

*Translation from Romanian into English according to the copy*

**Subject to analysis and endorsement in the meeting of the BoA from January 25<sup>th</sup> 2017 and approval in the meeting of the O.G.M.S. from CONPET S.A. Ploiești**

**Endorsed**

Nr. \_\_\_\_\_

**Chairman of the Board of Administration**

**WEILER Dan**

### **SUBSTANTIATION NOTE**

**For the approval of the General Meeting of the Shareholders of the Investments Programme for 2017 (containing also the estimates of the Investment expenses for 2018 - 2019)**

The Investments Programme for 2017, 2018 and 2019 is part of the Budget of Income and Expenses 2017-2019.

CONPET finances its investments activity from the upgrade share and from other own financing sources which provide for the company a total degree of financial autonomy, the use of loans being unnecessary.

From the upgrade share, CONPET finances investment objectives within the rehabilitation, upgrade and development programmes, agreed with the National Agency of Mineral Resources according to the "Petroleum concession agreement for the operation of the national transport system of crude oil, rich gas, condensate and ethane, including the main pipelines and the ancillary installations, endowments and facilities".

The value of expenses with the investment objectives suggested in the Multiannual Investment Programme is as follows:

- Year 2017 - 64,269 thousands lei
- Year 2018 - 79,310 thousands lei
- Year 2019 - 77,255 thousands lei

The Investment Programme suggested for 2017, 2018 and 2019 comprises:

*2017 Programme value - 64,269 thousands lei, out of which:*

- 52.474 thousands lei further investment objectives, in the structure
  - 19,425 thousands lei new works of pipeline replacement
  - 33,049 thousands lei other new investment objectives

*2018 Programme value - 79,310 thousands lei, out of which:*

- 66.143 thousands lei further investment objectives, in the structure
  - 14,610 thousands lei new works of pipeline replacement
  - 51,533 thousands lei other new investment objectives