

STRATEGIC DEVELOPMENT PERSPECTIVES (ALTERNATIVES) OF CONPET S.A.

FOR 2017 - 2025

RECITALS

We must emphasize that the basis of establishing any real, solid and applicable strategic development perspectives for CONPET S.A. consists in the reference to the National Energy Strategy which includes clear and practical sectoral defining elements, applicable over a long timeframe.

The process of establishing the Romanian Energy Strategy for 2016-2030 with an outlook for 2050, covered by the Ministry of Energy, was initiated at the end of year 2015. On the date of this document - the Qualitative Modeling Phase is ongoing - when various progress scenarios and the development guidelines of the energy sector are expected to be issued.

CHAPTER 1 OVERVIEW OF THE NATIONAL CRUDE OIL TRANSPORT SYSTEM

In the first stage of the endeavor approached, S.C. CONPET S.A position and role within the global architecture of domestic petroleum industry must be specified as the basis for a regional perspective – associated to a medium materializing term – as well as, in an optimistic view, for a Pan-European perspective.

S.C. CONPET S.A. is the operator of the National System for Crude Oil (Petroleum), Rich Gas, Condensate and Ethane Transport ¹ (hereinafter referred to as NTS) as defined and governed by Law no. 238 of June 7, 2004 – Petroleum Law, as well as by the Petroleum Law Implementing Regulations approved by Government Decision no. 2075/2004.

As licensee² of the National Crude Oil Transport System, S.C. CONPET S.A. is legally bound to ensure for all certified legal entity applicants, free access to the system's available capacity, in an equal, transparent and non-discriminating way.

It is significant to state that, in terms of all aspects involved by S.C. CONPET S.A. business, an integrated management system was established, documented, implemented, kept and constantly improved according to the requirements of SR EN ISO 9001:2008, SR EN ISO 14001:2005, SR OHSAS 18001:2008 standards and, as of the current year, EN ISO 50001 standard.

S.C. CONPET S.A. is governed by a Board of Directors with seven members elected by the Ordinary General Meeting of Shareholders by complying with the provisions applicable to the trading companies

¹ NTS is the subassembly of interconnected main pipelines which ensure the collection of petroleum hoist out from mining blocks or of import petroleum and its routing by producers/importers to the delivery terminals, to the processing facilities via pumping stations, railway loading - unloading ramps, as well as via all connected systems, equipment and rigging. As consequence of the oil fields' specific method of distribution at the level of Romania, the National Transport System was built and is operating so as to fully satisfy the transport needs of all such fields up to refining plants, the system's coordination and operation being achieved by the Central Dispatcher of the Company. For the areas which are not connected to the main transport pipelines, the product transport is ensured by constant flow on the railway.

² NTS licensed by S.C. CONPET S.A. belongs to the Romanian State public domain and is composed of the following subsystems:

- imported crude oil transport subsystem – transport capacity of about 20.2 million tone/year; about 1350 km.
- domestic crude oil transport system – transport capacity of about 6.9 million tone/year; about 1540 km
- rich gas and ethane transport subsystem – transport capacity of about 0.23 million tone/year in case of rich gas and about 0.1 million tone/year in case of ethane; about 920 km.
- railway transport subsystem applied to crude oil and rich gas transport.

allowed to trade, the selection of such members observing the legal framework provided for by Government Emergency Ordinance no. 109 / 2011 concerning the corporate governance of state-owned enterprises. The directors have been appointed based on the General Ordinary Shareholders Assembly Decision no. 6 / 28.11.2013, for a mandate of four years, while the Board of Directors Chairman was elected by the Board of Directors members based on the Board of Directors Decision no. 16 / 28.11.2013, complying with the provisions of Art. 19 (3) of the Company's Articles of Incorporation.

In order to execute their mandate, the directors have drawn-up and submitted to the General Meeting of Shareholders a Strategic Management Plan, implicitly established for a period of four years (2014 – 2017) and substantiated, in terms of its design, on the main coordinates of S.C. CONPET S.A. presence and role: its mission, vision and values.

