

Romania, Romgaz is seeking a loan of up to 350 million euros in order to finance the purchase 50 % stake in the Neptun Deep offshore gas project

Romanian natural gas producer Romgaz is seeking a loan of up to 350 million euros in order to finance the purchase 50 % stake in the Neptun Deep offshore gas project from US company ExxonMobil.

According to estimates, Romgaz should pay around 1 billion euros for the 50 % stake in the gas project. At the end of June, Romgaz had in its accounts liquid assets worth around 640 million euros in government securities and bank deposits.

In April, 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.

According to an informal agreement between Romgaz and OMV Petrom, Romgaz will become the operator of the project, a position previously held by ExxonMobil. The role of the project's operator should also secure the support of the opposition for the deal and for the amendments to the offshore hydrocarbon law, which is supposed to offer more favorable terms to foreign investors.

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.