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Romania is an attractive destination for oil and gas production. The country has a long history of oil development and is in an excellent location in terms of access to infrastructure and markets. We briefly outline below the legal regime governing petroleum exploitation in Romania.

Modern petroleum exploitation in Romania began in 1857 when the first commercial well was drilled. In that year, Romania also became the first country officially registered in international statistics as having oil production of 250 tonnes. Oil production in Romania grew rapidly and by 1900 Romania was the third largest oil producer in the world with an annual production of 1.9 million barrels. It also became the first country in the world to export gasoline.

Following World War II, the oil industry in Romania was nationalized. Companies seeking to explore, produce and develop petroleum in Romania were required to enter into an Exploration and Production Sharing Agreement (ESPA) with Geomin or its successor, Rompetrol (the state body performing foreign trade and international cooperation related to petroleum at the time).

Following the fall of the communist regime in 1989, the government continued to use these ESPAs for a period. However, the country's oil industry entered a new era after the enactment of the first petroleum law and the establishment of the National Agency for Mineral Resources (NAMR) in 1995. This was followed by the reformation of the petroleum law and the enactment of several incentives along with the privatization of Petrom SA (the state-owned company initially established with the purpose to manage and exploit internal oil and gas resources) in 2004.

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