Correlatively, the essential frame which supports the above-mentioned elements steams forms S.C. CONPET S.A. values: constant learning and training, respect for the environment and people, openness and qualitative development, flexibility and impetus, communication and cooperation.

CHAPTER 2 CURRENT ECONOMIC AND FINANCIAL STANDING

Obviously the standing of any economic agent – and thus, that of S.C. CONPET S.A. - is eloquently emphasized by its main economic and financial parameters. For the purpose of this document, these parameters are described based on the comparison of relevant results of the last 2 years (2014 - 2016).

Hence:

- a. the company has carried-on the trend to improve EBITDA margin of the last years, its 2015/2014 fluctuation being of 19.1%;
- b. the operating revenues have seen an increase of 2.7% as opposed to year 2014;
- d. the operating costs have seen a 1.2% decrease as opposed to the previous year level, savings being made on the costs of materials, fuel, railway crude oil transport, greening works.
- e. 26.8 % higher operating profit as opposed to the previous interval was obtained from an increase of transported quantities by 363 thousand tones and from a decrease of operating costs;
- f. the financial income has seen an increase above the budget level but is was lower by 41.8% as opposed to 2014, given the cuts of interest rate for bank deposits;
- g. net profit has increased by 29% in 2015, this being given to an increase in the operating activity;
- h. overall, the year 2015 has represented a 16% increase of income from transport services supply, generated by a change of the import crude oil tariff, applied as of February 2015, as well as by a 15.6% increase of import crude oil quantity transported. The income from the main activity (crude oil, rich gas and condensate transport services) has registered the highest percent (91.6% in 2015) in the total operating income of the Company.

To conclude, the economic standing of S.C. CONPET S.A. is a stable one on short and medium term, allowing for a positive investment position, a reality which also targeted emphasized by the stock-exchange increase of CONPET shares and which, this time, is seen from company's external perspective.

At the end of year 2015, the shareholding structure was the following: Romanian State represented by the Ministry of Energy – 58.717%, legal entities – 33.499% and 7.784 – natural persons. During year 2015, the dynamics of shareholders controlling shares equal to or exceeding 5% was impacted by the new shareholder Utilico Emerging Market Ltd. which, since December 2015, is holding 6.72% of the share capital and voting rights.

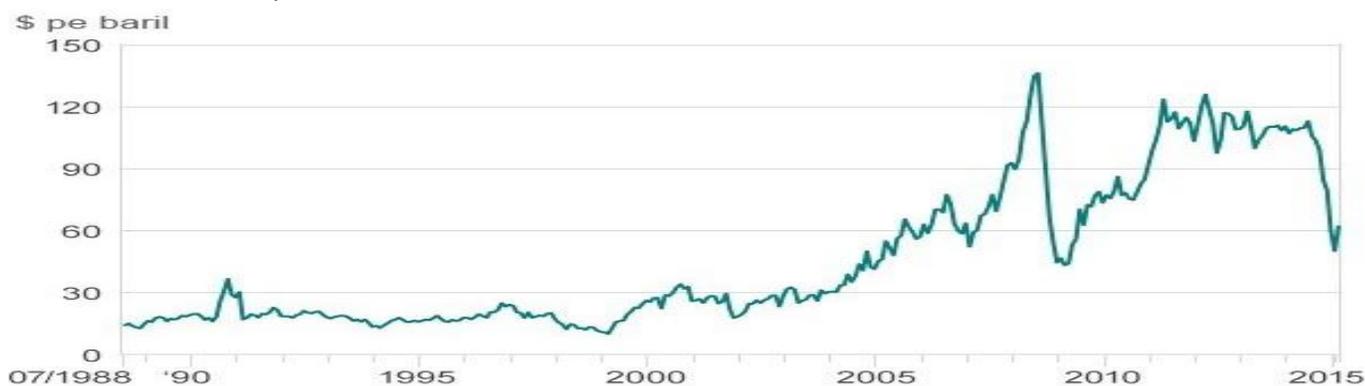
The shares issued by CONPET S.A. are traded on the regulated market managed by Bucharest Stock-Exchange, in the Equity Securities - Premium Class, under 'COTE symbol.

