

**THE BOARD OF DIRECTORS' REPORT
 of Societatea OIL TERMINAL S.A. Constanta
 for Semester I 2017, completed on 30 June 2017**

| | |
|---|---|
| Semester report issued according to: | Law no. 297/2004 regarding the capital market and annex 32 of CNVM Regulation no.1/2006 regarding the issuers and securities operations |
| Report date | 2017 30 th of JUNE |
| Commercial company name | OIL TERMINAL S.A. |
| Social headquarter | No. 2, Caraiman str., CONSTANTA, ROMANIA |
| Phone/fax number | 0040 241 702600 / 0040 241 694833 |
| Unique registering code at the Commerce Registrar Office | 2410163 |
| Order number at the Commerce Registrar | J/13/512/1991 |
| The subscribed and paid social capital | 58,243,025.30 Lei |
| The regulated market on which the issued securities are traded | Bucharest Stock Exchange Standard class |
| The main characteristics of the securities issued by the commercial company | 582,430,253 shares with a nominal value of 0.10 lei, nominative, indivisible, with equal voting right, freely traded in Bucharest Stock Exchange under symbol OIL |
| Applicable accountant regulations | MFP' order no.2844/2016 for Accountant regulations approval according to International standards of financial report |
| Audit | Individual annual financial situations issued on 31.03.2017 are audited |
| Report currency | Romanian leu (RON) –all amounts are presented in RON, if not mentioned otherwise |

ECONOMIC FINANCIAL SITUATION on 30.06.2017

Evolution of the main achieved budgetary indicators comparing to the planned Budget of Revenues and Expenses and to the same period of the previous year

| Indicators | Budget of revenues and expenses Semester I 2017 | Achieved Semester I 2017 | Achieved / Budget of revenues and expenses Semester I (▲ ▼ %) | Achieved Semester I 2016 | Achieved Semester I 2017 / 2016 (▲ ▼ %) |
|----------------------------------|---|--------------------------|---|--------------------------|---|
| 0 | 1 | 2 | 3=2/1 | 4 | 5=2/4 |
| PERFORMANCE INDICATORS | | | | | |
| EBITDA (million lei) | 4.8 | 8.8 | ▲ 83.3% | 22.6 | ▼ 61.1% |
| Total quantities achieved (tons) | 2.735.103 | 2,454,939 | ▼ 10.2% | 2,908,116 | ▼ 15.6% |
| Operation revenues (million lei) | 74.9 | 76.8 | ▲ 2.5% | 79,0 | ▼ 2.8% |
| Operation expenses (million lei) | 72.1 | 64.0 | ▼ 11.2% | 60.4 | ▲ 6.0% |
| Operation expenses (% turnover) | 96.6% | 83.4% | - 13.2 p.p. | 76.8% | + 6.6 p.p. |
| Gross profit margin (% turnover) | 3.6% | 15.8% | + 12.2 p.p. | 22.4% | - 6.6 p.p. |

| | | | | | |
|--|--------|--------|---------|--------|---------|
| Valoric output (lei/employee) | 78,443 | 82,080 | ▲ 4.6% | 83,847 | ▼ 2.1% |
| Employees average number | 955 | 936 | ▼ 2.0% | 942 | ▼ 0.6% |
| Investments– public domain (million lei) | 0.44 | 0.38 | ▼ 13.6% | 3.00 | ▼ 87.3% |
| Investments – company (million lei) | 1.64 | 1.12 | ▼ 31.7% | 7.02 | ▼ 84.0% |

The simplified interim financial situations for the period January – June 2017 are audited and were issued according to International Accounting Standard 34 – ” Interim Financial Report”

a) Financial position situation on 30 June 2017

| | 30 June 2017 (audited) | 31 December 2016 (audited) |
|--|-----------------------------------|---------------------------------------|
| ASSETS | | |
| FIXED ASSETS | | |
| Intangible assets | 3,578,615 | 3,609,380 |
| Tangible assets | 452,995,671 | 458,409,851 |
| Tangible assets in execution | 3,086,343 | 2,310,795 |
| Financial assets | 810,089 | 809,075 |
| Total fixed assets | 460,470,718 | 465,139,101 |
| CURRENT ASSETS | | |
| Stocks | 911,450 | 1,055,927 |
| Clients and assimilated accounts | 13,976,971 | 16,478,491 |
| Other receivables | 3,024,024 | 1,894,626 |
| Fees and taxes to be recovered | 662 | 1,035 |
| Cash and cash equivalents | 16,511,767 | 26,001,896 |
| Total current assets | 34,424,874 | 45,431,975 |
| Total assets | 494,895,592 | 510,571,076 |
| OWN CAPITALS and DEBTS | | |
| Own capitals | | |
| Social capital | 58,243,025 | 58,243,025 |
| Other elements of own capitals | 320,003 | 320,003 |
| Reserves from reevaluation | 210,321,456 | 210,424,839 |
| Legal reserves | 4,744,817 | 4,744,817 |
| Other reserves | 174,395,611 | 174,395,611 |
| Surplus achieved from reevaluation reserves | | |
| Reported result representing undistributed profit | 4,784,246 | 4,680,864 |
| Result reported without IAS 29 | 396,930 | 396,930 |
| Result reported arisen from accountant errors correction | (25,839,366) | (25,839,366) |
| Current profit | 11,417,199 | 15,419,450 |
| Profit distribution | 0 | (1,193,812) |
| Total own capitals | 438,783,921 | 441,592,361 |
| DEBTS ON LONG TERM | | |
| Loans on long term | 6,693,750 | 7,331,250 |
| Debts regarding tax on postponed profit | 28,624,578 | 28,624,578 |

| | | |
|-------------------------------------|--------------------|--------------------|
| Total debts on long term | 35,318,328 | 35,955,828 |
| CURRENT DEBTS | | |
| Loans on long term – current part | 1,275,000 | 1,815,458 |
| Commercial debts | 8,608,192 | 11,452,246 |
| Debts regarding duties and taxes | 5,256,764 | 5,727,672 |
| Other current debts | 3,445,467 | 2,276,884 |
| Total current debts | 18,585,423 | 21,272,260 |
| Total debts | 53,903,751 | 57,228,088 |
| Provisions | 2,150,035 | 11,688,173 |
| Subventions for investments | 57,885 | 62,454 |
| Total own capitals and debts | 494,895,592 | 510,571,076 |

Fixed assets

In the period 01.01.2017-30.06.2017 **the tangible and intangible assets** net value diminished by 1% comparing to 31.12.2016, namely by the amount of 4,669,397 lei, mainly due to fixed assets' value exeeding (6,120,527 lei) comparing to the achived investments (1,570,370 lei), as follows:

- + 3,091 lei licenses entries;
- - 33,856 lei intangible assets amortization related to period 01.01.2017-30.06.2017;
- +728,731 lei representing investments entries put in function for the company' own domain;
- - 56,240 lei outputs from tangible assets going on
- -6,086,671 lei lei tangible assets amortization for the period 01.01.2017-30.06.2017;
- +1,504,279 lei lei expenses of tangibles in execution;
- - 728,731 lei transfers to fixed assets

The total investments expenses recorded on 30.06.2017 is 1,504,279 lei, from which:

- 1,120,173 lei for the company' patrimony
- 384,106 lei for the public domain according to Oil Agreement

On 30.06.2017, the balance regarding **the financial assets** (810,089 lei) increased by 0.1% (1,014) comparing to 31.12.2016, due to the bank guarantee letter value' updating, constituted in Bancpost Bank in 2015. According to the provisions of art. 8 paragraph (25) and (30) title VIII Metodological Regulations of Law no.227/2015 regarding Fiscal Code' application, OIL TERMINAL SA, as authorized warehouse must update the guarantee' level according to the excisable products quantities, gone out during the previous year, for 2016. the udated value was approved by the Shareholders General Extraordinary Assembly' decision no.2 of 13.03.2017.

Current assets

On 30.06.2017, the total current assets recorded a decrease of 24.2% (11,007,101 lei) comparing to 31.12.2016 mainly duet o the cash flow and the cash folw equivalentents by 9,490,129 lei.

Debts on long term

Debts on long term recorded a decrease of 1.8% (637,500 lei) comparing to 31.12.2016, further the reimbursements of instalments related to the 2 investments credits contracted in 2011, namely 2013. In March 2017, the loan contract no.400112/2011 signed with Raiffeisen Bank came to maturity and the mortgage recorded in Raiffeisen Bank' favour was radiated, according to Decision no.42125/12.04.2017, issued by Constanta Cadastral Office Real Estate Advertising.

Current debts

On 30 June 2017 the current debts recorded a decrease of 12.6% comparing to 31.12.2016, mainly determined by the commercial debts to goods and services suppliers, due to the fact that, until the budget of revenues and expenditures' approval for 2017, the company must effect total expenses in the limit of 1/12 from the budget approved of 2016.

On 30.06.2017 the company does not record debts to the state budget, social insurances budget, local budget, investments suppliers, services supplies and goods deliveries.

Own capitals

Own capitals recorded a decrease of 0.6% comparing to 31.12.2016, mainly due to the net profit' diminishing by 26%, profit recorded on 30.06.2017 compaing to the valoric level recorded on 31.12.2016.

Provisions

On 30.06.2017, the company records provisions in a total amount of 2,150,035 lei, in decrease by 81.6% (9,538,138 lei) comparing to 31.12.2016 as, the followings were cancelled:

- provisions for litigations in the amount of 7,644,156 lei:
 - 4,239,925 thousand lei, representing canceled and income reversed provision following Civil decision no.13/05.04.2017, ordered by the High Court of Cassation and Justice in File no. 25976/212/2011 in contradictory with Constanta Customs Regional Direction of Customs National Authority
 - 3,311,040 lei, representing canceled and income reversed provision following the Civil sentence no. 1064/16.03.2017, ordered by the High Court of Cassation and Justice in File no. 5826/2/2012 in contradictory with the Ministry of Public Finances' General Direction of Economic Financial Inspection
 - 92,763 lei, representing canceled and income reversed provision following the Civil sentence no. 1660/2016 in File no. 29101/212/2013 in contradictory with Grup Feroviar Roman SA
- provisions for employees' benefits in an amount of 319,466 lei, representing retirement bonuses, employer's contributions included
- provision for the employees' participation to profit in an amount of 1,580,626 lei, from profit of 2016

Operating expenses regarding provisions in an amount of 6,110 lei were recorded.

Reversal on incomes from provisions of the amount 9,544,248 lei (untaxable revenues) had a positive impact meaning the profit from operation increased, on 30.06.2017.

The structure of provisions on balance on 30.06.2017, in a total amount of 2,150,035 lei, is the following:

- Provisions for litigations in an amount of 628,446 lei
- Provisions for employees' benefits in an amount of 1,521,589 lei

This provision was calculated according to Labour Collective Contract no.2029/28.12.2015, available in period 01.01.2016-31.12.2017, by estimating the average salary, the average salaries number to be paid for retirement, the period when these salaries are to be paid and the contributions due by the employer for the gross calculated amounts.

OIL shares evolution

The main shareholder is the Romanian State represented by the Ministry of Energy, owing 59.62% of the social capital.

On 30.06.2017, the shares were traded at the value of 0.1335 lei/share (closing price)

Information about issue

| | |
|--|---------------|
| Total shares number | 582,430,253 |
| Nominal value | 0.1000 |
| Social capital | 58,243,025.30 |
| Stock indicators on 30.06.2016 according to Bucharest Stock Exchange | |
| Capitalization | 77,754,438.78 |
| PER | 5.04 |
| P/BV | 0.18 |
| EPS | 0.03 |

b) Situation of overall result for a 6 month-period completed on 30 June 2017

| | 30 June 2017 (lei) (audited) | 30 June 2016. (audited) |
|--|---|------------------------------------|
| Revenues from services supplies | 75,709,946 | 78,022,049 |
| Revenues from residual products sale | 903,568 | 632,108 |
| Other revenues from operation | 10,316,717 | 2,438,391 |
| Material expenses | 4,218,768 | 3,704,588 |
| Expenses of energy and water | 2,379,834 | 2,157,897 |
| Expenses of employees | 34.817.081 | 30,557,092 |
| Expenses of services supplied by third parties | 8,497,310 | 6,017,595 |
| Expenses of amortization | 6,159,893 | 6,169,942 |
| Other operation expenses | 18,064,178 | 13,914,731 |
| Result from operation | 12,793,167 | 18,570,703 |
| Financial revenues | 162,463 | 430,359 |
| Financial expenses | 818,036 | 1,411,485 |
| Financial revenues and expenses (net values) | (655,573) | (981,126) |
| Gross year result | 12,137,594 | 17,589,577 |
| Expenses of taxation on profit | 720,395 | 3,031,349 |
| Net year result | 11.417.199 | 14.558.228 |
| Other elements of overall result: | | |
| Elements not be re classifies as profit and loss, from which: | 103,382 | 53,873 |
| Earnings from leased/scrapped assets reevaluation | 103,382 | 53,873 |
| Total overall result | 11,520,581 | 14,612,101 |
| Result per share (lei/share) | 0.01978018 | 0.02508815 |
| Dilluted result per share (lei/share) | 0.01978018 | 0.02508815 |

The main economic financial indicators achieved for the 6-month period completed on 30.06.2017, comparing to the Budget of Revenues and Expenses

| Indicators | Achieved Semester I 2017 (thousand lei) | Budget of revenuesand expenses Semester I 2017 (thousand lei) | Achieved/ Budget of revenuesand expenses (▲ ▼%) |
|---------------------------|--|---|---|
| 0 | 1 | 2 | 3=1/2 |
| Net turnover | 76,715 | 74,608 | ▲ 2.8 |
| Operation revenues | 76,827 | 74,913 | ▲ 2.6 |
| Operation expenses | 64,034 | 72,104 | ▼ 11.2 |
| Operational profit | 12,793 | 2,809 | ▲ 355.4 |
| EBITDA | 8,849 | 4,819 | ▲ 83.6 |
| Financial revenues | 162 | 595 | ▼ 72.8 |
| Financial expenses | 818 | 731 | ▲ 11.9 |
| Financial result | (656) | (136) | |
| Total revenues | 76,989 | 75,508 | ▲ 2.0 |
| Total expenses | 64,852 | 72,835 | ▼ 11.0 |
| Gross profit | 12,137 | 2,673 | ▲ 354.1 |
| Net profit | 11,417 | 1,705 | ▲ 569.6 |

Indicators achieved in the 6-month period completed on 30.06.2017 comparing to the approved level approved by the Budget of revenues and expenses shows the folowing evolution:

- Turnover increased by 2.8% due to increase by 3.6% of the revenues from services supplied
- Operation expenses increase by 2.6%

- Expenses from operation decrease by 11.2%
- Operational profit increased by 4.5 times (+ 9.984 thousand lei), due to: increase of revenues from operation, unachievement of operation expenses planned for semester I 2017, some provisions' revenues reverseal on incomes in a total amount of 10,280 thousand lei
- Gross profit increased by 4.5 times (+9,464 thousand lei) due to operationa; profit increase by 6.9 times
- Operation gross result EBITDA increased by 83.6% (+4,030 thousand lei)

Economic financial indicators achieved on 30.06.2017 comparing to the previous year

| Indicators | Achieved | Achieved | 2017-2016 (▲ ▼%) |
|---------------------------|-----------------------------------|-----------------------------------|---------------------|
| | Semester I 2017 (thousand lei) | Semester I 2017 (thousand lei) | |
| 0 | 1 | 2 | 3=1/2 |
| Net turnover | 76,715 | 78,628 | ▼ 2.4 |
| Operation revenues | 76,827 | 78,984 | ▼ 2.7 |
| Operation expenses | 64,034 | 60,414 | ▲ 6.0 |
| Operational profit | 12,793 | 18,570 | ▼ 31.1 |
| EBITDA | 8,849 | 22,632 | ▼ 60.9 |
| Financial revenues | 162 | 430 | ▼ 62.3 |
| Financial expenses | 818 | 1,411 | ▼ 42.0 |
| Financial result | (656) | (981) | |
| Total revenues | 76,989 | 79,414 | ▼ 3.0 |
| Total expenses | 64,852 | 61,825 | ▲ 4.9 |
| Gross profit | 12,137 | 17,589 | ▼ 31.0 |
| Net profit | 11,417 | 14,558 | ▼ 21.6 |

In period Semester 2017, the achieved Physical supplies program (2,455 thousand tons) decreased by 15.6% comparing to the achieved level on 30.06.2016 (2,908 thousand tons).

