

CFO of state-owned natural gas producer Romgaz, the company which recently acquired ExxonMobil's 50 % stake in Neptun Deep gas project for 1.06 billion dollars, Razvan Popescu said that it will seek to accelerate the final investment decision for the project, which the other partner OMV Petrom is expected to reach in early 2023.

The statement from Romgaz CFO comes after the Parliament approved the long awaited amendments to the Offshore Law, which should allow Black Sea gas projects to progress to the production phase.

Popescu said that the initial plan is for gas production to start by 2026, which needs to be sped up, due to the situation with Russian gas supply Europe is facing at the moment. He added that, in order to help the process, Romgaz is preparing an Eurobonds issue to finance the project. The company is considering five- and seven-year bonds, with the first 500 million euros issue that could be launched in mid-2023, followed by a similar one a year later.

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.

OMV Petrom, which holds the remaining 50 % stake, said last month that the final investment decision for the project will be made in 2023, following the amending of the Offshore Law, while the first gas is expected in 2027.