At the end of year 2015, the trading price of CONPET shares has seen a 42.6% increase as opposed to the price of last trading executed in year 2014, by 22.9% higher than the index registered for year 2014. The maximum trading price was reached in December 2015, at Lei 79 /share.

These values are a reflection of investors' trust in the company's shares, achieved based on the company's management efficiency and high level of transparency in terms of the activity and objectives of Conpet S.A. According to the expert analyses, the COTE share is a real reflection of the company's performance and its certain capacity to illustrate its appeal for investors, on short term and on long term.

CHAPTER 3 STATUS OF PETROLEUM SECTOR AT NATIONAL LEVEL AND IN A EUROPEAN AND INTERNATIONAL CONTEXT

The evolution of oil and gas sector in Europe, as well as in Romania, during the last decade, was impacted by the economic crisis experienced at a global level which generated extreme in-line developments of oil price. Thus, after a collapse of the oil price at the end of year 2008, this rate has bounced back at a value exceeding USD 100/ barrel until year 2014. A new decrease period has followed, determined by an increase of unconventional oil production.



Oil price trends, 1990-2015 - Source: Bloomberg

Hence, starting from USD 115/barrel in June 2015, at the end of the same year, the price has seen a low of USD 57/ barrel. The beginning of year 2016 was characterized by a constant decrease up to USD 28/ barrel. In May 2016, the oil price was raised to USD 50/ barrel.

The trend estimates for 2020 are indicating a probable rebound of the price at about USD 60/ barrel. It is estimated that by year 2030, the oil/oil products supply and demand will be influenced by the following factors: unconventional oil production costs (shale gas), impact of new technologies on the prospecting and

yield of off-shore continental shelf in deep waters, increase of yield from OPEC non-member states, Iran come-back after its sanctions have been lifted, Iraq yield increase, as well as the dynamics of oil demand from Asian emerging economies.

At the level of the European Union, the energy policy for 2020 - 2030 is closely related to the environmental and climate change policy, with the following key elements: cut-back of green gas emissions; policy for renewable energy resources; energy efficiency; promotion of a sustainable, reliable and competitive energy system at affordable costs and energy supply security.

In terms of the crude oil and oil products, a major risk is posed by a strong dependence on Russia who holds a third of the European Union oil and natural gas imports. Oil sector recession has led to a 13% decrease of refining capacities, during 2008-2014, 18 refining plants being closed. A strategic coordination of EU policy in the oil sector is focused on monitoring the EU refining industry dependence on Russia's crude oil, linked with an escalation of concentration in the Russian oil industry and an increase of ownership rights held by the Russian oil companies for the refining facilities. Faced with the perspective of modern refining facilities development in the Middle East and Asia, Europe must ensure its own refining sector by updating its refining facilities, with high complexity index³.

On regional and European level, Romania is currently rated as an exception due to its diverse and balanced mix of energy resources, as well as due to the lowest import dependence. The study conducted by Cambridge Econometrics in July 2016 with regard to the oil and oil products dependence, is placing Romania on the 3rd place for the lowest risk factor, after Portugal and Sweden, the main indexes used being the current and historic rates of oil supply on the waterways, respectively roads (via pipelines), as well as the dependence on a sole supplier.

Even if we may talk about a short term balance, Romania is facing short, medium and long term risks caused by internal and external vulnerabilities which may significantly change the status of Romanian oil sector, generating regressive trends due to the main characteristics of upstream segments - prospecting, production and respectively downstream segments - refining and distribution.

Upstream Segment

The depletion level of existing oil fields, the rhythm of yield and the lack of programmes supported by research - prospecting, is indicating a depletion of current crude oil and condensate reserves of Romania in 15-20 years. The probable trend for the future years will be similar to the last decade, respectively we will see a decrease of domestic yield in the context of a low price per barrel, decrease of investments in research - prospecting for new blocks and decrease of closed pools.

The same was also applicable to crude oil imports - except year 2014 when a significant increase has been seen.

