

# Hagag Europe and Airengy Expand Energy Infrastructure Operations in Romania

*The total estimated investment by both parties in the two-phase project is €55 million*

TEL AVIV, TEL AVIV DISTRICT, ISRAEL, June 9, 2026 /EINPresswire.com/ -- [HAGAG EUROPE](#) SIGNS STRATEGIC COOPERATION AGREEMENT WITH [AIRENGY](#) TO DEVELOP AND OPERATE A LARGE-SCALE ENERGY STORAGE PROJECT USING UNIQUE TECHNOLOGY WITH 5 GWH CAPACITY IN ROMANIA SALT CAVERNS

Hagag Europe, active in real estate and energy infrastructure in Romania,

announces the signing of a strategic cooperation agreement with the publicly traded company Airengy (TASE: ARNG) to advance a unique Compressed Air Power Plant (CAPP) project. The project includes feasibility studies, design, construction and operation of commercial electricity storage facilities in natural salt caverns in Romania.

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The agreement with Hagag Europe marks our transition from the development and proof-of-concept stage to commercialization and the initiation of commercial-scale power plants based on our technology”

*Yiftah Ron-Tal, Chairman of Airengy*

The project will utilize Airengy’s proprietary AirBattery technology for compressed-air energy storage in salt caverns. It will be developed in two phases, reaching a discharge capacity of approximately 25 MW and a storage capacity of up to 5 GWh.

The collaboration aims to implement long-duration energy storage technology that leverages underground cavities optimized for air compression and storage. Airengy’s AirBattery technology enables extended electricity discharge over multiple days, providing a strategic reserve

for power systems with high shares of renewable energy. This differs significantly from conventional lithium-ion battery storage, which is typically suited for only a few hours of storage.



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Under the agreement, Hagag Europe will secure usage rights for the salt caverns, while Airengy will be responsible for the planning and design, construction and operation of the AirBattery technology.

The project represents a significant step forward in implementing Hagag Europe's strategy. The company is currently developing dozens of natural gas infrastructure transmission projects in Romania and is expanding its presence in the rapidly growing Romanian energy market.

The transaction was led by Arik Derekh, CEO of Hagag Europe, and Roy Brilant, Deputy CEO of Infrastructure and Energy at Hagag Europe, together with Tal Raz, CEO of Airengy.

#### Project Phases and Investment Scope

The project will be carried out in two main phases through a special purpose company (SPC) in which the shares will be held by Hagag Europe (40%), Airengy (40%), and a third party (20%).

- Phase A: Construction of a facility with approximately 200 MWh storage capacity, at an estimated construction cost of €4.5 million. Full operation is expected within 12–18 months from the start of works.
- Phase B: Increasing average discharge capacity to approximately 25 MW and significantly expanding storage capacity to about 5 GWh (5,000 MWh). Estimated cost of this phase: €50 million. The parties intend to secure dedicated project financing for this stage.

#### A Game-Changer for the Local Energy Market

Romania's electricity market operates with continuous cross-border trading, and its main grid is



Maj. Gen. (res.) Yiftah Ron Tal, Chairman of Airengy



Tal Raz, the CEO of Airengy

interconnected with neighboring countries, enabling free regional trade. In recent years, the Romanian market has seen massive entry of traditional solar energy producers combined with lithium-ion battery storage, including Israeli companies such as Nofar, Econergy, Prime Energy, Shikun & Binui, and others.

The use of large salt caverns for energy storage based on AirBattery technology has the potential to transform the sector by enabling significantly longer-duration storage compared to existing solutions, delivering clear economic advantages and operational flexibility. Combining long-duration storage will allow the facility to “charge” renewable energy at low prices, benefit from availability payments, and sell electricity in day-ahead and intraday markets. In addition, the project will be able to provide fast grid-balancing services through integration with lithium-ion batteries.

