

**To the: Bucharest Stock Exchange – Department of Operations Issuers Regulated Markets
Financial Supervision Authority - General Directorate Supervision - Issuers Division**

Date of the report: **11 May 2018**

Name of Issuing Company: **CNTEE TRANSELECTRICA SA, Company Managed in Two-tier System**

Headquarters: Bucharest 1, Blvd Gheorghe Magheru 33

Working location: Bucharest 3, Str. Olteni 2-4

Phone / fax numbers: 4021 30 35 611 / 4021 30 35 610

Single registration code: 13328043

LEI code: 254900OLXCOUQC90M036

Number in the Trade Register: J40/8060/2000

Share capital subscribed and paid: 733,031,420 Lei

Regulated market where the issued securities are transacted: Bucharest Stock Exchange

Communiqué

The National Power Grid Company Transelectrica SA informs the investor public interested about the Governmental Decision adopted Thursday, 10 May 2018, which allows completing the expropriation procedures underway for the privately owned buildings found within the expropriation corridor of the public utility of national interest project of the 400 kV OHL Oradea-Bekescsaba. The same Governmental Decision approved funds to install a 100 MVar shunt reactor in the 400 kV substation Oradea Sud and to procure telecommunication and tele-transmission equipment for the 400 kV OHL Oradea-Bekescsaba.

The 400 kV OHL Oradea–Bekescsaba was commissioned only partially, namely only the double circuit segment, the 400 kV OHL Nadab (RO) – Bekescsaba (HU): 60 de km, of which 22 on Romania's territory at the same time with the 400 kV OHL Arad-Nadab. The segment of the 400 kV OHL Oradea Sud – Nadab is 72 km long, simple circuit A and has been partially completed.

The Oradea – Nadab segment will be commissioned and thus complete the 400 kV OHL Oradea – Bekescsaba, thus contributing to closing the 400 kV ring of the country's electricity transmission network, a priority objective of Romania.

Also this line leads to avoiding congestion costs in the north-western region, which last year amounted to about 39,000 Lei in March and to about 160,000 Lei in November.

Similarly the urgent completion of the work to the 400 kV OHL Oradea - Bekescsaba will remove the risk to impact the safety of the National Power System, an ever increasing hazard generated by the potential unavailability of the interconnection line between Romania and Ukraine (the 400 kV OHL Rosiori – Mukacevo), circumstance when maintaining the operational safety in the country's north-western region will become extremely difficult and costly.

Line completion can be assimilated to providing a new flux / route of electricity supply in the country's north-western region, with significant impact over the increased operational safety, the availability of electricity transmission services, the response / re-supply speed, the capacity and resilience in case of malfunctions in the transmission infrastructure caused by major failures, natural calamities, disasters, armed or terrorist attacks etc.



The National Power Grid Company Transelectrica
2-4 Olteni Street Bucharest, District 3, 030786, Romania
Trade Register Number J40/8060/2000, Single Registration Code 13328043
Phone +4021 303 56 11, Fax +4021 303 56 10
Share capital subscribed and paid: 733.031.420 Lei www.transelectrica.ro

The commissioning of the 400 kV OHL Oradea Sud – Nadab will increase by 100 MW the export interconnection transfer capacity and by 300 MW the importer one, depending on the seasonal specific internal and external factors.

At present Romania has got only 7% interconnection capacity against the installed capacity of the SEN, compared to the 10% target provided in the European regulations for 2020, an aspect notified by the European Commission. Such commissioning of the 400 kV OHL Oradea Sud – Nadab will contribute to approaching to the European target.

Adrian - Constantin RUSU
Executive Director General
Directorate Chairman

Dan - Valeriu ARDELEAN
Directorate Member



The National Power Grid Company Transelectrica
2-4 Olteni Street Bucharest, District 3, 030786, Romania
Trade Register Number J40/8060/2000, Single Registration Code 13328043
Phone +4021 303 56 11, Fax +4021 303 56 10
Share capital subscribed and paid: 733.031.420 Lei www.transelectrica.ro