

Keynote Speech by  
**Ion Sterian, CEO, Transgaz**

**at GIE Annual Conference 2018,  
Bucharest, Romania  
on 14 June 2018**

We have just listened to the European and the Romanian national anthems including Transgaz anthem, especially created for this event.

Minister of Economy Danut Andrusca,

GIE President Jean-Marc Leroy, a friend of Transgaz and of Romania, and a supporter of the projects of Transgaz, Romania and other companies, which are part of GIE, the largest association representing the interests of the infrastructure industry in the natural gas business such as Transmission System Operators, Storage System Operators and LNG Terminal Operators in Europe,

EC Internal Energy Market Director Klaus-Dieter Borchardt, also a supporter of Transgaz and of Romania in all of our endeavours starting from 2013, after the deselection of the Nabucco project,

We have now a project of national and regional importance – BRUA, with BRUA Phase 1 interconnecting the Bulgarian, Romanian, Hungarian and Austrian gas transmission systems.

I would like to inform you that the pipeline and compressor stations works have been initiated and our specialists have the direct support of the Minister of Economy, the Ministry of Economy having a controlling interest in Transgaz, and of the Government, who are constantly promoting this project of national and European importance for the security of supply.

I would also like to let you and the ladies and gentleman of the media know that the BRUA Project, together with the other six strategically important national and European projects, will ensure diversification of gas supply sources, the interconnectivity between the States being also promoted by the Juncker Plan.

I salute my friend, Vittorio Musazzi, a friend of Romania, participating in all the events organized by Transgaz or held in Brussels, I salute all the participants and thank you for being here today.

Unfortunately time is not enough. Still, I would like to show my appreciation to all of you for your support, contribution, coordination and harmonization of efforts for the implementation of these projects, which are not only Transgaz's projects, but Romania's and Europe's, because the gas transmission infrastructure in Central and Eastern Europe and in the Balkans has not been very much developed.

Transgaz will implement its projects – BRUA Phase 1, BRUA Phase 2 - for Tuzla-Podisor pipeline we obtained the construction permit, we proceed with the tender procedure – NTS developments in North-East Romania – starting from Onesti, Roman, Iasi and reaching to Ungheni and Chisinau. At Chisinau Transgaz successfully participated in a tender procedure for the procurement of Vestmoldtransgaz, the owner of the Letscani-Ungheni interconnector, the completion of the transfer procedure being in progress.

Many entities have been privatised in Romania, but going beyond our borders, in Europe, it's a first time for us. We succeeded, once again with the support of the Minister of Economy, who participated

in all of our delegations at Chisinau and had discussions with the Chisinau authorities supporting the ownership transfer process.

Regarding the construction of the Ungheni-Chisinau pipeline, if everything goes as planned, by the end of 2019 or the beginning of 2020 the Republic of Moldova will be connected to the European gas transmission infrastructure making gas supply from the Black Sea, TAP, TANAP, the Southern Gas Corridor, Revithoussa and Alexandropolis LNG Terminals in Northern Greece possible. All of these corridors, BRUA 1, BRUA 2, will enable reverse flow. Even gas from the North Sea might be supplied at Chisinau.

Today, as we mark 10 years from the previous GIE Conference, we are celebrating 100 years from the Great Union, a key event in the national history of Romania. We are very proud to be Romanian, Europeans, to be part of the European Union, which means a lot to us.

There are so many things which could be said. Two hours would not be enough to present Transgaz's achievements in Romania but also in the South-Eastern Europe and in the Balkans.

I am happy that you all accepted the GIE invitation to the Conference and I believe that our discussions will be fruitful and will stimulate progress. Development in our domain increases exponentially –things change from one day to another. Let's take global warming for example. Over at least the following 40 years gas will become a less polluting energy source. We are all working together and join our efforts to achieve this.

To conclude, I would like to say a few things about BRUA Phase 1. We have a very good cooperation relation with all of our neighbouring transmission system operators – I salute Mr Mirek Topolanek, my colleague from Eustream, Prime Minister of the Czech Republic during the Czech Presidency of the Council of the European Union, when Romania had just become a member of the European Union.

I salute my colleagues from FGSZ, with whom we also have a good collaboration. They have already taken the investment decision for BRUA Phase 1 and they are now at the beginning of the works for this project, which will provide a 1.75 bcm capacity at the border between Romania and Hungary and further to Austria, subsequently, this time next year, we provide a 1.5 bcm reverse flow transmission capacity towards Bulgaria. BRUA and the Vertical Corridor will be interconnected. My friend, Klaus-Dieter, in its speech after lunch, will present the Vertical Corridor concept which will be the focal point of the CESEC High Level Group Meeting in Sofia on 28-29 June 2018.

Our tasks are challenging. Transgaz Romania, by implementing the Company's TYNDP, is committed to do its best to contribute to the reconfiguration, development and diversification of the supply sources not only for Romania but also for the other countries.

In conclusion, BRUA and the other projects of Romania are not dead-ends. Depending on the country's development policies, gas will first of all be directed to domestic consumption. A governmental programme for supplying gas to towns is currently under development and this will increase household and industrial gas consumption and will lead to the decrease of wood consumption. But we have enough time to discuss this further during these two days.

Thank you for your attention and I apologise if my speech was too long.

I have the honour to invite Minister of Economy, Mr Danut Andrusca, to take the floor.