

The new contract signed between Romanian natural gas producer Romgaz and Bucharest-based electricity and thermal energy producer ELCEN, is an extension of a gas supply contract signed in 2016 worth over 550 million euros, which was valid until 30 September 2020. The new contract is valid between 1 October 2020 and 30 September 2021. This new gas supply contract is worth 106 million euros.

In August, Romanian media reported that Romgaz is analyzing the possible takeover of state-controlled electricity and heat producer ELCEN, which provides heat and hot water for the majority of households in Romania's capital Bucharest. ELCEN is currently under judicial reorganization due to cash flow problems. The reorganization plan drafted by the company's judicial administrator provides the transfer of the company's assets to a third party at a price determined by an independent evaluator. Romgaz is particularly interested in ELCEN's four cogeneration power plants: Bucharest West, Bucharest South, Grozavesti and Progresu.

The Bucharest City Hall and the Government have preemption rights on the company's assets. If the Bucharest City Hall doesn't make an offer for the assets, Romgaz could submit one on behalf of the Ministry of Economy and Energy.