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**GRAVE BREACHES OF CORPORATE GOVERNANCE STANDARDS AT TRANSGAZ,  
NUCLEARELECTRICA AND ROMGAZ**

Bucharest, 8 May 2013 – Fondul Proprietatea (“The Fund”) announces that the GSM of S.N.T.G.N. Transgaz S.A., which took place on 30 April 2013, decided to appoint four new members recommended by the Ministry of Economy as majority shareholder, in addition to the current CEO, in the company’s Board of Directors. As a result, the Board of Transgaz does not include at this moment any candidates recommended by any of the minority shareholders, including Fondul Proprietatea.

Proper and transparent corporate governance standards require the structure of the Board to reflect the latest shareholder structure. The fact that shortly after the completion of the Transgaz SPO no minorities are being represented in the Board of the company shows a disregard for corporate governance standards and for the trust placed in the company and in the State as majority shareholder by the recently investing shareholders, which will send strong negative signals to local and foreign investors ahead of the announced IPOs for other companies controlled by the State. We consider this outcome as a very grave deviation from the reform process of state-owned companies which may derail the entire privatization process. As such, we have already submitted a request to the Board of Transgaz to reconvene a General Shareholders Meeting for appointing the Board of Directors based on cumulative voting. We have made this request having in mind also the fact that the investors that bought the shares during the SPO did not have the chance to express their votes during the 30 April GSM.

Furthermore, we note that this decision follows a very disconcerting trend set recently by other changes in the Boards of Directors in Romgaz and Nuclearelectrica. The new Boards of Directors of these companies, approved by the Ministry of Economy as majority shareholder, do not comprise any candidates recommended by Fondul Proprietatea as minority shareholder but continue to include predominantly Government employees and people close to the political spectrum. This is despite the appointment of recruitment companies to conduct the selection process and the clear purpose set by Ordinance 109/2011 to appoint Board members with appropriate professional and leadership experience for such positions.

We strongly believe these changes may jeopardize the success of the Nuclearelectrica and Romgaz IPOs, scheduled for later this year, and significantly affect the interest of prospective investors in such placements, as well as threaten the credibility of the entire State programme of appointing professional managers in state-owned companies.

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Launched in December 2005, Fondul Proprietatea ("the Fund") was established to compensate Romanians whose properties were confiscated by the former communist government. An international tender was announced in December 2008, and Franklin Templeton Investments officially took over as investment manager and sole administrator of the Fund on 29 September 2010. The Fund is a closed-end investment company with the investment objective of long-term capital appreciation through via investment primarily in Romanian equity securities.

Franklin Templeton established an office in Bucharest in May 2010, with a team of 27 employees, including 6 locally based investment professionals who are further supported by the over 40 portfolio managers and analysts of the wider Templeton Emerging Markets team.

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