### About the Technology

Airengy Tech Ltd. (formerly Augwind) develops a unique long-duration energy storage (LDES) technology called AirBattery, designed for large-scale storage over days or even weeks. The technology serves as a complement to lithium-ion battery systems and enables continuous power supply even during prolonged periods of low renewable generation.

The system is based on the company’s registered patents for high-efficiency compression and expansion of compressed air. During the charging phase, excess electricity is used to compress air, which is then injected and stored in underground salt caverns. These caverns offer enormous storage volumes, natural airtightness and exceptionally low storage costs, making them ideal for long-duration energy storage.

During discharge, the compressed air is released from the cavern into a dedicated hydraulic system. The expanding air applies pressure on water, which is routed through a turbine to generate electricity fed into the grid. The entire process uses only water and air, with no polluting materials or rare metals, enabling operation for decades with low wear and minimal operating and maintenance costs.

The technology addresses one of the central challenges in the global energy market – reliable and continuous electricity supply from renewable sources – and serves as the foundation for building compressed-air power stations at scales of hundreds of megawatts with multi-hour (or multi-day) storage capacity.

The strategic need for long-duration energy storage is gaining recognition across Europe. In 2025, Airengy signed memoranda of understanding for cooperation in the United Kingdom with Kistos and in Germany with the state-owned gas giant SEFE.

Tzachi Hagag, Controlling Shareholder and Chairman of Hagag Europe, said: “This is a major development for the rapidly evolving Romanian energy market and represents a significant business leap that positions Hagag Europe at the forefront of global innovation in energy storage

and clean power generation. The partnership with Airengy is a key pillar in our strategic plan to expand the company's energy activities. We have identified a growing need for stable, long-duration storage solutions that will support Romania's energy independence, address geopolitical and security needs, and facilitate the transition to renewable energy.

"The use of natural geological formations such as salt caverns provides a substantial economic and operational advantage over existing storage solutions."

Yiftah Ron-Tal, Chairman of Airengy, said: "This is one of the most significant moments in the company's history. For over a decade, Airengy has invested substantial resources in developing AirBattery technology, based on the conviction that the world will need long-duration storage solutions beyond current technologies. The agreement with Hagag Europe marks our transition from the development and proof-of-concept stage to commercialization and the initiation of commercial-scale power plants based on our technology. Beyond the business potential in Romania, this move proves that AirBattery technology can serve as the foundation for additional projects across Europe and other global markets."

#### About Hagag Europe

Hagag Europe Development (TASE: HGGE) operates in Romania in the initiation and development of residential projects and income-generating commercial and office properties. The company is also active in the planning, execution, and management of natural gas distribution infrastructure projects in Romania. Hagag Europe is listed on the Tel Aviv Stock Exchange with a market capitalization of approximately ILS 950 million. The company's controlling shareholders are Tzachi Hagag (approx. 43.8%) and Shahar Mahat (approx. 12.2%). The company is included in the TA Real Estate and TA Construction indices.

#### About Airengy

Airengy (TASE: ARNG) is a publicly traded energy company on the Tel Aviv Stock Exchange. The company operates across the entire value chain – from initiation and development, through EPC (engineering, procurement, construction), to the operation of income-generating energy assets. Airengy integrates development and execution with operational results across three complementary growth engines, as follows:

- CAPP (Compressed Air Power Plant) technology – a breakthrough solution for long-duration storage based on compressed air in salt caverns.
- BESS (battery storage) and renewable energy generation in Europe – development and acquisition of income-generating property portfolios and storage projects in leading markets such as Italy, Poland, the UK and Germany.
- Initiation and EPC arm in Israel – planning and execution of complex energy projects in the local market, with unique expertise in agrivoltaics and projects for the defense system.

The company aims to become a significant player in the global transition to green energy and to provide reliable solutions for stabilizing electricity grids in the era of renewables. Airengy is led by

an experienced management team with extensive expertise in initiating, financing and executing national and international infrastructure projects, under the leadership of Chairman Yiftah Ron-Tal and CEO Tal Raz.

Tom Green

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