

Romania, Romgaz have approved the management's plan to pay 1.06 billion dollars for the 50 % stake in Neptune Deep gas project

The shareholders of Romanian state-controlled natural gas producer Romgaz have approved the management's plan to pay 1.06 billion dollars for the 50 % stake owned by US company ExxonMobil in the Black Sea Neptun Deep offshore gas project.

At the meeting, held on 10 December, the shareholders also approved a 325 million euros loan to cover part of the purchase price.

ExxonMobil announced in November 2019 its intention to sell the stake in the Neptun Deep project, which holds the largest offshore gas reserves found in Romania's Black Sea section (40 to 80 billion cubic meters). Romanian OMV Petrom, a part of Austrian OMV Group, holds the remaining 50 % in the project. The two operators have invested close to 1.5 billion dollars in exploring the perimeter but have postponed a decision on its commercial exploitation due to the new offshore law adopted in late 2018.

In April 2021, Romgaz has confirmed that it submitted a binding offer to the US company ExxonMobil for the acquisition of a 100 % capital of its local subsidiary ExxonMobil Exploration and Production Romania. Through this company, ExxonMobil holds a 50 % stake in the Neptun Deep offshore gas field in the Romanian Black Sea. Romgaz has the Government's backing for this acquisition, as it wants to start the extraction of natural gas from the Black Sea as part of the country's strategy to transition to less-polluting energy sources and the closure of coal-fired power plants. The company holding the other 50 % stake - OMV Petrom will remain the operator of the project.

In June, the two companies have signed an exclusivity agreement related to the negotiations for the acquisition of the 50 % stake in the Neptun Deep project. ExxonMobil granted Romgaz an exclusivity right for a period of four months, namely until 15 October, which was eventually extended by a month, to conduct negotiations on the possible acquisition.

OMV Petrom said last month that the final investment decision on the project is expected within a year.