

To the Directorate,
C.N.T.E.E. Transelectrica S.A.

**INDEPENDENT REPORT OF LIMITED ASSURANCE OVER THE INFORMATION
INCLUDED IN THE CURRENT REPORTS ISSUED BY THE COMPANY IN ACCORDANCE
WITH THE PROVISIONS OF LAW NO. 297/2004 AND REGULATION NO. 1/2006**

- 1 We have been appointed by C.N.T.E.E. Transelectrica S.A. („the Company”) to report on the information included in the current reports from July 1, 2014, July 23, 2014, August 21, 2014, August 29, 2014, September 5, 2014, November 18, 2014, December 22, 2014 and January 8, 2015 (the “Current Reports”) issued by the Company in accordance with the provisions of *the Stock exchange law no. 297/2004, with the subsequent amendments* („Law no. 297/2004) and of the Regulation no. 1/2006 of the National Security Commission („CNVM”), *actually Financial Supervisory Authority („ASF”) regarding the issuers and operations on the stock exchange, updated form* (“Regulation no. 1/2006”), as an independent conclusion of limited assurance according to which, based on the procedures performed, nothing came to our attention to make us believe that the reported transactions included in the Current Reports are not in accordance, under all material aspects, with art.113, paragraph G, point 6 from the Regulation no. 1/2006. The Current Reports from July 1, 2014, July 23, 2014, August 21, 2014, August 29, 2014, September 5, 2014, November 18, 2014, December 22, 2014 and January 8, 2015 have been prepared by the management of the Company to report to ASF in accordance with the provisions of art. 225 from Law no. 297/2004 and Regulation no. 1/2006.

Management's Responsibility

- 2 Management is responsible for the preparation and fair presentation of the Current Reports and of the transactions included in the Current Reports from July 1, 2014, July 23, 2014, August 21, 2014, August 29, 2014, September 5, 2014, November 18, 2014, December 22, 2014 and January 8, 2015, that are free of material misstatement, in accordance with art. 225 from Law no. 297/2004 and Regulation no. 1/2006, and for the information presented in these reports. This responsibility includes: designing, implementing and maintaining an internal control relevant to the preparation and presentation of the Current Reports that are free of material misstatement, due to fraud or error. Also, this responsibility includes compliance with the provisions of art. 225 from Law no. 297/2004 And Regulation no. 1/2006 and maintaining adequate supporting documents regarding the Current Reports. Management is responsible for preventing and detecting fraud and ensuring compliance with the legislation and regulations in force. Management is responsible for ensuring that the personnel involved in the preparation of the Current Reports is properly trained.

Auditor's Responsibility

- 3 Our responsibility is to analyze the reported transactions included by the Company in the Current Reports and to report in the form of an independent conclusion of limited assurance, based on the evidence obtained. We conducted the engagement in accordance with International Standard on Assurance Engagements („ISAE”) 3000 as adopted by the Romanian Financial Auditors Chamber regarding the assurance engagement other than Audits or Reviews of Historical Financial Information. This standard requires that we comply with ethical requirements, including independence requirements, and plan and perform our procedures in order to obtain a corresponding assurance level of whether the transactions included in the Current Reports, are in accordance, under all material aspects, with art. 113, paragraph G, point 6 of Regulation no. 1/2006, as a basis for our independent conclusion of limited assurance.
- 4 The selected procedures depend on our understanding of the Current Reports and of other circumstances of the engagement, as well as our considerations on areas where material misstatements may occur. In developing our understanding on the Current Reports and on the transactions reported in the Current Reports we took into consideration the Company's internal control relevant to the preparation and presentation of the Current Reports in accordance with the provisions of art. 225 of Law no. 297/2004 and Regulation no. 1/2006 in order to establish the procedures that are appropriate in these circumstances, but not for the purpose of expressing a conclusion on the effectiveness of internal control for the preparation and fair presentation of the Company's Current Reports and the transactions reported in the Current Reports.
- 5 Limited assurance is narrower than absolute or reasonable assurance. The procedures for obtaining evidence for a limited assurance engagement are more restricted than in a reasonable assurance engagement, and therefore the level of assurance obtained is lower than in a reasonable assurance engagement.
- 6 As part of this engagement, we have not performed audit review or verification procedures of the Current Reports and on the transactions reported in the Current Reports in accordance with the International Standards on Auditing or International Standards on Review Engagements adopted by the Chamber of Financial Auditors of Romania, nor on the sources from which the Current Reports and the transactions reported in the Current Reports were extracted. Our procedures were only performed in connection with the Current Reports from July 1, 2014, July 23, 2014, August 21, 2014, August 29, 2014, September 5, 2014, November 18, 2014, December 22, 2014 and January 8, 2015. We have not performed other additional procedures to verify whether the Current Reports include all contracts with managers, employees, shareholders, as well as their affiliated entities, to be reported according to Art. 225 of Law no. 297/2004 with the subsequent amendments for the period July 1 - December 31, 2014.