The diminishing supplies physical program led to the achievement of a turnover in an amount of 76.7 thousand lei, decreasing by 2.4% (1.9 million lei) comparing to the same period of the previous year.

OPERATIONAL RESULTS

Operational revenues

Operational revenues achieved on 30.06.2017 comparing to the approved level

| Indicators | Achieved | Budget of | Achieved/ |
|--|--------------------|--|--|
| | Semester I 2017 | revenues and expenses Semester I 2017 | Budget of revenues and expenses ▲ ▼ (%) |
| 0 | 1 | 2 | 3 = 1/2 |
| Handled quantities (thousand tons), from which: | 2,455 | 2,735 | ▼ 10.2 |
| Crude oil | 1,386 | 1,329 | ▲ 4.3 |
| Other petroleum and petrochemical products | 1,069 | 1,406 | ▼ 24.0 |
| Revenues from supplied services (thousand lei), from which: | 75,193 | 72,602 | ▲ 3.6 |
| Crude oil | 28,209 | 24,277 | ▲ 16.2 |
| Other products and services | 46,984 | 48,325 | ▼ 2.8 |
| Revenues from hires (thousand lei) | 225 | 227 | ▼ 0.9 |
| Revenues from different activities (thousand lei) | 292 | 436 | ▼ 33.0 |
| Other revenues from operation (thousand lei) | 112 | 283 | ▼ 60.4 |
| Other revenues (thousand lei) | 1,005 | 1,365 | ▼ 26.4 |
| Total revenues from operation (thousand lei) | 76,827 | 74,913 | ▲ 2.6 |

Revenues from the supplied services increased by 3.6 % comparing to approved Budget of Revenues and Expenses, due to the handled quantities' exceeding by 4.3%, namely by 57 thousand tons.

Operational revenues achieved on 30.06.2017 comparing to the previous year

| Indicators | Achieved | Achieved | 2017/2016 |
|--|--------------------|--------------------|---------------|
| | Semester I 2017 | Semester I 2017 | ▲ ▼ (%) |
| 0 | 1 | 2 | 3 = 1/2 |
| Handled quantities (thousand tons), from which: | 2,455 | 2,908 | ▼ 15.6 |
| Crude oil | 1,386 | 1,415 | ▼ 2.0 |
| Other petroleum and petrochemical products | 1,069 | 1,493 | ▼ 28.4 |
| Revenues from supplied services (thousand lei), from which: | 75,193 | 77,491 | ▼ 3.0 |
| Crude oil | 28,209 | 24,407 | ▲ 15.6 |
| Other products and services | 46,984 | 53,084 | ▼ 11.5 |
| Revenues from hires (thousand lei) | 225 | 232 | ▼ 3.0 |
| Revenues from different activities (thousand lei) | 292 | 299 | ▼ 2.3 |
| Other revenues from operation (thousand lei) | 112 | 324 | ▼ 65.4 |
| Other revenues(thousand lei) | 1,005 | 638 | ▲ 57.5 |
| Total revenues from operation (thousand lei) | 76,827 | 78,984 | ▼ 2.7 |

In period Semester I 2017, comparing to the same period of 2016, the revenues from the supplied services decreased by 3% (2,298 thousand lei) due to the diminishing of the handled quantities by 453 thousand tons.

Operational expenses

Operational expenses achieved on 30.06.2017 comparing to the approved level

| Indicators | Achieved | Budget of | Achieved/ |
|---|--------------------------------------|--|--|
| | Semester I 2017 (thousand lei) | revenues and expenses Semester I 2017 (thousand lei) | Budget of revenues and expenses ▲ ▼ (%) |
| 0 | 1 | 2 | 3 = 1/2 |
| Material expenses, from which: | 4,219 | 3,348 | ▲ 26.0 |
| - consumables expenses, from which: | 3,209 | 2,800 | ▲ 14.6 |
| - fuel expenses | 624 | 634 | ▼ 1.6 |
| Other external expenses (energy and water) | 2,380 | 2,307 | ▲ 3.2 |
| Employees expenses, from which: | 34,929 | 36,391 | ▼ 4.0 |
| - salaries expenses | 28,572 | 29,700 | ▼ 3.8 |
| - social protection expenses | 6,133 | 6,267 | ▼ 2.1 |
| - other employees expenses | 224 | 424 | ▼ 47.2 |
| Tangible and intangible assets amortization expenses | 6.160 | 6.184 | ▼ 0.4 |
| External supplies expenses, from which: | 24.572 | 19.058 | ▲ 28,9 |
| - maintenance (maintenance and repairs) | 10.560 | 6.819 | ▲ 54,9 |
| - oil royalty | 2.949 | 3.122 | ▼ 5,5 |
| - other services supplied by third parties | 11.063 | 9.117 | ▲ 21,3 |
| Regulations and depreciations for value loss and provisions, from which: | - 10.104 | - 1.983 | |
| -expenses regarding regulations and provisions | 176 | 6.392 | ▼ 97,2 |
| - revenues from provisions and regulations for depreciation or value loss | 10.280 | 8.375 | ▲ 22,7 |
| Other operation expenses | 1.878 | 6.799 | ▼ 72,4 |
| Total operation expenses | 64.034 | 72.104 | ▼ 11,2 |

The operation expenses achieved in the period January - June 2017 are by 11.2% less than the approved budget (72.1 thousand lei).

Operational expenses achieved on 30.06.2017 comparing to the previous year

| Indicators | Achieved | Achieved | 2017-2016 ▲ ▼ (%) |
|---|--------------------------------------|---|----------------------|
| | Semester I 2017 (thousand lei) | Semester I 2017 (thousand lei) | |
| 0 | 1 | 2 | 3 = 1/2 |
| Material expenses, from which: | 4,219 | 3,704 | ▲ 13.9 |
| - consumables expenses, from which: | 3,209 | 2,966 | ▲ 8.2 |
| - fuel expenses | 624 | 633 | ▼ 1.4 |
| Other external expenses (energy and water) | 2,380 | 2,158 | ▲ 10.3 |
| Employees expenses, from which: | 34,929 | 30,671 | ▲ 13.9 |
| - salaries expenses | 28,572 | 24,972 | ▲ 14.4 |
| - social protection expenses | 6,133 | 5,426 | ▲ 13.0 |
| - other employees expenses | 224 | 273 | ▼ 17.9 |
| Tangible and intangible assets amortization expenses | 6,160 | 6,170 | ▼ 0.2 |
| External supplies expenses, from which: | 24,572 | 16,769 | ▲ 46.5 |
| - maintenance (maintenance and repairs) | 10,560 | 5,365 | ▲ 96.8 |
| - oil royalty | 2,949 | 3,344 | ▼ 11.8 |
| - other services supplied by third parties | 11,063 | 8,060 | ▲ 37.3 |
| Regulations and depreciations for value loss and provisions, from which: | - 10,104 | - 2,108 | |
| - expenses regarding regulations and provisions | 176 | 103 | ▲ 70.9 |
| - revenues from provisions and regulations for depreciation or value loss | 10,280 | 2,211 | ▲ 364.9 |
| Other operation expenses | 1,878 | 3,050 | ▼ 38.4 |
| Total operation expenses | 64,034 | 60,414 | ▲ 6.0 |

The operation expenses achieved in semester I 2017 record an increase of 6% comparing to the same period of 2016, from 60.4 million lei to 64 million lei.

Dividends

By the Shareholders General Ordinary Assembly' decision no. 4/26.04.2017, the followings were approved:

- the proposal for the net profit distribution 2016 in an amount of 17,000,076 lei, as follows:

- Legal reserve 1,052,232 lei
- Other reserves representing fiscal facilities provided by law 141,580 lei
- Employees participation to profit 1,580,626 lei
- Dividends to be paid to shareholders 14,225,638 lei
- Own financing source 0 lei

- settling of the gross dividend per share for 2016 as 0.02442462 lei/share, settling of payment term and methods

- settling of payment term of 60 days according to provisions of art. 1 paragraph (3) of Government ordinance no.64/2001 regarding the profit' distribution in national companies, national and commercial companies with full or state state capital, with further alterations and additions.

- the Board of Directors' empowerment to appoint the payment agent according to the regulation framework applicable to dividends payment

- approval of 06.06.2017 as dividends' payment date according to art 2 letter g) of Regulation 6/2009 and art.129/3 of Regulation 1/2006

The unpaid dividends value on 30 June 2017 is 1,376,939 lei, representing the unpaid dividends value of previous years, from which:

- physical persons – 1,339,053 lei
- legal persons - 37,886 lei

c) Situation of cash flows on 30 June 2017

| Indicator | Period of 6 months completed on 30.06.2017 | Period of 6 months completed on 30.06. 2016 |
|---|---|--|
| I. Flow cash from operating activity | | |
| Net profit | 11,417,199 | 14,558,228 |
| Regulations for non monetary elements | | |
| Amortization and regulations from the fixed assets depreciation | 5,604,211 | 5,024,963 |
| Profit from fixed assets' disposal | (30,103) | (47,873) |
| Net movement of regulations for current assets | (9,464) | 6,692 |
| Net movement of provisions for risks and expenses | (9,538,138) | (969,979) |
| Other regulations | (992,676) | (409,766) |
| Loss regarding interests | 140,061 | 189,991 |
| (Profit)/Loss from different currency exchange rate differences | 519,314 | 801,689 |
| Operational profit before other alterations in the current capital | (4,306,795) | 4,595,717 |
| Increases in stocks value | 144,477 | (81,338) |
| (Increases)/Decreases of receivables | 1,372,495 | 921,356 |
| | (3,281,484) | (7,491,837) |
| Decreases in commercial and of different kind debts value | | |
| Net paid interests | (140,061) | (189,991) |
| Net cash flow from the operating activity | 5,205,831 | 12,312,135 |
| II Cash flow used in investments activity | | |
| Tangible and intangible assets | (1,507,371) | (10,029,538) |
| Decreases in assets value on long term | (1,014) | - |
| Net cash flow used in the investments activity | (1,508,385) | (10,029,538) |
| III Cash flow from financing activities | | |
| (Increase)/Decrease of loans on short term | 540,458 | 405,344 |
| Decrease of loans on long term | (637,500) | (1,042,843) |
| Paid dividends | (13,090,533) | (2,621,515) |
| Cash flow from financing activities | (13,187,575) | (3,259,014) |
| Net increase /(decrease) of cash and cash equivalents (I+II+III) | (9,490,129) | (976,417) |
| Cash and cash equivalents value at the year start | 26,001,896 | 21,022,923 |
| Cash and cash equivalents value at the period end | 16,511,767 | 20,046,506 |

ACTIVITY ANALYSIS

a) Uncertainty elements that could affect the company' liquidity

Credit risk

Credit risk is the risk of financial loss for Societate arising when a client or a business partner doesn't succeed to achieve contractual obligations. Societatea is exposed mainly to credit risk arisen from the services supplied to the clients. Annually, the contracts content regarding the services supplies for all liquid petroleum products are approved by National Agency of Mineral Resources' order. In these contracts, the commercial terms to fulfill the service supplied by the company to clients are presented:

- payment of services supplied in maximum 30 days;
- accessories calculation (penalties and delay interests) for the payment uneffectment in contractual terms by clients;
- in certain situations, well contractually stated, the revenues are cashed in advance;

- if the invoices are not paid in the term stipulated in contract, Societatea has the right to retain the transited cargo, until the amounts due by the clients' payment.

Liquidity risk

The risk of liquidity arises from the management of working capital and the financing expenses and main amount reimbursement for the company' credit instruments.

Oil Terminal' policy is to be sure that it always disposes of enough cash to allow the financial obligations' compliance to third parties (materials, services suppliers, employees, banks, state financial institutions, etc) when these obligations are due for payment.

To achieve this objective, the company took the following measures:

- monitoring of cashings in contractual term;
- contracting of a credit line type work capital and its use only in situations when the current cash balance is not enough for the due payments effectment;
- keeping of a cash balance to meet the payments needs;
- issuing of a weekly cash flow.

By applying the above - mentioned measures, the company has enough liquid resources to achieve its obligations in all reasonable predicted situations.

The liquidity indicators provide the guarantee to cover the current debts from current assets. The current liquidity represents the ratio between the curent assets and the current debts, recording in semester I 2017 the value of 1.85 than 2.08 in semester I 2016.

The immediate liquidity (acid test) represents a ratio between the diminished current assets by stocks and the current debts, this indicator' value being 1.80 in semester I 2017 than 2.04 in semester I 2016.

The debts balance on 30 June 2017, from which:

| | Net value | Contractual value | <12 months | 1-2 years | 2-5 years |
|--|-------------------|--------------------------|----------------------|------------------|------------------|
| Balance of debts on 30 June 2017 from which: | | | | | |
| Commercial debts and other current debts | 12,053,659 | | 12,053,659 | | |
| Debts regarding taxes and fees | 5,256,764 | | 5,256,764 | | |
| Loans | 7,968,750 | 10,200,000 | 1,275,000 | 1,275,000 | 5,418,750 |
| TOTAL | 25,279,173 | 10,200,000 | 18,585,423 | 1,275,000 | 5,418,750 |

Other debts:

| | | | | | |
|---|-------------------|--|--|--|--|
| Debts regarding tax on postponed profit | 28,624,578 | | | | |
| TOTAL | 28,624,578 | | | | |

On 31.12.2016, it recorded, according to provisions of IAS 8 "Accountancy policies, accountancy estimations and errors' estimations", taxation on postponed profit on own capitals by account , 'Reported result arisen from accountancy errors' correction" in a total amount of 28,723,015 lei, diminished by the amount of 98,437 lei, representing taxation on postponed profit for the reserves from reevaluation for the transferred leased/scrapped assets in the reported result.

b) Capital expenses (investments)

The investments activity in Oil Terminal SA Constanta runs in two main directions:

- Investments objectives for the company' own patrimony
- Investments objectives related to public domain, according to Minimal Program regarding the rehabilitation and upgrading of the petroleum terminal 2013-2017 annex of the Leasing petroleum agreement concluded with the National Agency of Mineral Resources.

For 2017 the expenses for investments are 25,384 thousand lei, constituted on the investments financing source level, from which credits reimbursements for investments in an amount of 1,815 thousand lei, and the investments expenses in an amount of 23,569 thousand lei.

The investments expenses structure for 2017 (Budget of Revenues and Expenditures) and Semester I 2017 (Budget of Revenues and Expenditures and achieved) comparing to Semester I 2016 (achieved):

| No. | Investment type | Approved value Year 2017 (thousand lei) | Approved value Semester I 2017 (thousand lei) | Achieved value Semester I 2017 (thousand lei) | Achievement degree Achieved/Budget of Revenues and Expenses Semester I 2017 (%) | Achieved value Semester I 2016 (thousand lei) | Achievement degree S1 2017 / S1 2016 (%) |
|-----|---|---|---|---|---|---|--|
| 0 | 1 | 2 | 3 | 4 | 5=4/3 | 6 | 7=4/6 |
| 1 | Investments going on | 2,407 | 987 | 305 | 31 | 6,751 | 5 |
| 2 | New investments | 665 | 0 | 0 | - | 0 | - |
| 2 | Investments in tangible assets (upgradings) | 10,135 | 135 | 87 | 64 | 0 | - |
| 3 | Equipments | 5,960 | 522 | 731 | 140 | 276 | 265 |
| 4 | Investments in public domain | 4,402 | 445 | 384 | 86 | 3,002 | 13 |
| 5 | Total | 23,569 | 2,089 | 1,507 | 72.1 | 10,029 | 15.0 |

Current capital expenses achieved on 30.06.2017 (expenses for assets' acquisition, development and upgrading) were financed from own sources (cash revenues).

On 30.06.2017, the investments expenses level recorded was in a total amount of 1,507 thousand lei, less by 27.9% than the approved level for semester I 2017 (2,089 thousand lei).

The causes leading to this situation were the followings:

- the investments supplier for the objective "Upgrading of gas oil metering skid jetties 70 and 75" notified the company that, since 08.05.2017 went into insolvency, on a creditor' request On 26.06.2017, in civil file no.9627/3/2017, Bucharest Court of Appeal gave the Civil sentence no.1190, by which it rejected the request for the insolvency as groundless, according to the Certificate of Registrar, recorded in the company' registrar with number 9047/21.07.2017, reason for which the objective' put in work term was extended until trimester III 2017.
- For the investments objective "Upgrading gas oil metering facility in Port Storage Farm", the delivery term for the imported equipments was offset for semester II 2017, due to import terms.