Downstream Segment

Romania has the highest rated installed refining capacity of Central and eastern Europe (over 18 mil. tone/year), currently holding 4 operating refining plants. The ratio between end products demand on the

³ The complexity index is a measure of secondary conversion capacity, as compared to the primary distilling capacity of any refining plant. This is a marker not only for the intensity of investments or the refining plant cost index, but also for the potentially added value of a refining plant.

internal market (about 11 mil. tone/year) and the operational refining capacity (12 mil. tone/year) is in excess and enables the exports.

The business of oil and oil products terminal is carried out in the Black Sea by two companies. Oil Terminal S.A. Constanța who operates one of the largest oil terminals of South-Eastern Europe, with a maximum capacity of crude oil transfer of 24 million tones/year and total storage capacity of about 1.7 mil.m³. The other maritime terminal, namely Midia - is owned by Rompetrol – KazMunayGas, being located off the coast of Black Sea, at about 8 km from the shore and providing a transfer capacity of 20 mil.tones/year and a total storage capacity of 400 thousand cm³.

Midstream Segment – oil and oil products transport

Currently, the oil transport to refining plants is achieved via NTS operated by CONPET SA.

In case of oil products from Romania, the transport is achieved mainly by railway and the distribution by roads, using road tankers. *The transport of oil products via pipelines has ceased when Petrotrans SA has declared its bankruptcy, its transport system and storage facilities being in an advanced decay condition.*

CHAPTER 4 COMPANY'S PERSPECTIVE AND SUGGESTIONS FOR THE STRATEGIC DEVELOPMENT GUIDELINES RELATED TO THE ACTIVITY

COMPANY'S PERSPECTIVE

CONPET SA is conducting its business in the Romanian oil and gas industry sector, operating the National Crude Oil Transport System, upstream polarized by hydrocarbons extraction and downstream by refining activity.

CONPET SA activity can be characterized by a dependence on a limited portfolio of clients or potential beneficiaries and by the commercial policy applied by them at national and regional level. The beneficiaries of transport services provided by CONPET SA are: OMV Petrom, beneficiary of domestic crude oil transport via pipelines and oil products transport via railway, respectively Petrotel Lukoil SA and Rompetrol Rafinare – KMG (to an insignificant extent), beneficiaries of import crude oil transport via pipelines, at the same time these clients being the owners of the 3 major operating refining plants in Romania's - refining segment. In 2015, 99.37% of the turnover was supported by the transport services provided to these three clients, the specified percent breakdown being as follows: OMV Petrom 83.8%, Petrotel Lukoil 15.3 % and Rompetrol 0.9 %.

During the analysis stages of the current study on oil and gas sector, carried out within the process of establishing Romania's Energy Strategy for 2016-2030, the depletion level of crude oil deposits under exploitation and the speedy rate of natural decay, plus the lack of investments in the area of exploration and modern technologies for the recovery of deposits, respectively the discovery of new onshore and offshore blocks have been identified as elements with direct and rapid disruptive impact on the domestic oil output. Also on short-term, recent data are underlining the constant decrease of oil and rich gas quantities of OMV Petrom output.

The presence of the other major client – Petrotel Lukoil, this time in relation to import crude oil transport, is subjected to a systemic risk identified at European level and linked to an increase of ownership rights held by Russian oil companies over the refining facilities.

Managing an insular pipeline network without interconnections to adjacent states, CONPET SA is totally dependent on the internal market trends, given that this company is a services provider captive to a low number of clients. To conclude, a major risk for CONPET S.A. business is the constant decrease of volumes transported, especially for the range of domestic yield products (crude oil, rich gas and condensate) but also for the import crude oil.

