of this market;
- set the natural gas price under competitive conditions;
- improve the safety in the natural gas supply;
- gives to Romania the access to the important natural gas reserves of Caspian and Middle East Areas;
- diversify the natural gas supply sources;
- reduce the energy dependence of Romania;
- strengthen our country's role of a country transited by major energy transport corridors for the Western and Central European markets;
- create new jobs and increase the goods demand;

- attracts revenues to the state budget;
- stimulates the related industries by involving the Romanian companies that are products and services suppliers.

Considering the positive economic effects Nabucco Project will bring to Romania and Europe, by the approval given to the ratifying project of the Intergovernmental Agreement on the Nabucco pipeline, the Romanian Government has reiterated its support for this project and will provide governmental guarantees in order to cover both Transgaz part of the loans taken by NIC and the part related to the equity with which Transgaz shall contribute as associate in this consortium.

**Director of Strategy, Capital Market,
Communication and Corporate Relations Direction
Elisabeta Ghidiu**