The main investments objectives achieved in semester I 2017 are:

- Analyzer for oil products' sulphur content determination – 268,000 lei;
- Upgrading of shoretank 34 South Storage Farm (according Oil agreement) - 243,050 lei;
- Upgrading of gas oil metering skid – 141,056 lei;
- Upgrading gas oil metering skid - 141,056 lei;
- Dacia Duster Laureate 1,5 109 PH (2 pieces) – 131,771 lei;
- Aboveground positioning of pipeline network in Port Storage Farm – MIM Bridge - 115,387 lei;
- Safety cabins (17 pieces) – 119,743 lei;
- Aboveground positioning of pipelines network in Port Storage Farm – MIM bridge – 115,387 lei;
- Upgrading of shoretank 23 Port Storage Farm 87,000 lei;

- Remote equipment for oil products' sulphur content determination in waste waters and soil – 81,000 lei;
- Centralized system for technical gases supply – 54,738 lei;
- Upgrading of railway platform South Storage Farm – 48,000 lei;
- Safety shower (8 pieces) – 31,608 lei;
- Server HP DL 80 – 23,985 lei;
- Protherm electric boiler 24 kv (2 pieces) – 7,930 lei;
- Access control panel – 5,654 lei.

c) Other elements/events

Elements with impact on the revenues from the main activity

The tariffs applied by the company for crude oil and petroleum products' handling through oil terminal are regulated ones, namely they are tariffs settled by the National Agency for Mineral Resources (ANRM) and approved by ANRM' Chairman, according to Oil agreement concluded between Societatea and the Agency, according to Government Decision no.886/2002.

The tariffs applied by the company in semesre I 2017 were approved by ANRM' order no.251/01.11.2016, in force on 07.11.2016, the publishing date in Official Gazette, Part I.

All tariffs applied by the company, namely fuel oil, chemical products, hires, different laboratory analyses are regulated tariffs, approved according to provisions of art.18, paragraph 4.1 of Societatea' Constitutive act.

The commercial policy applied to Oil Terminal' main clients (private domain) decisively influences the services supplies volume handled through oil terminal (major state capital).

On 30.06.2017, the main clients with a cumulated invoiced value more than 3.0 million lei, are the followings|:

| | |
|---------------------|------------------|
| - Petrotel Lukoil | 18.3 million lei |
| - OMV Petrom | 12.0 million lei |
| - Vitol | 10.8 million lei |
| - Litasco | 6.9 million lei |
| - Oscar Downstream | 6.7 million lei |
| - Mol România | 5.1 million lei |
| - Euronova Energies | 3.0 million lei |

Events held in the period of semester I 2017

During the 6 months of 2017, in the company the following outstanding events were held:

- On 19.01.2017, Mr. Dumitru Matei, appointed as the Board of Directors' Chairman by Decisio no.94/18.19.2016 sent a communication by which he gave up the Board of Directors' Chairman' position

- By the Board of Directors' decision no. 3/20.01.2017, the recruitment and selection procedure for the General Director and Financial Director was suspended, according to EGO no.109/2011' provisions, approved with alterations and additions by Law no.111/2016, the adjournment being unoperative on CV' deposition term.

- During February 2017, the salary negotiation for 2017 was completed, negotiation by which the company' employees' salaries increase was approved, since 01.05.2017, according to the Board of Directors' decision no.19/06.03.2017

- On 25 February Petrotel Lukoil refinery ceased its activity for technical revision until 04 April 2017. Due to this reason, the crude oil quantity pumped in February was only 172 thousand tons, in March no crude oil was pumped to Petrotel. For the same reason, Petrotel Lukoil effected no exports through the terminal in March and April.

- By the Board of Directors' decision no.36/09.03.2017, Societatea Oil Terminal SA' Board of Directors' report for the financial year ended on 31.12.2016, issued according to Law no.297/2004, CNVM Regulation no.1/2006 and OMFP' regulation no.2844/12.12.2016, was approved.

- By the Shareholders General Ordinary Assembly' decision no. 1/10.03.2017 the followings were adopted:

- It does not take note of the Board of Directors' report regarding EGO 109/2011' implementation stage and the management plan' management component presentation;
- It takes note of the Board of Directors' report regarding EGO 109/2011' implementation stage;
- It does not take note of the Board of Directors' report regarding the management plan' management component presentation;
- It approves the Shareholders General Ordinary Assembly decision no.7/10.10.2016' applicability' ceasing;
- It approves the Shareholders General Ordinary Assembly decision no.9/21.11.2016' applicability' ceasing;
- It recalls Societatea Oil Terminal SA' Board of Directors' members' position, the followings:
 1. Costreie Toma Bogdan
 2. Grigorescu Cătălin Constantin
 3. Tanase Iulia Gabriela
 4. Ghiță Bogdan Valentin
 5. SC STAAR RATING SRL
 6. Matei Dumitru
 7. Moise Nicoleta Mariana
- it appoints as Societatea Oil Terminal SA' Board of Directors' interim managers, by the cumulative voting method the followings:
 - COSTREIE TOMA BOGDAN
 - BARBU IONUȚ
 - GHEORGHE CRISTAN FLORIN
 - BECTEMIR HERMINA
 - ANDREI OVIDIU AURELIAN
 - MOISE NICOLETA MARIANA
 - SC STAAR RATING SRL
- It approves Societatea Oil Terminal SA' Board of Directors' interim managers mandate, appointed by the cumulative voting method of 4 months or until managers' appointment by the Shareholders General Assembly, in terms provided by EGO 109/2011, if this occurs before the 4-month term achievement;
- It settles the Board of Directors' interim managers' fixed monthly indemnity, equal to the latest 12 months' average of the gross monthly average earning for the activity held according to the main activity object, recorded by the company, according to the national economy activities classification, communicated by the Statistics National Institute, previously the appointment;
- It approves the management contract form to be concluded with the interim managers;
- It empowers Mrs. Aura Gabriela Dumitru, as the Ministry of Energy' representative in the Shareholders General Assembly, to sign the interim managers mandate contracts' signing, managers appointed in the meeting of 10.03.2017.

- By the Shareholders General Extraordinary Assembly' decision no. 2/13.03.2017, it approved the issuing of the bank guarantee letter in an amount of 5.5 million Euros, in order to update the constituted guarantee level related to the storage fiscal warehouse authorization

- By the Shareholders General Extraordinary Assembly' decision no. 40/03.04.2017, it appoints Mr. Gheorghe Cristian – Florin, as the Board of Directors' Chairman.

- By the Shareholders General Ordinary Assembly' decision no.3/18.04.2017, the followings were adopted:

- it approved the Budget of Revenues and expenditures for 2017;
- It approved the maintenance of security and real estate guarantees related to Credit contract no.1403/27.11.2015 already constituted in the bank' favour (approved by the Shareholders General Assembly no.8/21.11.2016) to guarantee the amount of 10,500,000 Euros plus interests and other related commissions, by signing the additional acts of the mortgages and of a new Real estate mortgage contract for the amount of 5,500,000 Euros, having in view the increasing by 5,500,000 Euros of the bank guarantee letter issue facility, approved by the Shareholders General Extraordinary Assembly' decision no. 2/13.03.2017

- By the Shareholders General Ordinary Assembly' decision no.4/26.04.2017, the followings were adopted:

- ✓ it approves the financial situations for 2016, issued according to International Financial Reporting Standards (IFRS) containing: financial position situation, overall result situation, own capitals alterations situation, cash flows situations, notes of financial situations, according to the Board of Directors' report and Independent financial auditor report.
- ✓ it approves the managers' management discharge for the activity run in the financial year 20167
- ✓ it approves the financial year report 2016 issued according to CNVM 1/2006 Regulation
- ✓ it approves the proposal for the net profit distribution 2016 in an amount of 17,000,076 lei, as follows:

| | |
|---|----------------|
| • Legal reserve | 1,052,232 lei |
| • Other reserves representing fiscal facilities provided by law | 141,580 lei |
| • Employees participation to profit | 1,580,626 lei |
| • Dividends to be paid to shareholders | 14,225,638 lei |
| • Own financing source | 0 lei |
- ✓ it approves the settling of the gross dividend per share for 2016 as 0.02442462 lei/share. It settles the 60-day payment term according to provisions of art.1 paragraph (3) of Government ordinance no.64/2001 regarding the profit distribution in national companies, national and commercial companies with full or major state capital, with further alterations and additions "companies, in which state or a territorial administrative unit is an unique, major shareholder, or has control, have the obligation to pay the shareholders' dividends in 60-day term since the term provided by law for the annual situations deposition". Details regarding the payment methods, agent or the supporting documents will be communicated to shareholders before the Payment Date by a press release and will be submitted to Bucharest Stock exchange and to Financial Survey Authority in a current report;
- ✓ it empowers the Board of Directors to appoint the payment agent according to the regulation framework applicable to dividends payment;
- ✓ it approves the date 05.06.2017 as dividends' payment date according to art 2 letter g) of Regulation 6/2009 and art.129/3 of Regulation 1/2006

- By the Board of Directors' decision no.44/27.04.2017, it settled the advisory structure, to run inside the Board of Directors, as follows:

- **Audit Committee:**
MOISE Nicoleta-Mariana - Chairman
BARBU Ionuț – Member
COSTREIE Toma-Bogdan – Member
- **Nomination and Remuneration Committee:**
COSTREIE Toma-Bogdan - Chairman
MOISE Nicoleta-Mariana – Member
ANDREI Ovidiu Aurelian – Member
BECTEMIR Hermina – Member
SC STAAR RATING SRL by representative, Dan Bărbulescu – Member
- **Development and Strategies Committee:**
ANDREI Ovidiu Aurelian – Chairman
BECTEMIR Hermina – Member
BARBU Ionuț – Member
COSTREIE Toma-Bogdan - Member

- By the Board of Directors' decision no.51/12.05.2017, it approves the Non audited simplified interim financial situations, concluded on 31.03.2017, issued according to applicable Accountancy Regulations, namely the Public Ministry' Order no.2844/12.12.2016
- By the Board of Directors' decision no.52/12.05.2017, it approves Societatea Oil Terminal SA' board of Directors' report for trimester I 2017, issued according annex no.30 of National Securities Company Regulation no.1/2006
- By the Board of Directors' decision no.54/12.05.2017, it approves the credit line extension in an amount of 5 million lei for a 12-month period.
- By the Shareholders General Ordinary' decision no.5/19.06.2017, it approved the guarantees structure related to the investments credit, as follows:

a) field in a surface of 66,632 sq.m. (South Storage Farm Movila Sara)

Fixed assets located on the field in a surface of 66,632 sq.m.:

- shoretank (R22) capacity 31,500 CM located in South Storage Farm, inventory number 11222512
- shoretank (R24) capacity 31,500 CM located in South Storage Farm, inventory number 11222860
- shoretank (R26) capacity 31,500 CM located in South Storage Farm, inventory number 11222873
- Foam house at shoretank 31,500 CM located in South Storage Farm, inventory number 11210589
- Foam house at shoretank 31,500 CM located in South Storage Farm, inventory number 11210590
- Foam house at shoretank 31,500 CM located in South Storage Farm, inventory number 11210591

b) mortgage on the current accounts to be opened in the creditor bank

- By the Shareholders General Ordinary Assembly' decision no.6/19.06.2017, the followings were adopted:
 - it approved the recalling of SC ROMAR – CO AUDIT SRL from the company' statutory financial auditor position, following the service supplies contract no.220/12.19.08.2015' expiry.
 - it approved the appointment of SC ROMAR – CO AUDIT SRL, as the company' statutory financial auditor for a 3-year period
- By the Shareholders General Ordinary Assembly' decision no.7/19.06.2017, the followings were adopted:
 - it takes note of the information on the approval of the credit line of 5,000,000 Ron' extension for a 12-month period;
 - it approved maintenance of guarantees structure related to the credit line in an amount of 5,000,000 lei' extension, for a 12-month period, as it was approved by Shareholders General Ordinary Assembly' decision no.4/11.08.2016.
- By the Shareholders General Ordinary Assembly' decision no.8/19.06.2017, the followings were adopted:
 - it rejected the extension of the management contracts period extends until some managers appointment according to EGO 109/2011 provisions but not later than 09.03.2021;
 - it rejected the approval of the performance indicators and criteria, calculation method and target values for the company' managers for 2017, annex to the management contracts.
 - It rejected the conclusion of an additional act to the management contracts, approved by Shareholders General Ordinary Assembly' decision no.1/10.03.2017 with the following articles:
 - *Art.1 It extends the management contract period extends until some managers appointment according to EGO 109/2011 provisions but not later than 09.03.2021.*
 - *Art. 2 The manager will exercise all the necessary acts in order to achieve the performance objectives and criteria settled in annex no.3 of the present management contract together with the other members of the Board of Directors*
 - it rejected the approval of the insurance annual premium for the general director' and the company' managers' civil liability in an amount of 5500 Euros for 1 million lei liability limit.
- By the Shareholders General Ordinary Assembly' decision no.10/19.06.2017, the followings were adopted:
 - it approved the shareholders' recalling, since 11.07.2017, further the mandate' ceasing, of Societatea OIL TERMINAL SA' Board of Directors' interim managers, appointed by Societatea' Shareholders General Ordinary Assembly decision no.1/10.03.2017, as follows:
 1. Costreie Toma Bogdan
 2. Gheorghe Cristian Florin

3. Barbu Ionut
4. Bectemir Hermina
5. SC STAAR RATING SRL
6. Andrei Ovidiu Aurelian
7. Moise Nicoleta Mariana

- it approved, since 11.07.2017, Societatea Oil Terminal SA' Board of Directors' interim managers, as follows:
 1. Costreie Toma Bogdan
 2. Gheorghe Cristian Florin
 3. Bectemir Hermina
 4. Andrei Ovidiu Aurelian
 5. Barbu Ionuț
 6. Cononov Paul
 7. Cîmpeanu Nicolae
- it approved Societatea Oil Terminal SA' Board of Directors' interim managers' mandate period, managers appointed since 11.07.2017, for 4 months or until the appointed of managers by Shareholders General Assembly, in terms of EGO 109/2011' if this appointment occurs before the 4-month term achievement;
- it settled the Board of Directors' interim managers' fixed monthly indemnity, equal to the latest 12 months' average of the gross monthly average earning for the activity held according to the main activity object, recorded by the company, according to the national economy activities classification, communicated by the Statistics National Institute, previously the appointment;
- it approved the management contract form to be concluded with the interim managers;
- it empowers Mr. Corneliu Condrea, as the Ministry of Energy' representative in the Shareholders General Assembly, to sign the interim managers mandate contracts' signing, managers appointed in the meeting of 19.06.2017.
- it took note of the information regarding the proposal of non redistribution/non distribution as an additional dividend of some accountancy amounts on 31.12.2016 from the accounts "Other reserves" (account 1068) and "Reported result" (account 117)

- By Shareholders General Extraordinary Assembly' decision no.10/19.03.2017, it approved the conclusion of an investment credit in an amount of 26,770,050 lei, on long term, for the investments objectives' funding "Crude oil pipelines network aboveground laying (T1 and T2) port Storage Farm – South Storage Farm" and "R34/S shoretank' upgrading"

- By Decision no.11 of 19.06.2017, Societatea OIL TERMINAL SA' Shareholders General Extraordinary Assembly approved art.7 paragraph 3 of the company' constitutive act' alteration and addition as follows:

Art.7 Social capital

- (1) Societatea OIL TERMINAL is a joint-stock company, of open type.
- (2) The social capital is 58,243,025.30 RON, divided in 582,430,253 nominative shares in a nominal value of 0.10 RON each and is fully subscribed and paid out by shareholders.
- (3) Shareholding and capital' structure is:

| Shareholders | Shares number | Percentage from social capital |
|----------------------------------|----------------------|---------------------------------------|
| Ministry of Energy | 347,257,973 | 59.62 |
| Other physical and legal persons | 235,172,280 | 40.38 |
| TOTAL | 582,430,253 | 100 |

Events occurring further the 6-month period ended on 30 June 2017

- By the Board of Directors' decision no. 67/17.07.2017, according to art.18 paragraph (5) of the Constitutive Act in force, Mr. Florin Cristian GHEORGHE, was appointed as the Board of Directors' Chairman. Societatea Oil Terminal SA' Board of Directors' Chairman is of 4 months or until managers' appointment by the Shareholders General Assembly, in terms of EGO 109/2011, if this occurs before the 4-month term completion.