Moreover, the other significant risks identified in the company's business (political and economical risks, legislative risk, namely the regulatory framework), in conjunction with internal and external vulnerabilities of the entire Romanian energy sector, are *determining an extremely narrow range of actions, potentially applicable by the company.*

The relatively strong consideration supporting, somewhat to the same extent, the contrary trends related to the future oil sector developments (especially the trends related to consumption requirements and, respectively the quantity of domestic output and imports - of crude oil and end products, the impact of new technologies on the industrial and transport sectors, the political decisions and climate changes) are causing a *high level of unpredictability* and are persuading most experts to *embrace a reticent stance regarding the establishment of long term trend scenarios.*

SUGGESTIONS FOR THE STRATEGIC DEVELOPMENT GUIDELINES RELATED TO THE ACTIVITY

In terms of the strategic visions emphasized in the company's Management Plan for 2014-2017, the company's internal resources are currently engaged for the preservation of S.C. CONPET S.A. position on the internal market, namely, the position of key player of the national oil industry, in its capacity of crude oil, rich gas, condensate transport via pipelines and transport by railway in Romania.

In the medium and long term future, it is our opinion that the geo-political circumstances and energy security considerations will require the involvement of resources in establishing the company as regional strategic player.

As emphasized as necessity, with the support of its major shareholder – the Romanian State represented by the Ministry of Energy - and of the Business Regulatory Authority - National Agency for Mineral Resources – S.C. CONPET S.A. is working to identify new opportunities able to lead to an increase in the system usage level, at the same time, getting involved in regional projects for its business sector, an area which is however impacted by the influences of the international market - whose behavior is often dictated in an arbitrary manner by its main players - thus significantly affecting any transnational project, sometimes turning, in an unpredictable way, an opportunity into a threat, this process not being irreversible or long-term foreseeable.

Hence, it is our opinion that the following key elements of the Management Plan for 2014-2017, established based on a strategic analysis of the competitive environment, will be included by the short and medium term future, in order to reinforce the strengths of the company, as well as to capitalize on the newly identified opportunities:

a. Increase of business efficiency by:

- Redefining the pipeline infrastructure requirements;
- Cutting-down the operating costs due to restructuring;
- Lowering the technological consumption of storage processes;

- Minimizing the energy, fuel and lubricant consumption.

b. Improvements and upgrades of NTS by:

- carrying-forward the replacement programmes for pipelines;
- implementing and expanding the leak detecting and locating system;
- carrying-forward the updating programme for the cathodic protection system;
- upgrading the SADA system;
- *implementing a rehabilitation and resizing programme for the pumping station and tank park, adapted to the quantities conveyed;*
- *implementing an integrated Geographic Information System (GIS)*

c. NTS interconnection with the transport systems of adjacent states, in regional and European context

The interconnection of energy transport networks with neighboring systems need in the European Energy Strategy, as well as in the documents related to the development of the National Energy Strategy for 2016 – 2030 through 2050, so the said interconnection between the National Crude Oil Transport System and the neighboring systems becomes a strictly required strategic objective. Romania must integrate the energy security concept existing in EU and which currently differs from the energy autonomy concept, which is now linked with the “insulation”. The European energy security mechanisms entail the diversification of energy sources and supply routes and a level increase of interconnection with the networks of adjacent states and regional areas.

the beginning of 2000, CONPET S.A. has substantially and continuously endeavored to achieve a strategic and energy security aim for Romania, this including the Pan European Oil Pipeline (PEOP) – this being an ambitious project also supported at European level, with remarkably various multiple aspects: starting with the establishment of an alternative maritime route via Bosphorus and Dardanelles, used for the supply of refining plants from South-Eastern Europe (Romania, Serbia, Croatia) and ending with the Caspian Sea crude oil transit to Western European countries, via Trieste terminal connection. The history and, especially, the conditions which have lead to a failure in implementing this project are well-known but the current European energy security policies are requiring a review of the said project at a more limited scale and based on a new concept. Currently, Croatia has joined the EU, while Serbia is going through the preliminary phases of adhesion, thus cancelling any possible previous obstacles related to cross-border projects.

By comparison with the other energy transport systems (electric and natural gas transport systems), the level of NTS interconnection is zero. Romania represents the east border of EU and the Black Sea interface, Moldavia’s way in the EU and a major partner of Ukraine. These are the basic elements supporting the desired essential function of Romania - namely, energy security supplier in the region.

