

Romanian state-owned gas producer Romgaz will start production in 2019 at a newly discovered gas field, its biggest find in three decades, the government said on Friday. The 35 km-long Caragele field, in the central Romanian county of Buzau, has an estimated 25-27 billion cubic metres of gas, which could ensure the country's entire consumption for up to three years.

That estimate could rise with further exploration work and Romgaz has plans to drill six more wells this year, the government said. Production will require overall investment of 140 million euros (\$153 million), with 40 million to be spent this year.

A Bulgarian-Romanian gas pipeline partially funded with European Union funds and linking the two states to Austria would also be finalised in 2019, the government said, meaning Romania could become a net gas exporter.

"The Caragele discovery is another step on Romania's road to ensuring energy independence and consolidating its status as a stability factor within the EU," Prime Minister Sorin Grindeanu said.

"It is also an important moment that contributes to meeting our objective of diversifying our energy supply sources."

Romania has a diverse mix of energy-resources, including gas, coal, hydro, nuclear and renewables, and unlike many of its emerging European peers it imports only about a 10th of its gas needs from Russia.

Gas production by Romgaz and Petrom, majority controlled by Austria's OMV, meets most of Romania's own needs.

But while Romania has a strong energy mix, the energy ministry estimated last year the overall sector needs about 20 billion euros worth of investment in power, oil and gas production, mining and related infrastructure by 2030.

It said Romania will retire 1,800 MW of gas-fired power plant capacity and 2,400 MW of coal-fired by 2030, while replacing and retrofitting other plant.

Source: rigzone