- By the Board of Directors' decision no. 68/17.07.2017, the advisory committees' componency, working inside the Board of Directors, was settled, as follows:

- **Audit Committee:**
CIMPEANU Nicolae - Chairman
BARBU Ionut – Member
COSTREIE Toma-Bogdan– Member
- **Nomination and Remuneration Committee:**
COSTREIE Toma-Bogdan - Chairman
CIMPEANU Nicolae – Member
ANDREI Ovidiu Aurelian– Member
BECTEMIR Hermina– Member
CONONOV Paul – Member
- **Development and Strategies Committee:**
ANDREI Ovidiu Aurelian – Chairman
BECTEMIR Hermina– Member
BARBU Ionut – Member
COSTREIE Toma-Bogdan – Member
CONONOV Paul – Member

Other aspects

Litigations

On 30.06.2017, Societatea Oil TERMINAL SA is involved in 76 files, pending on Courts. In 23 files, it is a defendant and in 53 files it is a complainant or a contesting party.

The company records provisions for litigations, in an amount of 628,446 lei, on 30 June 2017.

I. File no. 25976/212/2011 pending Constanta Court with object Contraventional claim against Observation protocol no.144/16.09.2011, concluded by Constanta Regional Customs Direction of Customs National Authority, by which we were punished for:

- Customs declarations and accompanying documents containing errors data regarding plus goods quantity deposit;
- Customs declarations and documents in which the products names proposed by the Customs central laboratory don't comply with that indicated by the depositary;
- Unachievement of Customs regime holder' obligation provided in the Customs warehouse authorization. For noncomplying with art. 653, letters f,h, art.652 letter m of GD 707/2006, for approval of Romanian Customs Code, the company was fined by 16,000 lei.

In the file, evidence was administrated with the respondent examination, oral evidence, technical expertise evidence.

By decision no.3605/18.03.2016, the court gave the following solution:”it admits the contraventional complaint. It cancels the contraventionsreport no.144/16.09.2011 issued by Customs National Authority, through Constanta Customs Regional Direction.

Defendant' appeal: 14.12.2016

The appeal court rejected the appeal as groundless by the Civil sentence no.13/05.04.2017.

The civil sentence has not been communicated yet.

For this file, a provision of 4,239,695 was constituted, cancelled on 30 april 2017.

II. File no.1517/118/2012, creditor: Oil Terminal SA and debtor: SC Byotech Prod General, by which the defendant is obliged to pay the total amount of 251,185 lei.

By Civil sentence no. 16622/24.10.2012, Constanta Court admits the summons submitted by the claimant OIL TERMINAL SA, in contradictory with the defendant SC Byotech Prod General SRL. It obliges the defendant to pay the amount of 164,066 lei, to the claimant, representing the countervalue of VAT for the excise of 863,504 lei and the amount of 87,119 lei, representing delay penalties. It obliges the defendant to apy to the claimant court expenses in an amount of 8,255.70 lei.

Request of enforcement was submitted. The bailiff put garnishment to all the debtor' accounts. Until the present date, the debt hasn't been recovered due to funds' lack.

For this file, a provision of 246,970 lei was constituted.

III. File no.3164/118/2014, pending Constanta Court, in contradictory with Union Oil Terminal, by which the claimant requests to the defendant the additional hours payment worked in 2013 and uncompensated by free time, and for those who received the compensation in 2014, to be paid the c/value of the benefits for these worked and not paid hours and the meal tickets for the additional hours worked in 2013 according to individual labour contract and the collective one for the company, available until 31.12.2013.

The first term was given for 19.09.2014, the court agreed the inscriptions evidence and the accountant expertise to be deposited.

On term of 17.02.2017, Court ordered the file' suspension according to provisions of art.411 paragraph 1 item 1 of the Civil procedure code, with appeal during suspension.

For this file, a provision of 7,800 lei was constituted.

IV. File no.11403/212/2011 pending on Constanta Court, by which the claimants Iasar Ana, Iasar Tair, Iasar Doina, Iasar Sevinci, Iasar Esan, Iasar Ghiulgean, Iasar Ssbria request the claimants Oil Terminal SA, Oil Prod SRL, Eco Petroleum SA to pay the materials gamages in an amount of 30,000 lei and moral damages in an amount of 60,000 lei.

By Conclusion of 26.06.2013, the file will be suspended by its own, according to art.36 of Law no.85/2006, due to Oil Prod SRL' insolvency.

With appeal in the term provided by art. 244 index 1 paragraph 2 Code of civil procedure.

For this file, a provision of 90,000 lei was constituted.

V.File no.3752/118/2016 pending on Constanta court, in contradictory with Romania Audit Office with, object: contestation against decision no. 35/19.05.2016 by which Oil Terminal SA asks for the cancellation of measures ordered by the control entity.

The action was submitted on 06.06.2016.

On term of 06.10.2016 a new term was given to communicate the mentions deposited by parties and the intervention request submitted by the manager Staar Rating SRL.

Solution shortly: '' it rejects the main intervention request as inadmissible. With appeal in 5 days since it was given for the present parties and since communication for the absent parties. Given on 17.11.2016 in public meeting. Term for the file' matter 08.12.2016''

Appeal of Staar Rating SRL on 06.12.2016

Term: 08.12.2016- suspended until Staar Rating SRL' judgement

Staar Rating SRL appealed on 06.12.2016

By Civil sentence no.254/23.03.2017, Constanta Court of Appeal rejected the appeal as groundless.

The resolution is final.

On term of 15.06.2017, Court remained in judgement in the accessory intervention request submitted by Staar Rating SRL.

By decision of 15.06.2017, Constanta Court of Justice rejected the accessory intervention request as unacceptable.

On 14.07.2016, Constanta Court suspended the file until the judgement of appeal submitted by Staar Rating SRL against the decision of 15.06.2017, by which Constanta Court rejected its accessory intervention request.

For this file, the amount of 146,763 lei was recorded in the account – Contingent assets.

VI. File no.4106/118/2016 pending on Constanta court, in contradictory with MFP- Complaints and contestation resolution dept. with object: contestation against decision no.17/P/25.04.2016, by which the previous complaint submitted by Oil Terminal against Compulsory order no.4/13.01.2016 and the Economic financial inspection report no.47/13.01.2016 by which Oil Terminal asks for the control entity measures cancellation, was solve dup.

Action deposited on 23.06.2016.

By civil sentence no. 1438/28.10.2016 Constanta court gave the following solution: it rejects the contestation as groundless''. The decision is final and can be appealed in 15 days since communication.

Civil sentence was communicated on 03.03.2017.

Appeal submitted by Oil Terminal SA on 17.03.2017.

By civil sentence no.492/29.05.2017, Constanta Court of Appeal rejected the appeal as groundless.

The decisioon is final, all appeals having been exhausted. Civil sentence no.492/29.05.2017 has not been communicated yet.

For this file, a provision of 3,150 lei was constituted.

VII. File 4010/87/2015, pending Teleorman court, in contradictory with Interagro SRL with object : insolvency. Oil Terminal SA submitted a recording request to statement of affairs for the amount of 1,557,336.05 lei.

By decision no.317/16.06.2016, court gave the following solution:

- "it partly admits the call for abstention and replacement of legal administrator, submitted by ZRP Insolvency SPRL
- It orders the interim legal administrator replacement represented by legal administrators holding made of CITER Bucharest branch and ZRP Insolvency SPRL by the interim legal administrator CITER Bucharest branch SPRL.
- It rejects as groundless the exception of conexing inadmissibility submitted by the creditor Attorney Ciobanu Crina Ionela.
- It rejects as groundless the exception of conexing request lateness submitted by creditor SC AUTOCORA SRL
- It admits the conexing request
- It orders to submit the file no.4010/87/2015 and the associated files regarding the debtor SC INTERAGRO SRL to Bucharest court, section VII CIVIL, the firstly settled court to solve up the file no. 36095/3/2015 regarding the debtor SC INTERAGRO SA"

The decision is final and appealed in 7 days since communication.

By decision no.1617/13.10.2016, Bucharest Court of appeal rejected the appeals submitted by SC AUTOCORA SRL and SC INTERAGRO SA, as groundless

The decision is final and has not been communicated yet.

By Resolution no. 204/02.02.2017, the court rejected the appeal as groundless. The decision is final.

Civil sentence was communicated on 13.03.2017.

For this file, a regulation for the debt' depreciation in an amount of 1,557,336 lei was constituted.

VIII. File no.2380/118/2013 and File no.2380/118/2013/a7 pending Constanta court. Firstly a request to record to the statement of affairs with the amount of 242,498.99 lei was submitted.

On term 02.06.2014, it ordered the bankruptcy, information address of 04.06.2014.

Further, on term 19.08.2014- court remaining in pronouncing on the legal administrator' request for the company' bankruptcy. On 26.08.2017 the court gave the interim decision no.2201 and it orders the bankruptcy of debtor according to art.107 paragraph -1 letter a,c,b. As legal liquidator, Global Insolvency was appointed. Sentence was communicated on 15.09.2014.

Term for the debt recording 10.10.2014. On 07.10.2014 the company recorded to the statement of affairs for the amount of 1,291,599.10 lei.

Term:17.11.2014-bankruptcy

On 24.11.2014 legal liquidator is confirmed to be Spectrum Insolvency IPURL and his fee is approved.

On 29.01.2015, the liquidator communicated the recording to the statement of affairs with the amount of 1,068,322.18 lei.

The company deposits contestation for recording to the statement of affairs on 04.05.2015.

On 20.05.2015, the court orders: "it pends on again the file. It settles term for 15.06.2015, when the parties are cited with a copy of the present decision, the court discussing the administration of evidence with the legal accountant expertise to settle: 1. the debts value of creditor SC OIL TERMINAL SA arisen after the insolvency procedure opening and after the debtor' bankruptcy, arisen from hire contracts concluded with the debtor; 2. the value of payments effected by debtor SC OIL TERMINAL SA to the creditor further the insolvency procedure opening and further the debtor' bankruptcy; 3. value of devt owned by the creditor SC OIL TERMINAL SA, arisen after the insol;vency procedure opening until the bankruptcy, by deducting the payments effected by the debtor after the insolvency procedure opening i two alternatives:1. by deducting the payments eefected by debtor, both from the debts value, arisen before the insolvency procedure opening - recorded in the final table of debtor' obligations and from the value of debts arisen after the insolvency procedure opening until the debtor' bankruptcy; 2. by deducting the paymemts effected by debtor only from the debts value arisen after the insolvency procedure opening until the debtor' bankruptcy".

By decision no.303/08.02.2016, court partly admits the contestation submitted by the creditor SC OIL TERMINAL SA in contradictory with the defendant SPECTRUM INSOLVENCY IPURL, legal administrator of debtor SC OIL PROD SRL. It orders the recording in the final table consolodated of

debtor' debts SC OIL PROD SRL of the debt in a total value of 1,199,000.71 lei of creditor SC OIL TERMINAL SA.

The civil sentence has not been communicated yet.

For these files, a regulation for the debt' depreciation in an amount of 1,304,907 lei was constituted.

CHANGES TO AFFECT THE COMPANY' CAPITAL AND MANAGEMENT

Shareholding' structure

On 30.06.2017, as reference date, the shareholding' structure is the following:

| Shareholders | Shares number | Percentage from social capital |
|--------------------|--------------------|--------------------------------|
| Ministry of Energy | 347,257,973 | 59.6222 |
| Legal persons | 60,125,499 | 10.3232 |
| Physical persons | 175,046,781 | 30.0546 |
| TOTAL | 582,430,253 | 100.0000 |

The presentation of the company' managers' list:

The company' management is provided by a Board of Directors made of 7 members.

The Board of Directors' structure in the period of semester I, until the present report date was as follows:

| No. | Name/first name | Birth date | Profession | Position |
|-----|-------------------------------|------------|---|---|
| 1. | CATALIN CONSTANTIN GRIGORESCU | 21.05.1975 | Legal adviser | Manager 28.03.2016-09.03.2017 |
| 2. | IULIA GABRIELA TANASE | 05.07.1979 | Engineer | Manager 28.03.2016-10.10.2016 13.12.2016-09.03.2017 |
| 3. | DUMITRU MATEI | 08.07.1965 | Engineer | Manager May 2015 – present BoD Chairman 18.10.2016-19.01.2017 |
| 4. | BOGDAN VALENTIN GHITA | 05.07.1969 | Engineer | Manager 28.03.2016 – 10.10.2016 13.12.2016 – 09.03.2017 |
| 5. | TOMA – BOGDAN COSTREIE | 13.11.1976 | Legal adviser | Manager May 2015 – present BoD Chairman April 2016-17.10.2016 20.01.2017-02.04.2017 |
| 6. | NICOLETA MARIANA MOISE | 27.08.1982 | Economist | Manager 11.08.2016 – 10.10.2016 13.12.2016 – 10.07.2017 |
| 7. | S.C. STAAR RATING SRL | - | Legal entity represented by Dan Cristian BARBULESCU | Manager May 2015-10.07.2017 |
| 8. | CRISTIAN FLORIN GHEORGHE | 03.08.1975 | Engineer | Manager 10.03.2017- present BoD Chairman 03.04.2017 - present |
| 9. | IONUT BARBU | 05.08.1978 | Engineer | Manager 10.03.2017-present |

| | | | | |
|-----|-----------------------|------------|---------------------------|-------------------------------|
| 10. | HERMINA BECTEMIR | 15.07.1974 | Engineer | Manager 10.03.2017-present |
| 11. | OVIDIU AURELIAN ANDRE | 25.08.1967 | Enginner/Legal adviser | Manager 10.03.2017-present |
| 12. | NICOLAE CIMPEANU | 29.10.1967 | Economist | Manager 11.07.2017-present |
| 13. | CONONOV PAUL | 03.02.1965 | Engineer | Manager 11.07.2017-present |

Now, according to the Shareholders General Ordinary Assembly' decision no.10/19.06.2017, Oil Terminal SA' Board of Directors has the following structure:

- COSTREIE TOMA BOGDAN
- BARBU IONUȚ
- GHEORGHE CRISTAN FLORIN
- BECTEMIR HERMINA
- ANDREI OVIDIU AURELIAN
- CONONOV PAUL
- CIMPEANU NICOLAE

The Board of Directors met in the first meeting of 17.07.2017, when, with a majority of votes, Mr. Florin Cristian GHEORGHE was appointed as Board of Directors' Chairman and the advisory committees' compenency, working inside the Board of Directors was settled, as well.

The presentation of the executive management members list

OIL TERMINAL SA' executive management in the period January – June 2017 was

| No. | Name/first name | Position |
|-----|-------------------------|---|
| 1. | Viorel Sorin CIUTUREANU | General Director 06.07.2012 - present |
| 2. | Dan Cristian POPESCU | Deputy General Director 10.05.2013 – 08.04.2016 |
| 3. | Adriana FRANGU | Economic Director 10.07.2012 - present |
| 4. | Emil ROHAT | Technical Director 04.01.2011 - present |
| 5. | Gabriel DARABAN | Commercial Director 10.07.2012 - present |

The executive management' members, namely, Economic Director- Adriana FRANGU, Technical Director Emil ROHAT, Commercial Director Gabriel DARABAN are the company' employees according to labour individual contracts concluded for an undetermined period of time.

Financial obligations uncompliance situations

In semester I 2017, Societatea OIL Terminal SA fulfilled its financial obligations to third parties, in the first 6 months of the year, no remaining debts were recorded to state budget, local budget, employees, banks, third parties.

Changes regarding the rights of securities, issued by the company' owners

There are no changes regarding the rights of securities, issued by the company' owners.