First, we feel that it is essential to resume within EC structures - Directorate-General for Energy, that are periodically establishing and reviewing the list of Common Interest Projects, the activities promoting the interconnection project between Romania – Serbia – Croatia, based on building a two-way connection from Pitești to Pancevo, taking advantage of Constanta-Pitesti segment existence as part of import crude oil transport subsystem operated by Conpet S.A. and providing perspectives for crude oil imports to Romanian refining plans, from west to east.

We must say that, in the economy of decision making process emergency, it must be taken into account that the recent events in Turkey have determined an immediate reaction from Russia (expressed by Nikolai TOKAREV, Chairman of TANSNEFT) with regard to Burgas - Alexandroupolis project, a real competition for Constanta - Pitesti - Pancevo project.

The same plan also requires a national strategic review of long-term bordering interconnection alternatives for the other neighbors, especially between Hungary, Moldavia, Bulgaria and the major Central and Western European networks, in a regional and European context.

d. Initiation of new revenue-generating businesses

Taking part in the establishment of minimum oil/oil product stocks

In order to mitigate any possible crisis related to the oil supply within the Community, the European Union has revised the system for maintaining safety stocks by issuing Directive no. 2009/119/EC imposing an obligation on Member States to maintain minimum stocks of crude oil and/or petroleum products. Currently, at the Ministry of Energy initiative, an amendment proposal for Law no. 360/2013 is in progress, in order to harmonize and reconcile the said law with Directive no. 2009/119/EC of the EU Council. The main foreseen amendments are:

- organizing a Central Storage Entity: non-profit entity responsible for establishing and maintaining specific stocks, as well as emergency stocks, insofar as other storage obligation holders are able to delegate the storage obligation.
- hanging the Competent Authority: Currently, the Competent Authority responsibilities are carried out by the Ministry of Energy. Pursuant to the new legislative document, the Competent Authority responsibilities are proposed to be taken over by NAMR (as of 1 January 2017).

In the context of the new Law concerning the obligation to establish and maintain minimum stocks of oil and/or petroleum products (under its current format proposed by the Ministry of Economy), the following conclusions may be drawn:

- CONPET S.A. cannot be part of ECS nor can it be the holder of storage obligation, given that this company is not “an economic operator able to put on the Romanian market at least 1000 tons of crude oil and/or petroleum products during the baseline year);
- CONPET S.A. can be involved in the establishment of minimum crude oil and/or petroleum product stocks only as economic operator - proxy holder of the storage obligation (establishing stocks for a holder of the storage obligation, based on a contract).

As proxy holder, CONPET S.A. must overcome the following “unfavorable” conditions :

- A holder of the storage obligation can delegate it to: ECS Romania, ECS Member State of EU, EU economic operator, respectively Romanian economic operator, who has an excess of stocks, available storage capacities (Note : however, delegations outside the territory may not exceed 50% of the quantity in relation to which the storage obligation is specified);
- Holders of the storage obligation are covering the costs for establishing minimum stocks, gene the obligation delegation will apply only following a thorough analysis of all options. (Note : in the Recitals document issued by the Ministry of Economy – related to the amendment proposal for Law no. 360/2013 –

the following impact on the business environment is specified: “legal framework concerning the delegation right, including the acceptance of ticketing measures is improved - being expected cut-backs of additional costs incurred by the economic operators in order to establish and maintain the stocks”.

Given the above-mentioned considerations, in a first assessment, CONPET S.A. participation to the maintenance of minimum crude oil and petroleum product stocks would be a solid participation only with its involvement as proxy holder of storage obligation for limited volumes also. The competition environment is a strong one, given that the main players from production and refining sectors ⁴ as well as Oil Terminal - operator of the sole maritime terminal for oil and petroleum products, are possessing stocks-dedicated facilities and are providing related dedicated services. *It remains to be seen what will be the volume of the dedicated market and the market shares of smaller companies after the Central Storage Entity is organized.*

However, this situation could change if the Romanian State would essentially revisit, from a strategic and national security stand point, the establishment of a national integrated system for the activities of: oil transport via pipelines, storage of minimum security stocks, transit and maritime terminal, to which we may also add the activity of end product transport via pipelines (detailed proposal specified in the following paragraph).

