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**Fondul Proprietatea Continues efforts opposing Romgaz donation
to Romanian State Budget**

Donation cited as serious risk to foreign investor perception

Bucharest, 7 January 2011 – Franklin Templeton Investment Management Limited, investment manager and sole administrator of Fondul Proprietatea (“the Fund”), today announces its disappointment that Romgaz has transferred the 400 million lei towards the Romanian state budget. Fondul Proprietatea was informed of this transfer during a court hearing in the legal action filed against Romgaz.

Following the 30 November 2010 General Shareholders Meeting at Romgaz, the Ministry of Economy, the main shareholder of the company with 85% of shares, voted in favor of the proposed donation of 400 million Lei to the Romanian budget. As a minority shareholder with 15% of shares, Fondul Proprietatea voted against this resolution, having strongly expressed the negative consequences of such a decision.

Fondul Proprietatea would like to assure its shareholders that it will continue to use all legal means available to recover the funds by seeking an annulment of the November 30th Romgaz GSM decision which approved the donation. In addition, Fondul Proprietatea called a Romgaz General Shareholders Meeting, to be held on the 17th of January, in order to revoke the members of the Board of Directors who voted in favour of the donation and proceed with legal action against them individually.

Dr. Mark Mobius, executive chairman Templeton Emerging Markets Group, said, “The Romanian Government is taking a serious risk with foreign investors by following this course of action. We have strongly opposed such measures as we firmly believe they are detrimental since it could cause investors to lose confidence in the Romanian government's willingness to honor its bond and the debt obligations as well as obligations to shareholders and suppliers of government owned companies.”

Greg Konieczny, fund manager of Fondul Proprietatea, commented, “We are extremely disappointed that despite our suggestion to seek an alternative solution, this unfortunate decision was carried through. We would like to reassure our shareholders that we will continue to do our best to recover the funds through all possible legal means.”

Launched in December 2005, Fondul Proprietatea 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 won the Euro 3.71 billion¹ Fondul Proprietatea mandate in July 2009 after being selected from among seven global asset managers. Franklin Templeton officially took over as investment manager and sole administrator of the Fund on 29 September 2010. Since appointment, Franklin Templeton has commenced the payment of dividends relating to distributable profits from 2008 and 2009 to all registered shareholders as of 27 September 2010.

Franklin Templeton recently established an office in Bucharest, with a team of 24 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.

Franklin Templeton Investment Management Limited is a subsidiary of Franklin Resources, Inc. [NYSE:BEN], a [global investment management](#) organization operating as Franklin Templeton Investments. Franklin Templeton Investments provides global and domestic investment management solutions managed by its Franklin, Templeton, Mutual Series, Fiduciary Trust, Darby and Bissett investment teams. The San Mateo, CA-based company has more than 60 years of investment experience and over USD 642 billion in assets under management as of 30 November 2010. For more information, please visit www.franklintempleton.uk.

Franklin Templeton Investment Management Ltd.'s office in Bucharest is located at Premium Point, 8th floor, 78-80 Buzesti, District 1, Bucharest, Romania. Tel: +40.200.96.00, Fax: +40.200.96.31/32. For more information on Fondul Proprietatea, please visit <http://www.fondulproprietatea.ro>.

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¹ Source: Franklin Templeton Investments, 30 November 2010, NAV reporting based on CNVM (local regulator) standards.