OUTSTANDING TRADES

Trades with state owned companies

In Semester I 2017, Societatea ran the following trades with state owned companies:

| Partner | Undiscounted amounts on 31 December 2016 | Sales in period 01.01- 30.06.2017 | Discounts in period 01.01- 30.06.2017 | Undiscounted amounts on 30 June 2017 |
|------------|--|--|--|--|
| OLTCHIM SA | 115,215 | 216,168 | 243,209 | 88,174 |

| | | | | |
|---|----------------|----------------|----------------|---------------|
| S.N.T.F.M CFR MARFA SUCURSALA MUNTENIA DOBROGEA | 3,565 | 11,445 | 11,980 | 3,030 |
| TOTAL | 118,780 | 227,613 | 255,189 | 91,204 |

| Partner | Undiscounted amounts on 31 December 2016 | Acquisitions in period 01.01-30.06.2017 | Discounts in period 01.01-30.06.2017 | Undiscounted amounts on 30 June 2017 |
|---|--|---|--------------------------------------|--------------------------------------|
| C.N.C.F. CFR SA | - | 120,121 | 97,098 | 23,023 |
| COMPANIA NATIONALA ADMINISTRATIA PORTURILOR MARITIME | 26,095 | 1,248,380 | 1,244,319 | 30,156 |
| RAJA | 48,137 | 587,958 | 579,834 | 56,261 |
| ELECTRIFICARE CFR | 20,772 | 20,598 | 41,370 | - |
| AUTORITATEA FERROVIARA ROMANA | 631 | 37,100 | 36,658 | 1,073 |
| REGIA NATIONALA A PADURILOR ROMSILVA | 16,170 | - | 16,170 | - |
| AUTORITATEA NAVALA ROMANA | - | 13,634 | 13,634 | - |
| MONITORUL OFICIAL | - | 14,430 | 14,430 | - |
| COMPANIA NATIONALA PENTRU CONTROLUL CAZANELOR, INSTALATIILOR DE RIDICAT SI RECIPIENTELOR SUB PRESIUNE-C.N.C.I.R | - | 10,924 | 10,924 | - |
| COMPANIA NATIONALA POSTA ROMANA SUC. SERVICII EXPRESS | - | 1,173 | 1,173 | - |
| TELECOMUNICATII CFR | - | 5,414 | 5,414 | - |
| CENTRUL NATIONAL DE CALIFICARE SI INSTRUIRE FERROVIARA | - | 480 | 480 | - |
| ADMINISTRATIA NATIONALA APELE ROMANE ADMINISTRATIA BAZINALA DE APA DOBROGEA LITORAL | - | 3,160 | 3,160 | - |
| AUTORITATEA RUTIERA ROMANA- ARR | - | 2,600 | 2,600 | - |
| BURSA DE VALORI | - | 8,925 | 8,925 | - |
| TOTAL | 111,805 | 2,074,897 | 2,076,189 | 110,513 |

Annex – Societatea OIL TERMINAL SA' Constitutive Act, approved by the Shareholders General Extraordinary Assembly ' decision no.11/19.06.2017.

**Board of Directors' Chairman,
Gheorghe Cristian Florin**

**General Director,
Ciutoreanu Viorel-Sorin**

**Economic Director,
Frangu**

Adriana

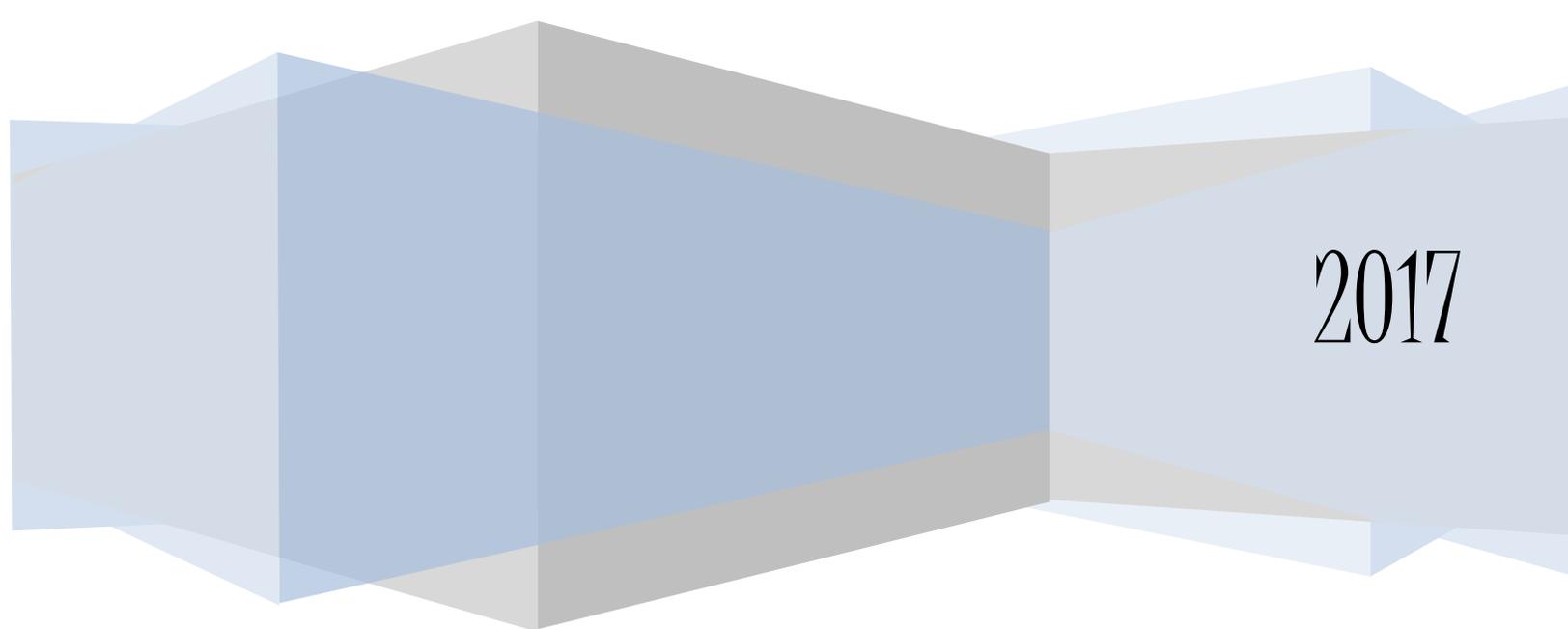
OIL TERMINAL S.A.

Simplified interim financial situations

ON THE DATE AND FOR A PERIOD OF SIX MONTHS COMPLETED ON 30TH JUNE 2017

(AUDITED)

Issued according to international accountancy standard 34 - "interim financial report"



2017

OIL TERMINAL – OIL TERMINAL – Financial position situation on 30th June 2017
(all amounts are expressed in lei (RON), if not mentioned otherwise)

| | Note | Year ended on 30 June 2017 | Year ended on 31 December 2016 |
|--|------|----------------------------------|--------------------------------------|
| ASSETS | | | |
| FIXED ASSETS | | | |
| Intangible assets | 17 | 3,578,615 | 3,609,380 |
| Tangible assets | 15 | 452,995,671 | 458,409,851 |
| Tangible assets in execution | 16 | 3,086,343 | 2,310,795 |
| Other immobilized receivables | 18 | 810,089 | 809,075 |
| Total fixed assets | | 460,470,718 | 465,139,101 |
| CURRENT ASSETS | | | |
| Stocks | 19 | 911,450 | 1,055,927 |
| Clients and assimilated accounts | 20 | 13,976,971 | 16,478,491 |
| Other receivables | 21 | 3,024,024 | 1,894,626 |
| Fees and taxes to be recovered | 21 | 662 | 1,035 |
| Cash and cash equivalents | 22 | 16,511,767 | 26,001,896 |
| Total current assets | | 34,424,874 | 45,431,975 |
| Total assets | | 494,895,592 | 510,571,076 |
| OWN CAPITALS AND DEBTS | | | |
| OWN CAPITALS | | | |
| Social capital | 23 | 58,243,025 | 58,243,025 |
| Other elements of own capitals | 24 | 320,003 | 320,003 |
| Reserves from reevaluation | 25 | 210,321,456 | 210,424,839 |
| Legal reserves | 27 | 4,744,817 | 4,744,817 |
| Other reserves | 27 | 174,395,611 | 174,395,611 |
| Surplus achieved from reevaluation reserves | 26 | 4,784,246 | 4,680,864 |
| Result reported without IAS 29 | 26 | 396,930 | 396,930 |
| Result reported arisen from accountant errors correction | 26 | (25,839,366) | (25,839,366) |
| Current profit | | 11,417,199 | 15,419,450 |
| Profit distribution | | 0 | (1,193,812) |
| Total own capitals | | 438,783,921 | 441,592,361 |
| DEBTS ON LONG TERM | | | |
| Loans on long term | 28 | 6,693,750 | 7,331,250 |
| Debts regarding tax on postponed profit | 28 | 28,624,578 | 28,624,578 |
| Total debts on long term | | 35,318,328 | 35,955,828 |
| CURRENT DEBTS | | | |
| Loans on long term – current part | 28 | 1,275,000 | 1,815,458 |
| Commercial debts | 31 | 8,608,192 | 11,452,246 |
| Debts regarding taxation and taxes | 32 | 5,256,764 | 5,727,672 |
| Other current debts | 33 | 3,445,467 | 2,276,884 |

OIL TERMINAL – OIL TERMINAL – Financial position situation on 30th June 2017
(all amounts are expressed in lei (RON), if not mentioned otherwise)

| | | | |
|-------------------------------------|----|--------------------|--------------------|
| Total current debts | | 18,585,423 | 21,272,260 |
| Total debts | | 53,903,751 | 57,228,0880 |
| Provisions | 34 | 2,150,035 | 11,688,173 |
| Subventions for investments | 35 | 57,885 | 62,454 |
| TOTAL OWN CAPITALS AND DEBTS | | 494,895,592 | 510,571,076 |

The financial situations presented were issued by the company on 04.08.2017 and signed in its name by:

Board of Directors' Chairman,
Gheorghe Cristian Florin

General Director,
Dept., Ciutoreanu Viorel-Sorin

Economic Director,
Frangu Adriana

Chief of Accountant
Popovici Cecilia

OIL TERMINAL – Situation of overall result on 30 June 2017
(all amounts are expressed in lei (RON) if not mentioned otherwise)

| | Note | 30 June 2017 | 30 June 2016 |
|---|-------------|---------------------|---------------------|
| Revenues from services supplies | 3 | 75,709,946 | 78,022,049 |
| Revenues from residual products sale | 4 | 903,568 | 632,108 |
| Other revenues from operating | 5 | 10,316,717 | 2,438,391 |
| Material expenses | 7 | (4,218,768) | (3,704,588) |
| Energy and water expenses | 8 | (2,379,834) | (2,157,897) |
| Employees expenses | 9 | (34,817,081) | (30,557,092) |
| Services supplied by third parties expenses | 10 | (8,497,310) | (6,017,595) |
| Amortization expenses | 11 | (6,159,893) | (6,169,942) |
| Other operating expenses | 12 | (18,064,178) | (13,914,731) |
| Result from operating services | | 12,793,167 | 18,570,703 |
| Revenues and financial expenses (net values) | 6 | (655,573) | (981,126) |
| Year gross result | | 12,137,594 | 17,589,577 |
| Expenses regarding taxation on profit | 13 | 720,395 | 3,031,349 |
| Year net result | | 11,417,199 | 14,558,228 |
| Overall result other elements: | | | |
| Elements not being reclassified for profit and loss, from which: | | | |
| | | 103,382 | 53,873 |
| Earnings from leased/ scrapped real estate' reevaluation | 26 | 103,382 | 53,873 |
| Total overall result | | 11,520,581 | 14,612,101 |
| Result per share (lei/share) | 39 | 0.01978018 | 0.02508815 |
| Result per diluted share (lei/share) | 39 | 0.01978018 | 0.02508815 |

The presented simplified interim financial situations were issued by the company on 04.08.2017 and signed in its name:

Board of Directors' Chairman,
Gheorghe Cristian Florin

General Director,
Ciutoreanu Viorel-Sorin

Economic Director,
Frangu Adriana

Chief of Accountant Dept.,
Popovici Cecilia

OIL TERMINAL – Situation of own capitals alterations on 30 June 2016
(all amounts are expressed in lei (RON) if not mentioned otherwise)

| | Subscribed paid social capital | Other ekements of own capital | Reserves from reevaluation | Legal reserves | Reported result representing surplus achieved from reserves from reevaluation | Other reserves | Reported result arisen from the first adoption of IAS, less IAS 29 | Reported result arisen from accountant errors correction | Year result | Total own capitals |
|---|--------------------------------|-------------------------------|----------------------------|------------------|---|--------------------|--|--|--------------------|--------------------|
| Balance on 1 January 2016 | 58,243,025 | 221,566 | 211,016,140 | 3,153,540 | 4,089,562 | 171,733,191 | 396,930 | (25,839,366) | 5,913,710 | 428,928,298 |
| Year net profit | | | | | | | | | 14,558,228 | 14,558,228 |
| Overall result' other elements: | | | | | | | | | | |
| Surplus from reevaluation of tangible assets | | | | | | | | | | |
| Total of overall result' other elements | | | | | | | | | | |
| Transfer of shoretanks from reevaluation into reported result | | | (53,872) | | 53,872 | | | | | |
| Taxation on postponed profit | | | | | | | | | | |
| Period' overall total result | | | (53,872) | | 53,872 | | | | 14,558,228 | 14,558,228 |
| Other elements | | | | 539,045 | | 2,520,840 | | | (3,059,885) | 0 |
| Other elements total | | | | 539,045 | | 2,520,840 | | | (3,059,885) | 0 |
| Dividends' distribution | | | | | | | | | (2,853,825) | (2,853,825) |
| Balance on 30 June 2016 | 58,243,025 | 221,566 | 210,962,268 | 3,692,585 | 4,143,435 | 174,254,031 | 396,930 | (25,839,366) | 14,558,228 | 440,632,702 |

For details regarding own capitals, notes: 23, 24, 25, 26, 27 must be read.

The presented financial situations were issued by the company on 04.08.2017 and signed in its name by:

Board of Directors' Chairman,
Gheorghe Cristian Florin

General Director,
Ciutoreanu Viorel – Sorin

Economic Director,
Frangu Adriana

Chief of Accountant Dept.,
Popovici Cecilia

OIL TERMINAL – Situation of own capitals alterations on 30 June 2017
(all amounts are expressed in lei (RON) if not mentioned otherwise)

| | Subscribed paid social capital | Other ekements of own capital | Reserves from reevaluation | Legal reserves | Reported result representing surplus achieved from reserves from reevaluation | Other reserves | Reported result arisen from the first adoption of IAS, less IAS 29 | Reported result arisen from accountant errors correction | Year result | Profit distribution | Reported result representing undistributed profit | Total own capitals |
|---|--------------------------------|-------------------------------|----------------------------|------------------|---|--------------------|--|--|---------------------|---------------------|---|---------------------|
| Balance on 1 January 2017 | 58,243,025 | 320,003 | 210,424,839 | 4,744,817 | 4,680,864 | 174,395,611 | 396,930 | (25,839,366) | 15,419,450 | (1,193,812) | 0 | 441,592,361 |
| Year net profit | | | | | | | | | 11,417,199 | | | 11,417,199 |
| Overall result' other elements: | | | | | | | | | | | | |
| Surplus from reevaluation of tangible assets | | | | | | | | | | | | |
| Total of overall result' other elements | | | | | | | | | | | | |
| Transfer of shoretanks from reevaluation into reported result | | | (103,383) | | 103,383 | | | | | | | 0 |
| Impot on postponed profit | | | | | | | | | | | | |
| Period' overall total result | | | | | | | | | 11,417,199 | | | 11,417,199 |
| Other elements | | | | | | | | | (14,225,638) | | 14,225,638 | 0 |
| Other elements total | | | | | | | | | (14,225,638) | | 14,225,638 | 0 |
| Dividends' distribution | | | | | | | | | | | (14,225,638) | (14,225,638) |
| Profit distribution | | | | | | | | | (1,193,812) | 1,193,812 | | 0 |
| Balance on 30 June 2017 | 58,243,025 | 320,003 | 210,321,456 | 4,744,817 | 4,784,246 | 174,395,611 | 396,930 | (25,839.366) | 11,417,199 | 0 | 0 | 438,783,921 |

For details regarding own capitals, notes: 23, 24, 25, 26, 27 must be read.