To this end, we can observe the model of Central Europe countries, ex-members states of the Eastern Bloc, which includes oil/fuel and petroleum product transport structures, specific technical configurations and specific problems similar to those of Romania, such countries being Poland and the Czech Republic.

Participating in end product transport and storage activities.

Downstream segment of Romanian oil industry - respectively the refining, transport and distribution of petroleum end products has seen a significant make-over in the last decade, marked by the decommissioning of the system for petroleum product transport via pipelines, although the pipeline transport is generally known as the most advantageous method in terms of the competitiveness costs. Currently, Romania’s refining capacity is rated at about 12 mil. tones/year, while its internal consumption of petroleum products does not exceed 9 mil. tones/year, so a positive balance is enabling the regional export, mainly, for petrol, Diesel and kerosene. The main entry and exit gateway for petroleum products is represented by the Black Sea - Oil Terminal. In terms of end product transport and distribution, these are achieved by the railway and, respectively, by road tankers.

Except certain extreme scenarios where, in a medium term future, Romania would become a net importer of end products by closing its remaining refining facilities, due to strategic considerations of national security and strengthening its role as regional energy security provider, the Romanian State can review the viability of a national pipeline transport system for end products.

In the event of strategically establishing a new pipeline transport system for end products (with or without partial rehabilitation works on the network operated by Petrotrans S.A.) integrated in a complex national system which would include oil pipeline transport, maritime transit and terminal and storage of minimum stocks - CONPET S.A. development perspectives could gain new dimensions.

⁴A recent statement issued by OMV Petrom CEA is indicating that the platform of Arpechim Pitesti refining plant is getting ready to demolish certain existing facilities and to build new facilities dedicated to an oil/petroleum products storage. The competition disadvantage for CONPET SA in terms of its participation to minimum oil stocks can be offset by regulating the activity of transport to the relevant storage and by reversely discharging the oil, to Brazi refining plant.

Establishing and making available for CONPET S.A. current beneficiaries (OMV Petrom, Petrotel Lukoil and, in a smaller extent, Rompetrol), certain additional export options, may lead to an increase of export capacity and, implicitly, an increase of volumes conveyed by CONPET S.A., with direct effects on the net gains for the company's shareholders, as well as Romanian State.

Development of consultancy, engineering and designing activities

Another development alternative of CONPET S.A. business is to initiate and enlarge the consultancy, engineering and designing activities in the oil and gas sector.

The unstable background of oil price and its rating at a low level has caused a significant cascading reduction of research - innovation - development programmes and decrease of investments from upstream segment major players. This trend was also felt at national level, the industry companies being forced to deal with this recession, on one hand, and with the Romanian market entry of international brands, on the other hand. Hence, the last major projects in the domestic gas and oil industry have been managed by holdings and partnerships between Romanian companies and multinational companies.

One direction of the European Union Energy Strategy is represented by the component of research, engineering innovation and competitiveness. Transposed at national level, it is obviously required to increase the research, analysis and modeling capacity by regularly drawing-up inter-sectoral and inter-disciplinary studies and forecasts (for instance, in the energy, environment, climate, transport areas).

The approach of this strategic development option can be focused either by establishing a dedicated entity within the company, or by taking-over a majority shares package in an expert company.

A first set of benefits which would be available to CONPET S.A., in the context of a low initial investment volume, could be the execution, on its own (and as allowed by the applicable governing and regulatory framework), of economic and financial feasibility studies, expert studies (surveys, geo and hydro-surveys), as well as the elements of basic and detail design of investment objectives included in the multi-annual projects .

On long-term, these can be expanded for the entire oil and gas industry, as well as for other segments which involve consultancy, expert study services and surveys, geo-surveys and land surveys, hydro-geotechnical and hydro-geological studies. Moreover, by partnerships with entrepreneurs specialized in execution works, we will be able to approach national and international objectives involving integrated activities of engineering, procurement and execution works.

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