

After the Romanian Minister of Energy Virgil Popescu assured that Black Sea Oil & Gas (BSOG) will deliver one billion cubic meters of domestically produced natural gas during the next winter, the company's CEO Mark Beacom said that the offshore project Midia Natural Gas Development (MGD) in the Black Sea is currently 90 % completed, and production can technically begin in the second quarter of this year, but actually starting production will depend on external elements such as regulations and taxation.

Beacom said that BSOG will act depending on the measures taken by the Government regarding regulations on gas, taxation and other measures. The company's opinion is that the continuous undermining of domestic producers by the constant introduction of new harmful measures is the reason why Romania has failed to reach the significant production capacity it has and will only prolong this problem.

Current legislation discourages the exploitation of resources already discovered in the Black Sea and will further discourage any producer, including BSOG, from seeking even more resources. The partners of the MGD project have continuously received assurances from Government and various politicians that this tax issue applied to the offshore area will be settled, and, on this basis, the MGD project has continued. Instead of solving this problem as promised, other measures to undermine the producers are being implemented, BSOG CEO concluded.

In the past few years, several Romanian Governments promised to amend the Offshore Law, which currently proscribes high taxes on offshore gas producers, thus prolonging the start of the Black Sea gas exploitation.

OMV Petrom, the operator of Neptun Deep license, said that the final investment decision will be made in 2023 and will be dependent on promised amendments to the Offshore Law. Black Sea Oil & Gas (BSOG), wholly owned by Carlyle International Energy Partners, is a Romanian independent oil and gas company, which targets exploration and development of conventional oil and gas resources. The company's portfolio consists of XV Midia Shallow Block and XIII Pelican Block in the Romanian Black Sea, where the company is the operator and holds 65 % stake.

In early 2019, BSOG announced that it has approved the final investment decision to proceed with the 400 million dollars Midia Gas Development Project in the Black Sea. The Midia gas Project consists of 5 production wells (1 subsea well at Doina field and 4 platform wells at Ana field) a subsea gas production system over the Doina well which will be connected through an 18 kilometers long pipeline with a new unmanned production platform located over Ana field. A 126 kilometers gas pipeline will link the Ana platform to the shore. The processed gas will then be delivered into the national transmission system.