The presented financial situations were issued by the company on 04.08..2017 and signed in its name by:

Board of Directors' Chairman,
Gheorghe Cristian Florin

General Director,
Ciutoreanu Viorel – Sorin

Economic Director,
Frangu Adriana

Chief of Accountant Dept.,
Popovici Cecilia

OIL TERMINAL –Cash flows situation on 30 June 2017 (all amounts are expressed in lei
(RON) if not mentioned otherwise)

| | Note | 30 June 2017 | 30 June 2016 |
|---|-----------|---------------------|---------------------|
| Flow cash from operating activity | | | |
| Net profit | | 11,417,199 | 14,558,228 |
| Regulations for nonmonetary elements | | | |
| Amortization and regulations from the fixed assets depreciation | 11 | 5,604,211 | 5,024,963 |
| (Profit) /Loss from fixed assets' disposal | | (30,103) | (47,873) |
| Net movement of regulations for current assets | 19,20 | (9,464) | 6,692 |
| Net movement of provisions for risks and expenses | 34 | (9,538,138) | (969,979) |
| Other regulations | | (992,676) | (409,766) |
| (Profit) /Loss regarding interests | 6 | 140,061 | 189,991 |
| (Profit) /Loss from different currency exchange rate differences | 6 | 519,314 | 801,689 |
| Operational profit before other alterations in the current capital | | (4,306,795) | 4,595,717 |
| (Increases)/Decreases in stocks value | 19 | 144,477 | (81,338) |
| (Increases)/Decreases of receivables | 20,21 | 1,372,495 | 921,356 |
| Increases/(Decreases) in commercial and of different kind debts value | 31,32,33 | (3,281,484) | (7,491,837) |
| Net received (paid) interests | 6 | (140,061) | (189,991) |
| Net cash flow from the operating activity | | 5,205,831 | 12,312,135 |
| Cash flow used in investments activity | | | |
| Tangible and intangible assets | 15,16,17 | (1,507,371) | (10,029,538) |
| (Increases)/Decreases in assets value on long term | 18 | (1,014) | - |
| Net cash flow used in the investments activity | | (1,508,385) | (10,029,538) |
| Cash flow from financing activities | | | |
| (Increase) /Decrease of loans on short term | 28,30 | 540,458 | 405,344 |
| increase/(Decrease) of loans on long term | 28 | (637,500) | (1,042,843) |
| Paid dividends | | (13,090,533) | (2,621,515) |
| Cash flow from financing activities | | (13,187,575) | (3,259,014) |
| Net increase /(decrease) of cash and cash equivalents | | (9,490,129) | (976,417) |
| Cash and cash equivalents value at the | 22 | 26,001,896 | 21,022,923 |

OIL TERMINAL –Cash flows situation on 30 June 2017 (all amounts are expressed in lei
(RON) if not mentioned otherwise

| | | | |
|--|-----------|-------------------|-------------------|
| year start | | | |
| Cash and cash equivalents value at the period end | 22 | 16,511,767 | 20,046,506 |

The presented financial situations were issued by the company on 04.08.2017 and were signed on its behalf by:

Board of Directors' Chairman,
Gheorghe Cristian Florin

General Director,
Ciutoreanu Viorel-Sorin

Economic Director,
Frangu Adriana

Chief of Accountant Dept.,
Popovici Cecilia

1. General information about main activities

Oil Terminal S.A. Constanta is a stock company residing in Romania. The company has the social headquarter in Constanta, no.2, Caraiman str.

The company was founded according to Law 15/1990 and Romanian Government decision no.1200/12.11.1990, S.C.Oil Terminal S.A., being a stock company and was registered at Commerce Registrar Office of Constanta Court under no. J13/512/01.02.1991, having fiscal register code RO 2410163.

OIL TERMINAL is the largest terminal for import/export of crude oil, petroleum and petrochemical products at a national level.

According to the company' statute, the object of activity contains services supplies regarding crude oil, petroleum and liquid chemical products storage, receiving, loading, discharging and conditioning from import/export and transit.

Oil Terminal SA Constanta has a storage capacity of about 1.5 million metric tons and is the largest operator by sea in Constanta port, specialized in crude oil, petroleum, liquid petrochemical and other finite products and other liquid raw liquids for import, export and transit, representing a strategical location in the Black Sea area.

The oil terminal in Constanta is one of the largest of this kind in south-eastern Europe, located in the maritime transport crossroads among Asia, Central and Western Europe and Middle East.

Old of 119 years in this field of activity, the company ensures crude oil, petroleum, petrochemical and liquid chemical products' import, export and other services supplies.

OIL TERMINAL S.A has three storage farms (North, South, Port). Each storage farm, according to its characteristics, is provided with:

- Shoretanks with capacities between 1,000 cm and 50,000 cm, of metallic construction, cylindrical, vertically located –above ground, safety protection belts, fixed or floating roof, with the stored product quantity remotely measured and with fire fighting system;
- Facilities for petroleum, petrochemical and liquid chemical products loading-discharging consisting of rail platforms with a total length of abt. 30 kms with a cumulated capacity of abt. 20,000 tons/24 hours;
- Facilities for gas oil loading into railcars provided with volumetric flowmeters;
- Transport pipelines with diameters between 100 and 1000 mm, for withdrawals inside the storage farms, the connection among them and the jetties where vessels are operated;
- Pump houses achieving flows between 100 cm /h and 2,500 cm/h (pumps KSB South sf.);
- Remote flowmeters facilities located in the very neighbourhood of loading/discharging jetties for gas oil, gasoline, crude oil'discharging;
- Facilities for firefighting consisting of pipelines reaching each shoretank, pump houses, fire fighting stuff specific for each product, firemen equipped by fire fighting cars;
- Boiler for technological steam supply;

OIL TERMINAL - Notes of simplified interim financial situations on 30th June 2017
(all amounts are expressed in lei (RON) if otherwise not mentioned)

- Facilities on jetty for products' loading into barges (crude oil, gas oil, gasoline, fuel oil) and for vessels' light and heavy fuel bunkering in all oil jetties
- Laboratories RENAR authorized, provided with apparatus to determine specific physical, chemical tests;
- Facilities to catch and clean waste waters;
- Equipments for railcars' manoeuvre in discharging platforms by engines and own staff, AFER certified and authorized.

Oil Terminal is located in pier 4 Constanta port area, jetties 69-79. This operates 7 operational jetties from which 6 have depths of 12.80 m and a length of 325 m – jetties 69-76, jetty 79 has the depth of 17.50 m and length of 393 m, allowing operation of vessels with a capacity up to 150,000 dwt.

Jetties are provided with coupling facilities at vessels for loading, discharging, hydraulically operated, with diameters of 12" WOODFIELD type, Dn 300 mm and operation flow 2,000 t/h in jetties 70-76 and with diameter of 16" FLEXIDER type, Dn 400 mm, operation flow 2,000 t/h in jetty 79.

Each jetty is provided with fire fighting water and foam facilities. Jetties 69-73 are provided with water/foam cannons. Jetties 75,76,79 have firefighting water/foam located in cannons at a height of 16 m remote control. There is also a facility for water wall formation between vessel and Oil Terminal facilities.

OIL TERMINAL SA Constanta is interconnected with Romanian refineries by transport company CONPET SA Ploiesti for crude oil' transport from terminal to refineries, by underground pipelines being part of national transport network.

Terminal is also connected to the national rail system, road system and Danube-Black Sea canal.

The main internal market competitors are:

- Midia port terminal operated by SC Rompetrol Rafinare SA Constanta;
- Terminal Unicom-Oil Terminal Galati;
- Frial SA Constanta and Minmetal SA Constanta

The main external market competitors are:

- Terminal of Omisalj port in Croatia, which undertook the total crude oil transit to Serbia;
- Reni terminal.

The company has certificate for quality management received from Bureau Veritas Romania, available until 13 May 2018.

OIL TERMINAL - Notes of simplified interim financial situations on 30th June 2017
(all amounts are expressed in lei (RON) if otherwise not mentioned)

The main services supplied by the company are:

- receiving, storage, conditioning and dispatch of rude oil, fuel oil, petroleum, petrochemical and liquid chemical products for import, export and transit;
- tests and technical analyses for the handled products in own laboratories;
- tests and technical analyses for the third parties in own laboratories;
- repairs and maintenance works for its own facilities and equipments;
- its own facilities' hiring;
- wholesale of residues and wastes.

The turnover achieved in semester I 2017 is **76,715,088** lei. Comparing to the previous year, a decrease in absolute size of **1,912,942 lei** was achieved.

The turnover distribution achieved by handled products in semester I 2017 comparing to semester I 2016 is as followings:

| <i>Petroleum products lei</i> | 30 June 2017 | 30 June 2016 |
|-------------------------------|---------------------|---------------------|
| Crude oil | 28,208,597 | 24,406,910 |
| Gas oil | 25,005,795 | 28,723,542 |
| Gasolene | 5,380,208 | 6,302,752 |
| Fuel oil | 9,180,984 | 10,358,107 |
| Chemical products | 4,775,430 | 5,298,777 |
| Residual products | 722,209 | 265,167 |
| Other products and services | 3,441,865 | 3,272,775 |
| TOTAL | 76,715,088 | 78,628,030 |

The main economic financial indicators achieved by the company in semester I 2017 and semester I 2016 are the followings:

| Indicator name | 30 June 2017 | 30 June 2016 |
|--|---------------------|---------------------|
| Current liquidity | 1.85 | 2.08 |
| Immediate liquidity | 1.80 | 2.04 |
| Rotation speed of clients debts (days) | 35 | 32 |
| Rotation speed of suppliers credits (days) | 23 | 25 |
| Rotation speed of intangible assets (rot) | 0.17 | 0.17 |
| Rotation speed of total assets (rot) | 0.16 | 0.16 |
| Rentability of the engaged capital (%) | 2.60 | 3.74 |

OIL TERMINAL - Notes of simplified interim financial situations on 30th June 2017
(all amounts are expressed in lei (RON) if otherwise not mentioned)

| | | |
|--|------------|------------|
| Result on base share (lei/share) | 0.01978018 | 0.02508815 |
| Indicator regarding the interests recovery (number of times) | 61.06 | 70.56 |
| Gross limit from sales (%) | 15.82 | 22.37 |

On 30.06.2017, the number of employees was 936, the actual number of employees is 970.

Structure of employees expenses is as followings:

| Indicator | 30 June 2017 | 30 June 2016 |
|---|--------------|--------------|
| Salaries, meal tickets, indemnities expenses | 26,421,862 | 23,960,419 |
| Expenses regarding the bonuses for the employees' participation to profit | 1,580,626 | 570,765 |
| Insurances and social protection' expenses | 6,926,912 | 6,140,057 |
| Employees' salaries expenses | 24,732,668 | 22,726,447 |

In semester I 2017, Societatea ran the following trades with state owned companies:

| Partner | Undiscounted amounts on 31 December 2016 | Sales in period 01.01-30.06.2017 | Discounts in period 01.01-30.06.2017 | Undiscounted amounts on 30 June 2017 |
|---|--|----------------------------------|--------------------------------------|--------------------------------------|
| OLTCHIM SA | 115,215 | 216,168 | 243,209 | 88,174 |
| S.N.T.F.M CFR MARFA SUCURSALA MUNTENIA DOBROGEA | 3,565 | 11,445 | 11,980 | 3,030 |
| TOTAL | 118,780 | 227,613 | 255,189 | 91,204 |

| Partner | Undiscounted amounts on 31 December 2016 | Acquisitions in period 01.01-30.06.2017 | Discounts in period 01.01-30.06.2017 | Undiscounted amounts on 30 June 2017 |
|---|--|---|--------------------------------------|--------------------------------------|
| C.N.C.F. CFR SA | - | 120,121 | 97,098 | 23,023 |
| COMPANIA NATIONALA ADMINISTRATIA PORTURILOR MARITIME | 26,095 | 1,248,380 | 1,244,319 | 30,156 |
| RAJA | 48,137 | 587,958 | 579,834 | 56,261 |
| ELECTRIFICARE CFR | 20,772 | 20,598 | 41,370 | - |
| AUTORITATEA FERROVIARA ROMANA | 631 | 37,100 | 36,658 | 1,073 |
| REGIA NATIONALA A PADURILOR ROMSILVA | 16,170 | - | 16,170 | - |
| AUTORITATEA NAVALA ROMANA | - | 13,634 | 13,634 | - |
| MONITORUL OFICIAL | - | 14,430 | 14,430 | - |
| COMPANIA NATIONALA PENTRU CONTROLUL CAZANELOR, INSTALATIILOR DE RIDICAT SI RECIPIENTELOR SUB PRESIUNE-C.N.C.I.R | - | 10,924 | 10,924 | - |
| COMPANIA NATIONALA POSTA ROMANA SUC. SERVICII EXPRESS | - | 1,173 | 1,173 | - |

OIL TERMINAL - Notes of simplified interim financial situations on 30th June 2017
(all amounts are expressed in lei (RON) if otherwise not mentioned)

| | | | | |
|---|---|----------------|------------------|------------------|
| TELECOMUNICATII CFR | - | 5,414 | 5,414 | - |
| CENTRUL NATIONAL DE CALIFICARE SI INSTRUIRE FERROVIARA | - | 480 | 480 | - |
| ADMINISTRATIA NATIONALA APELE ROMANE ADMINISTRATIA BAZINALA DE APA DOBROGEA LITORAL | - | 3,160 | 3,160 | - |
| AUTORITATEA RUTIERA ROMANA- ARR | - | 2,600 | 2,600 | - |
| BURSA DE VALORI | - | 8,925 | 8,925 | - |
| TOTAL | | 111,805 | 2,074,897 | 2,076,189 |
| | | | | 110,513 |

OIL TERMINAL SA' executive management in the period 01.01.2017-30.06.2017 is:

| No. | Name/first name | Position |
|-----|-------------------------|---|
| 1. | Viorel Sorin CIUTUREANU | General Director 06.07.2012 - present |
| 2. | Dan Cristian POPESCU | Deputy General Director 10.05.2013 – 08.04.2016 |
| 3. | Adriana FRANGU | Economic Director 10.07.2012 - present |
| 4. | Emil ROHAT | Technical Director 04.01.2011 - present |
| 5. | Gabriel DARABAN | Commercial Director 10.07.2012 - present |

In the period 01.01.2017-30.06.2017, the indemnities of the Board of Directors' members are in a total amount of 112,320 lei.

On 30.06.2017, there are no recorded advances and credits given to the management entities.

The company' management is provided by a Board of Directors made of 7 members.

In the period 01.01.2016-30.06.2017 the Board of Directors' structure was:

| No. | Name/first name | Birth date | Profession | Position |
|-----|--------------------------------|------------|---------------|--|
| 1. | GRIGORESCU CATALIN -CONSTANTIN | 21.05.1975 | Legal adviser | Manager -28.03.2016-09.03.2017 |
| 2. | IULIA GABRIELA TANASE | 05.07.1979 | Engineer | Manager 28.03.2016-10.10.2016 13.12.2016-09.03.2017 |
| 3. | DUMITRU MATEI | 08.07.1965 | Engineer | Manager May 2015 – present BoD chairman – 18.10.2016-19.01.2017 |
| 4. | BOGDAN VALENTIN GHITA | 05.07.1969 | Engineer | Manager 28.03.2016 – 10.10.2016 13.12.2016 – 09.03.2017 |
| 5. | COSTREIE TOMA – BOGDAN | 13.11.1976 | Legal adviser | Manager May 2015 – present BoD chairman – April 2016-17.10.2016 20.01.2017-02.04.2017 |
| 6. | MOISE NICOLETA- MARIANA | 27.08.1982 | Economist | Manager 11.08.2016 – 10.10.2016 13.12.2016 – 10.07.2017 |

OIL TERMINAL - Notes of simplified interim financial situations on 30th June 2017
(all amounts are expressed in lei (RON) if otherwise not mentioned)

| | | | | |
|-----|---------------------------|------------|---|---|
| 7. | S.C. STAAR RATING SRL | - | Legal entity represented by Dan Cristian BARBULESCU | Manager May 2015-10.07.2017 |
| 8. | GHEORGHE CRISTIAN -FLORIN | 03.08.1975 | Engineer | Manager 10.03.2017- present BoD chairman – 03.04.2017 - present |
| 9. | IONUT BARBU | 05.08.1978 | Engineer | Manager -10.03.2017-present |
| 10. | BECTEMIR HERMINA | 15.07.1974 | Engineer | Manager-10.03.2017-present |
| 11. | ANDREI OVIDIU -AURELIAN | 25.08.1967 | Enginner/Legal adviser | Manager-10.03.2017-present |
| 12. | CIMPEANU NICOLAE | 29.10.1967 | Economist | Manager – 11.07.2017-present |
| 13. | CONONOV PAUL | 03.02.1965 | Engineer | Manager – 11.07.2017-present |

Now, according to the Shareholders General Ordinary Assembly' decision no.10/19.06.2017, Oil Terminal SA' Board of Directors has the following structure:

- COSTREIE TOMA BOGDAN
- BARBU IONUȚ
- GHEORGHE CRISTIAN FLORIN
- BECTEMIR HERMINA
- ANDREI OVIDIU AURELIAN
- CONONOV PAUL
- CIMPEANU NICOLAE

The Board of Directors is not selected and appointed according to provisions of EGO 109/2011, in the Shareholders General Assembly, on 19.06.2017, by which the company' present managers were appointed, it approved both Societatea Oil Terminal SA' Board of Directors' interim managers' mandate period, monthly fixed indemnity and the management contract form.

Shareholders General Ordinary Assembly' decision no.10/19.06.2017 was recorded in the Commerce Registrar Office of Constanta Court of Justice on 22.06.2017.