Criteria

- 7 The criteria used in this engagement were:

- in the case of acquisitions of electricity performed on the Centralised Market for Bilateral Contracts (“PCCB”), we have obtained the outcome of the bids existing on the market further to the tenders organised by OPCOM SA through PCCB;
- in the case of other acquisitions, we have obtained the bids received by the Company within the acquisition procedures organised by the Company according to Ordinance no. 34/2006 on the awarding of public procurement contracts, public works concession contracts and services concession contracts, as well as the minutes of the tender opening and the related tender reports prepared.

- 8 Our conclusion was formed on the basis, and in connection with, the aspects presented in this Report. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our qualified conclusion with of limited assurance

Basis for Qualified Conclusion


- 9 In the tenders organised by the Company in accordance with Ordinance no. 34/2006 on the awarding of public procurement contracts, public works concession contracts and services concession contracts which led to the conclusion of contracts no. 63/19.08.2014, presented in the Current Report of September 5, 2014, no. 30/17.11.2014, presented in the Current Report of November 18, 2014 and no. 35/18.12.2014, presented in the Current Report of December 22, 2014, a single company submitted tenders and participated, namely the Company for the Maintenance of the Electricity Transmission Grid (SMART SA), which was declared the successful tenderer. Thus, there is not sufficient information to determine whether the value of the contracts, corroborated with the rights and obligations assumed by the parties, is accurate compared to the other offers existing on the market.
- 10 The Company has no alternative offers from the market for the services included in the Contract no. 256/01.07.2014 agreed with Teletrans SA and presented in the Current Report of July 1, 2014 which was concluded by direct negotiation in accordance with Art. 246 point (1) paragraph a) and point (2) of Ordinance no. 34/2006 on the awarding of public procurement contracts, public works concession contracts and services concession contracts. Thus, there is not sufficient information to determine whether the value of the contracts, corroborated with the rights and obligations assumed by the parties, is accurate compared to the other offers existing on the market.
- 11 In the case of the contracts for the purchase of electricity presented in the Current Reports of August 21, 2014, August 29, 2014 and January 8, 2015, the total price of the energy purchased also includes the energy transmission fee regulated by the Romanian Energy Regulatory Authority („ANRE”), through Order no. 51/2014. Such fees are regulated and not determined under market conditions.

Qualified Conclusion

- 12 Based on the procedures performed, except for the possible effects of the matters mentioned in paragraphs 9, 10 and 11, nothing came to our attention to make us believe that the transactions reported in the Current Reports are not in accordance, under all material aspects, with art. 113, paragraph G, point 6 from Regulation no. 1/2006.

Other Matters

- 13 Our report is solely issued for the purpose stated in the first paragraph of this report and is prepared to inform the Directorate of the Company as a whole. Our report should not be regarded as suitable for use by any party wishing to acquire rights against us other than the Company for any purpose or in any context. Any party other than the Company that obtains access to our report or a copy of the report and chooses to rely on our report (or part thereof), should do so at your own risk. Our engagement was performed in order to report to the Directorate of the Company on those aspects that need to be reported in an independent report of limited assurance, and for no other purpose.


Deloitte Audit S.R.L.
Bucharest, Romania
January 30, 2015