The Board of Directors met in the first meeting of 17.07.2017, when, with a majority of votes, was appointed Mr. Florin Cristian GHEORGHE, as the Board of Directors' Chairman and the advisory committees' componency, working inside the Board of Directors, was settled, as follows:

- **Audit Committee:**

CIMPEANU Nicolae - Chairman

BARBU Ionut – Member

COSTREIE Toma-Bogdan– Member

- **Nomination and Remuneration Committee:**

COSTREIE Toma-Bogdan - Chairman

CIMPEANU Nicolae – Member

ANDREI Ovidiu Aurelian– Member

BECTEMIR Hermina– Member

CONONOV Paul – Member

- **Development and Strategies Committee:**

ANDREI Ovidiu Aurelian – Chairman

BECTEMIR Hermina– Member

BARBU Ionut – Member

COSTREIE Toma-Bogdan – Member

CONONOV Paul – Member

On 30.06.2017 Societatea Oil Terminal has no relationships with associated branches or entities and does not have participations in other companies.

2. Significant accountant policies

The accountant policies applied to these simplified interim financial situations are the same as those applied in the company' financial situations on the date and for the financial year completed on 31st December 2016.

The simplified interim financial situations concluded on 30.06. 2017 were revised by an extern auditor.

2.1 Conformity Statement

These financial reports were issued according to IAS 34 – Interim financial report. These don't include all necessary information for a full financial situations set according to International Standards of Financial Report (IFRS).

OIL TERMINAL - Notes of simplified interim financial situations on 30th June 2017
(all amounts are expressed in lei (RON) if otherwise not mentioned)

Nevertheless, some Explanatory Notes are included in order to explain the outstanding events and trades to understand the alterations occurred in Societatea' financial position and performance since the latest financial situations, on the date and for the financial year completed on 31st December 2016.

2.2. Functional and presentation currency

These reports are presented in lei, this being the company' functional currency. All financial information is in lei, rounded to integer if not mentioned otherwise.

2.3 Use of estimations and professional reasonings

The preparation of the financial reports according to IFRS supposes the management' use of some estimations, judgements and suppositions affecting the accountant policies application and the assets, debts, revenues and expenses' reported value. The estimations and suppositions associated to these estimations are based on the hystorical experience and on other reasonable factors in the context of these estimations. The results of these estimations is the base of the judgements regarding the assets and debts' accountant values not being got from other information sources. The current results can be different from the estimations values.

The outstanding reasonings used by the management to apply the company' accounting policies and the main uncertainties sources regarding the estimations were the same as those applied the annual financial situations on the date and for the financial year completed on 31st December 2016.

2.4 Transactions in foreign currency

Transactions in foreign currency are changed into the company' functional currency using the exchange rate of the trade date.

The monetary assets and the denominated debts in the foreign currency on the balance sheet issue date are changed into the functional currency by an exchange rate on the balance sheet date.

The exchange rates differencies are recorded in the profit and loss account.

The non monetary assets and liabilities, presented startibg the hystorical cost in foreign currency are changed using the exchange rate on the trade date.

On 30.06.2017, namely 30.06.2016 the official exchange used for balance' conversion into foreign currency are:

| Currency | | 30 June 2017 | 30 June 2016 |
|------------------|-----|--------------|--------------|
| 1 SWISS FRANC | CHF | 4.1655 | 4.1572 |
| 1 EURO | EUR | 4.5539 | 4.5210 |
| 1 STERLING POUND | GBP | 5.1852 | 5.4634 |
| 1 USA DOLLAR | USD | 3.9915 | 4.0624 |

3. Revenues from operating – supplied services

The revenues achieved by the company are reported at the following values level:

| | 30 June 2017 | 30 June 2016 |
|--------------------------------|--------------|--------------|
| Revenues from service supplies | 75,193.265 | 77,490,486 |

OIL TERMINAL - Notes of simplified interim financial situations on 30th June 2017
(all amounts are expressed in lei (RON) if otherwise not mentioned)

| | | |
|---|-------------------|-------------------|
| Revenues from goods use lease | 224,640 | 232,234 |
| Revenues from various activities | 292,041 | 299,329 |
| Total revenues from serices supplies | 75,709,946 | 78,022,049 |

4. Revenues from residual products sale

| | 30 June 2017 | 30 June 2016 |
|---|---------------------|---------------------|
| Revenues from residual products sale (recovered fuel type A) | 722,209 | 265,167 |
| Revenues from other wastes recovery | 282,933 | 340,816 |
| Revenues related to products stocks costs | (101,574) | 26,125 |
| Total revenues from residual products sale | 903,568 | 632,108 |

5. Other revenues from operation

| | 30 June 2017 | 30 June 2016 |
|---|---------------------|---------------------|
| Revenues from regulations for clients' receivables | 177,375 | 20,957 |
| Expenses for impairment of clients' receivables | (123,045) | (53,389) |
| Net provisions for receivables | 54,330 | (32,432) |
| Revenues from immobilizations | - | 31,624 |
| Revenues from penalties | 22,783 | 39,199 |
| Revenues from tangible assets sale | 46,975 | 88,572 |
| Revenues from provisions reversal | 9,544,248 | 987,889 |
| Expenses regarding provisions | (6,110) | (27,910) |
| Revenues regarding regulations for assets' impairment | 555,682 | 1,144,979 |
| Net regulations for provision | 10,093,820 | 2,114,958 |
| Revenues from regulations for stocks | 2,458 | 47,253 |
| Expenses for stocks impairment | (47,866) | (21,513) |
| Net regulations for stocks impairment | (44,866) | 25,740 |
| Other revenues from operation | 143,675 | 170,730 |
| Total revenues from operation | 10,316,717 | 2,438,391 |

6. Revenues and Financial expenses

| | 30 June 2017 | 30 June 2016 |
|---|---------------------|---------------------|
| Revenues from interests | 62,014 | 62,883 |
| Revenues from exchange currency rate differencies | 96,647 | 356,922 |
| Revenues from earned discounts | 3,802 | 10,554 |

OIL TERMINAL - Notes of simplified interim financial situations on 30th June 2017
(all amounts are expressed in lei (RON) if otherwise not mentioned)

| | | |
|---|------------------|--------------------|
| Total financial revenues | 162,463 | 430,359 |
| Expenses regarding the paid interests | (202,075) | (252,874) |
| Expenses from exchange rate differences | (615,961) | (1,158,611) |
| Total financial expenses | (818,036) | (1,411,485) |
| Net financial results | (655,573) | (981,126) |

7. Materials expenses

| | 30 June 2017 | 30 June 2016 |
|---------------------------------|------------------|------------------|
| Additional materials expenses | 1,690,108 | 1,176,841 |
| Fuels expenses | 624,028 | 633,199 |
| Packing stuff expenses | 35,954 | 44,417 |
| Spare parts expenses | 493,091 | 673,751 |
| Other supplies expenses | 357,167 | 429,658 |
| Inventory objects expenses | 1,009,531 | 738,474 |
| Non stored stuff expenses | 8,889 | 8,248 |
| Total materials expenses | 4,218,768 | 3,704,588 |

8. Power and water expenses

| | 30 June 2017 | 30 June 2016 |
|---------------------------------------|------------------|------------------|
| Water consumption expenses | 727,594 | 581,826 |
| Electric power consumption expenses | 1,652,240 | 1,576,071 |
| Total Power and water expenses | 2,379,834 | 2,157,897 |

9. Staff expenses

| | 30 June 2017 | 30 June 2016 |
|---|--------------|--------------|
| Managers salaries expenses (general director) | 112,398 | 112,398 |
| Expenses regarding the employees' salaries from which: executive directors* | 24,732,668 | 22,726,447 |
| | 293,882 | 299,889 |
| Expenses regarding the participation to profit bonuses | 1,580,626 | 570,765 |
| Expenses regarding the meal tickets given | 1,464,476 | 1,007,425 |
| Expenses regarding contribution to social insurances fund | 4,555,474 | 4,035,634 |
| Expenses regarding contribution to health fund | 1,379,193 | 1,222,946 |
| Expenses regarding contribution to unemployment | 198,188 | 175,444 |
| Other expenses regarding the insurances and social protection | 794,058 | 706,033 |

OIL TERMINAL - Notes of simplified interim financial situations on 30th June 2017
(all amounts are expressed in lei (RON) if otherwise not mentioned)

Total salaries expenses **34,817,081** **30,557,092**

*The values represent gross amounts given in period 01.01.- 30.06.2016 for 4 directors from which 85,156 lei represent the contributions due by the employee, the taxation included, in period 01.01.-30.06.2017 for 3 directors, from which 87,621 lei represent the contributions due by the employee, the taxation included.

Employees

On 30.06.2017 the average employees number is 936, decreasing comparing to semester I 2016 by 6 employees and the real employees number is 970 on 30.06.2017 comparing to 971 employees on 30.06.2016, structured on the following training levels:

| | 30 June 2017 | 30 June 2016 |
|---|-------------------------|-------------------------|
| High training staff, from which: | 182 | 182 |
| Management positions staff | 37 | 36 |
| Average/gymnasium training staff, from which: | 788 | 789 |
| Qualified staff | 725 | 728 |
| Total | 970 | 971 |

The salaries and the related contributions expenses recorded on 30 June 2017 comparing to 30 June 2016 are the followings:

| | 30 June 2017 | 30 June 2016 |
|---|-------------------------|-------------------------|
| Salaries expenses | 15,216,828 | 13,999,567 |
| Expenses regarding the contribution to the social insurances fund, health and unemployment fund | 6,132,855 | 5,434,024 |
| Total | 21,349,683 | 19,433,591 |

Note: Position "Salaries expenses" doesn't include employees' allowances and bonuses or the General Director and the Board of Directors' members' indemnities.

According to the Labour Collective Contract' provisions in force, the company gave the employees the following allowances and bonuses: Easter, Christmas, Oil worker day bonuses, output bonus, loyalty bonuses, retirement allowance, marriage allowance, employees participation to profit, treatment and rest tickets, the transport included, gifts given to women employees and to the employees' minor children, birth, funeral, sever diseases allowances, meal tickets and other bonuses (hospitalization aids, accommodation)

Obligations regarding the employees' bonuses are as follows:

| | 30 June 2017 | 30 June 2016 |
|--------------------|---------------------|---------------------|
| Retirement bonuses | 259,790 | 292,123 |
| Benefits | 6,627,932 | 5,979,632 |
| Other bonuses | 37,710 | 29,639 |
| Total | 6,925,432 | 6,301,394 |

Obligations regarding the employees' allowances are as follows:

| |
|--|
| |
|--|

OIL TERMINAL - Notes of simplified interim financial situations on 30th June 2017
(all amounts are expressed in lei (RON) if otherwise not mentioned)

| | 30 June 2017 | 30 June 2016 |
|--|-------------------------|-------------------------|
| Rest and treatment tickets and the related transport | 344,523 | 280,135 |
| Gifts given to women employees and to minor children | 107,850 | 112,050 |
| Birth aids | 64,710 | 79,090 |
| Funeral aids | 200,675 | 200,158 |
| Aids for severe diseases | 76,300 | 34,600 |
| Meal tickets | 1,464,476 | 1,007,425 |
| Bonuses acc. The Labour Collective Contract | 1,126,750 | 1,141,650 |
| Loyalty bonuses | 1,299,901 | 1,158,594 |
| Marriage aids | 28,760 | 14,380 |
| Hospitalization aids | 123,989 | 97,822 |
| Accommodation aids | 11,008 | 13,040 |
| Employees' participation to profit | 1,580,626 | 570,765 |
| Total | 6,429,568 | 4,709,709 |

General Director , the Board of Directors' members

The indemnities paid to the General Director, Board of Directors' members, by Societate in semester I 2017 comparing to semester I 2016 are detailed here-below:

| | 30 June 2017 | 30 June 2016 |
|--|-------------------------|-------------------------|
| Indemnity related to mandate contract | 112,398 | 112,398 |
| Board of Directors' members' indemnities | 112,320 | 114,149 |
| Total | 224,718 | 226,547 |

10. Third parties supplied services expenses

| | 30 June 2017 | 30 June 2016 |
|---|-------------------------|-------------------------|
| Expenses regarding various services supplied by third parties | 7,852,119 | 5,560,118 |
| BOD and AGA indemnities expenses | 112,320 | 114,149 |
| Phone supplies services expenses | 187,399 | 177,829 |
| Bank supplies services expenses | 147,969 | 111,254 |
| Commissions and fees expenses | 197,503 | 54,245 |
| Total third parties supplied services expenses | 8.497,310 | 6.017,595 |

11. Immobilizations amortization expenses

| 30 June | 30 June |
|----------------|----------------|
|----------------|----------------|

OIL TERMINAL - Notes of simplified interim financial situations on 30th June 2017
(all amounts are expressed in lei (RON) if otherwise not mentioned)

| | 2017 | 2016 |
|--|------------------|------------------|
| Intangible assets amortization expenses | 33,856 | 180,541 |
| Tangible assets amortization expenses, from which: | | |
| Buildings and buildings facilities | 6,126,037 | 5,989,401 |
| Technical facilities, technological equipments | 4,565,644 | 4,256,640 |
| Furniture and other immobilizations | 1,254,707 | 1,419,058 |
| | 305,686 | 313,703 |
| Total immobilizations amortization expenses | 6,159,893 | 6,169,942 |

12. Other operation expenses

| | 30 June 2017 | 30 June 2016 |
|---|-------------------|-------------------|
| Repairs expenses | 7,570,258 | 3,771,258 |
| Maintenance expenses | 2,989,882 | 1,594,192 |
| Royalties expenses | 2,949,290 | 3,343,779 |
| Hires and administrative locations expenses | 1,954,624 | 1,630,625 |
| Insurance premium expenses | 111,812 | 150,133 |
| Studies and researches expenses | 347,679 | 110,815 |
| Staff training expenses | 58,022 | 73,099 |
| Advetising expenses | 31,771 | 32,627 |
| Protocol expenses | 58,770 | 29,202 |
| Movement/travel expenses | 100,096 | 116,188 |
| Expenses regarding other taxes and fees | 1,191,670 | 1,631,105 |
| Expenses regarding the granted donations | 15,000 | 13,400 |
| Compensations, fines, penalties expenses | 7,090 | 9,144 |
| Other expenses from operation | 678,214 | 1,409,164 |
| Total other operation expenses | 18,064,178 | 13,914,731 |

13. Taxation on current and postponed profit

Taxation on the company' current and postponed profit for semester I 2017 and semester I 2016 is settled at a statutory rate of 16%.

a. Taxation on current profit

Tax on profit found in the profit and loss account:

| | 30 June 2017 | 30 June 2016 |
|---|-----------------|------------------|
| Current tax expenses | 720,395 | 3,031,349 |
| Total expenses regarding the tax on profit | 720,395 | 3,031,349 |

OIL TERMINAL - Notes of simplified interim financial situations on 30th June 2017
(all amounts are expressed in lei (RON) if otherwise not mentioned)

The company recorded tax on profit costs on the current activity and on the differences from reevaluation, transferred on the amortization expenses during the year, taxable in the profit tax calculation.

In semester I 2017, the company didn't record a revenue or expense regarding the postponed taxation.

On 30 June 2017, Societatea records a gross profit of year in an amount of 12,137,594 lei.

For semester I 2017, the fiscal profit calculated according to provisions of Law 227/2015 regarding the Fiscal Code, with further alterations and additions is in a value of 4,502,469 lei and the profit calculated on the fiscal profit is in an amount of 720,395 lei.

Reconciliation of the taxation effective rate for semester I 2017 comparing to semester I 2016:

| | 30 June 2017 | 30 June 2016 |
|---|-------------------------|-------------------------|
| Profit before the tax on profit | 12,137,594 | 17,589,577 |
| Profit before the taxation on profit (sponsorship expense excluded) | 12,152,594 | 17,602,977 |
| Tax on profit at the statutory rate of 16% | 1,944,415 | 2,816,476 |
| Effect of non-deductible expenses | 137,728 | 234,496 |
| Taxation of reserves from reevaluation | 401,441 | 488,726 |
| Nondeductible revenues effect | (1,644,762) | (353,772) |
| Deductions from legal reserve | (97,101) | (140,717) |
| Reinvested profit | (6,326) | (460) |
| Exemptions for sponsorship | (15,000) | (13,400) |
| Expense of taxation on profit | 720,395 | 3,031,349 |

b. Taxation on postponed profit

The postponed payment taxation and those to be recovered taxations are calculated according to the taxable and/or deductible temporary differences, settled for assets and debts as differences between the asset and /or debt accountant value and the amount for fiscal targets. Societatea recognizes postponed taxations on an expense or a revenue, excluding the taxation generated by an accounted event directly in own capitals.

In semester I 2017, the tax on postponed profit, constituted on its own capitals does not record alterations comparing to 31st December 2016 and is in an amount of 28,624,578 lei.

On the 31st December 2014, a tax on postponed profit, related to reserves from reevaluation for 2011-2014, on its own capitals of 25,943,248 lei, by account' reported result arisen from accountant errors correction' was recorede according to IAS 8 'Accountant policies, accountant estimations alterations and errors'.

In 2015, a tax on postponed profit, constituted on its own capitals in an amount of 2,779,767 lei so that on 31.12.2015 the taxation on postponed profit constituted on own capitals is 28,723,015 lei.

In 2016 the taxation on postponed profit constituted on own capitals was diminished by 98,437 lei, representing taxation on postponed profit related to reserves from reevaluation for the leased/out of work assets transferred in the reported result, arising a taxation on postponed profit recognised on own capitals on 31.12.2016, in an amount of 28,624,578 lei.

14. Information on segments

OIL TERMINAL - Notes of simplified interim financial situations on 30th June 2017
(all amounts are expressed in lei (RON) if otherwise not mentioned)

Oil Terminal SA has only one reporting segment, namely services supplies regarding receiving, storage, conditioning and dispatch of crude oil, fuel oil, petroleum, petrochemical and liquid chemical products for import, export and transit.

Total revenues from supplied services

| | 30 June 2017 | 30 June 2016 | Δ % |
|--|-------------------------|-------------------------|------------|
| Services supplies regarding receiving, storage, conditioning and dispatch of crude oil, fuel oil, petroleum, petrochemical and liquid chemical products. | 75,193,265 | 77,490,486 | (2.96) |

Services supplies for external clients

| Client name | Country | 30 June 2017 | 30 June 2016 | Δ % |
|--|----------------------|---------------------|---------------------|------------|
| VITOL | Switzerland | 10,843,332 | 10,300,643 | 5 |
| LITASCO | Switzerland | 6,914,395 | 3,219,529 | 115 |
| EURONOVA ENERGIES | Switzerland | 3,010,534 | 3,812,570 | (21) |
| MADDOX | Switzerland | 2,913,801 | 3,259,808 | (11) |
| MASTER CHEM OIL DMCC | United Arab Emirates | 1,068,376 | - | - |
| MITSUBISHI INTERNATIONAL GMBH | Germany | 1,016,260 | 928,284 | 9 |
| ISLAND PETROLEUM | Cyprus | 494,382 | 229,305 | 116 |
| ELEMENT ALPHA | Switzerland | 148,705 | 49,091 | 203 |
| VICTORIA CHEMICALS SPOLKA Z OGRANICZONA ODPOWIEDZIALNOSCIA | Poland | 142,000 | 116,856 | 22 |

Oil Terminal SA' main clients

| Client name | Country | 30 June 2017 | | 30 June 2016 | |
|--------------------|----------------|-----------------------|----------|-----------------------|----------|
| | | Invoiced value | % | Invoiced value | % |
| PETROTEL LUKOIL | Romania | 21,367,852 | 24.95 | 30,115,252 | 34.3 |
| OMV PETROM | Romania | 13,784,220 | 16.09 | 8,394,061 | 9.56 |

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| | | | | | |
|--|-------------|------------|-------|------------|-------|
| VITOL | Switzerland | 10,849,139 | 12.67 | 10,300,643 | 11.73 |
| OSCAR DOWNSTREAM | Romania | 7,986,170 | 9.32 | 9,105,935 | 10.37 |
| LITASCO | Switzerland | 6,914,395 | 8.07 | 3,219,529 | 3.67 |
| MOL ROMANIA PETROLEUM PRODUCTS | Romania | 6,114,029 | 7.14 | 7,121,119 | 8.11 |
| EURONOVA ENERGIES | Switzerland | 3,010,568 | 3.52 | 3,812,570 | 4.34 |
| MADDOX | Switzerland | 2,914,474 | 3.40 | 3,259,808 | 3.71 |
| ADMINISTRATIA NATIONALA A REZERVEI DE STAT | Romania | 1,851,677 | 2.16 | 1,521,206 | 1.73 |
| ROMPETROL RAFINARE | Romania | 1,191,453 | 1.39 | 1,862,766 | 2.12 |

15. Tangible assets

| | Fields | Buidings | Technical facilities and equipments | Other facilities, equipments and furniture | Total |
|---|--------------------|--------------------|-------------------------------------|--|--------------------|
| Gross value | | | | | |
| Balance on the 31 st December 2016 | 298,616,273 | 145,476,454 | 22,684,324 | 3,702,457 | 470,479,508 |
| Transfers from going on assets | - | 119,744 | 608,987 | - | 728,731 |
| Outputs | - | - | (56,240) | - | (56,240) |
| Balance on 30 June 2017 | 298,616,273 | 145,596,198 | 23,237,071 | 3,702,457 | 471,151,999 |

Amortizations

| | Fields | Buildings | Technical facilities and equipments | Other facilities, equipments and furniture | Total |
|---|--------------------|--------------------|-------------------------------------|--|--------------------|
| Balance on the 31 st December 2016 | - | 8,721,669 | 2,722,106 | 625,882 | 12,069,657 |
| Amortizations in 2017 | - | 4,565,645 | 1,254,707 | 305,687 | 6,126,039 |
| Outgoings cumulated amortization | - | - | (39,368) | - | (39,368) |
| Balance on the 30 June 2017 | - | 13,287,314 | 3,937,445 | 931,569 | 18,156,328 |
| Net value | | | | | |
| Balance on the 31 st December 2016 | 298,616,273 | 136,754,785 | 19,962,218 | 3,076,575 | 458,409,851 |
| Balance on the 30 June 2017 | 298,616,273 | 132,308,884 | 19,299,626 | 2,770,888 | 452,995,671 |

On 30.06.2017 the tangible assts net value increased by 5,414,180 lei comparing to 31.12.2016, as follows:

- commissionings from tangible assets going on, increasing of 728,731 lei
- decommissionings from tangible assets going on, diminishing of 56,240 lei
- cumulated amortizations of decommissioned tangible assets, diminishing of 39,368 lei
- amortizations of tangible assets in 2017, diminishing of 6,126,039 lei

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On 31 December 2016, the company did not reevaluate the tangible assets. The frequency of the reevaluations depends upon the reevaluated tangible assets fair values alterations. For tangible assets which fair values have no outstanding alterations, reevaluations are not necessary.

The latest recorded reevaluation is on 31.12.2015, according to an Evaluation report issued by an authorized assessor, member of ANEVAR.

The fair value, as determined, revealed by reevaluated value, on 30.06.2017, is as followings:

| | |
|--|-----------------|
| ➤ Fields | 298,616,273 lei |
| ➤ Constructions Group | 132,308,884 lei |
| ➤ Technical facilities and cars | 19,299,626 lei |
| ➤ Other facilities, equipment and furniture | 2,770,888 lei |
| ➤ Tangible assets going on | 3,086,343 lei |

The company has in its patrimony the following fields:

- field in a surface of 951,386.79 sqm registered according to propriety title series MO3 no. 3285/19.11.1196 located in South Storage Farm, in an amount of 50,191,073 lei
- field in a surface of 413,413.16 sqm got in 2003 according to propriety title series MO 3 no. 8448/16.04.20013 located in North Storage Farm, in an amount of 59,200,900 lei
- field got in 2004 according to sale-purchase contract no.181/20.01.2004 concluded with Constanta City Hall, in a surface of 243,912.70 sqm located in North Storage Farm, in an amount of 33,438,600 lei
- field in a surface of 254,261.33 sqm, got in 2011, according to propriety title series MO3 no. 11703/02.02.2011, located in North Storage Farm, in an amount of 103,260,400 lei
- field in a surface of 129,334.70 sqm got in 2011 according to propriety title series MO 3 no. 11704/02.02.20011 located in North Storage Farm, in an amount of 52,525,300 lei

Lots of field in a surface of 254,261.33 sq.m. and 129,3334.70 sq.m were recorded in the company' patrimony on other reserves from own capitals, without increasing the social capital by the value recorded in the propriety right certificates.

16. Tangible assets in execution

Assets in execution in an amount of 3,086,343 lei represent uncompleted investments on 30.06.2017, from which:

| | Investments according OIL TERMINAL' program | Investments achieved according Oil Agreement* | Total |
|---|--|--|--------------|
| Balance on the 31 December 2016 | 2,023,006 | 287,789 | 2,310,795 |
| Cancelation of regulations for the tangible assets in execution' depreciation | 555,682 | - | 555,682 |
| Increases during year | 1,120,173 | 384,106 | 1,504,279 |
| Transfers in tangible assets | (728,731) | - | (728,731) |
| Cassations | (555,682) | | (555,682) |

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| | | | |
|--------------------------------|------------------|----------------|------------------|
| Balance on 30 June 2017 | 2,414,448 | 671,895 | 3,086,343 |
|--------------------------------|------------------|----------------|------------------|

*Assets going on from investments expenses according to Oil Agreement of shoretanks, crude oil and petroleum products, pumping facilities and other facilities and equipments related to them activity'leasing, concluded with the National Agency of Mineral Resources Bucharest.

The total investments expenses value on 30.06.2017 is 1,504,279 lei, from which the main investments objectives are:

- Analyzer for oil products' sulphur content determination – 268,000 lei;
- Upgrading of shoretank 34 South Storage Farm (according Oil agreement) - 243,050 lei;
- Upgrading of gas oil metering skid – 141,056 lei;
- Dacia Duster Laureate 1,5 109 PH (2 pieces) – 131,771 lei;
- Aboveground positioning of pipeline network in Port Storage Farm – MIM Bridge - 115,387 lei;
- Safety cabins (17 pieces) – 119,743 lei;
- Upgrading of shoretank 23 Port Storage Farm 87,000 lei;
- Remote equipment for oil products' sulphur content determination in waste waters and soil – 81,000 lei;
- Centralized system for technical gases supply – 54,738 lei;
- Upgrading of railway platform South Storage Farm – 48,000 lei;
- Safety shower (8 pieces) – 31,608 lei;
- Server HP DL 80 – 23,985 lei;
- Protherm electric boiler 24 kv (2 pieces) – 7,930 lei;
- Access control panel – 65,654 lei.

On 31.12.2016 the company recorded regulations for tangible assets impairment in execution in an amount of 555,682 lei representing ceased investments noticed when going on assets' inventory.

In 2017, the regulations for tangible assets in execution, recorded in 2016, were canceled, arising revenues from regulation s for tangible assets' depreciation and expenses from operation regarding ceased investments in an amount of 555,682 lei.

17. Intangible assets

| Gross values | Licenses/patents | Leases | Other intangible assets | Total |
|---|-------------------------|------------------|--------------------------------|------------------|
| Balance on the 31 st December 2016 | - | 3,438,172 | 423,498 | 3,861,670 |
| Increases from acquisitions | | | 3,091 | 3,091 |
| Balance on the 30 June 2017 | - | 3,438.172 | 426,589 | 3,864,761 |

| Amortizations and impairments | Licenses/patents | Leases | Other intangible assets | Total |
|---|-------------------------|------------------|--------------------------------|----------------|
| Balance on the 31 st December 2016 | - | - | 252,290 | 252,290 |
| Amortization in 2017 | - | - | 33,856. | 33,856 |
| Balance on the 30 June 2017 | - | - | 286,146 | 286,146 |
| Net value | | | | |
| Balance on the 31st December 2016 | - | 3,438,172 | 171,208 | |

OIL TERMINAL - Notes of simplified interim financial situations on 30th June 2017
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| | | | | |
|------------------------------------|---|------------------|----------------|------------------|
| | | | | 3,609,380 |
| Balance on the 30 June 2017 | - | 3,438,172 | 140,443 | 3,578,615 |

Intangible assets, recorded in SC OIL TERMINAL SA Constanta' accountant record, are informatic/licences programs, purchased from third parties and leasing of crude oil, petroleum products' shoretanks, pipelines activity, pumping facilities and other equipments related to these, concluded with the National Agency for Mineral Resources.

Following the leasing contract analysis, approved by GD 886/16.08.2002, leasing recognition terms as intangible assets are met according to IAS 38- intangible assets and clarifications given by IFRIC 12.

So, the intangible asset was recognized – leasing, in its fair value of 3,034,941 lei, recorded in accountant book on 31.12.2012, according to Evaluation report issued by an authorized assessor, member of ANEVAR. The leasing use ful lifetime is undetermined, according to item 88 of IAS 38 – Intangible assets, so this is not amortizable.

Intangible assets are presented in financial reports at the reevaluated value, less the amortizations and regulations for impairment or value loss, according to IAS 38 - intangible assets and IAS 36- assets impairment.

On 31 December 2016 the company did not reevaluate intangible assets. After the initial recognition, the company counts an intangible asset at the reevaluated value representing its fair value on the reevaluation date minus any further cumulated amortization and any further cumulated loss from depreciation. For the reevaluations, the fair value is evaluated according to an active market. Reevaluations are made so frequent, so that, on the reporting period completion, the asset's accountant value does not exceed significantly its fair value.

The latest reevaluation is recorded on 31.12.2015, according to an Evaluation report issued by an authorized assessor, member of ANEVAR.

The fair value, so determined, recorded by the reevaluated value method, on 30.06.2017, is as followings:

| | |
|---------------------------------|---------------|
| - leasing Oil Agreement | 3,438,172 lei |
| - informatic/ licences programs | 140,443 lei |

18. Financial assets

| | Year ended on 30 June 2017 | Year ended on 31 December 2016 |
|-------------------------------|---|---|
| Guarantees given to suppliers | 867 | 867 |
| Other immobilized receivables | 809,222 | 808,208 |
| Total financial assets | 810,089 | 809,075 |

On 30.06.2017 and 31.12.2016, the guarantees given to suppliers are in an amount of 867, from which for the supplier Telecomunicatii CFR 785 lei and 82 lei for the supplier Compania Nationala CFR Sucursala C.R.E.I.R. CF Constanta.

The balance on 30.06.2017, regarding the immobilized receivables in an amount of 809,222 lei, represents:

- letter of bank guarantee no. 140LG0115331002/27.11.2015 in an amount of 804,493 lei issued by Bancpost SA in the beneficiary Directia Generala de Administrare a Marilor Contribuabili' account, in force until 25.11.2016, by a collateral account opening, to guarantee the trade according to commitment contract no.1406/27.11.2015 in order to complete the guarantees constituted for the company' fiscal warehouse position.

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- On 24.11.2016, the letter of bank guarantee no. 140LG0115331002' availability was extended until 24.11.2017
- 3 guarantee letters in an amount of 3,715 lei in Companiei Nationale Administratia Porturilor Maritime' favour.
- Bancpost guarantee in an amount of 1,014 lei

19. Stocks

| | Year ended on 30 June 2017 | Year ended on 31 December 2016 |
|--------------------------|---------------------------------------|---|
| Additional materials | 440,338 | 301,004 |
| Fuel oils | 49,527 | 66,238 |
| Package stuff | 6,282 | 3,599 |
| Spare parts | 68,645 | 50,618 |
| Other supplies | 72,106 | 78,907 |
| Inventory objects stuff | 320,588 | 418,783 |
| Residual products | 49,556 | 186,889 |
| Regulations for supplies | (95,592) | (50,725) |
| Supplies in delivery | - | 614 |
| Total stocks | 911,450 | 1,055,927 |

Stocks without movement, in balance on 30.06.2017 are **95,592 lei**, for which regulations for the materials impairment were constituted.

In semester I 2017, the company recorded regulations for stocks impairment as followings:

| | Year ended on 30 June 2017 | Year ended on 31 December 2016 |
|--|---------------------------------------|---|
| Regulations balance for stocks impairment on the 1 st January | 50,725 | 80,695 |
| Constitutions in year | 29,890 | 30,213 |
| Reversals in year | (2,043) | (60,183) |
| Regulations of balance for stocks impairment at the period end | 78,572 | 50,725 |

20. Clients and assimilated accounts

| | Year ended on 30 June 2017 | Year ended on 31 December 2016 |
|---|---------------------------------------|---|
| Clients issued invoices, to collect | 13,664,140 | 16,167,501 |
| Uncertain clients and in litigation | 3,072,883 | 3,126,831 |
| Clients invoices to be issued | 316,139 | 314,680 |
| Regulations for clients' receivables impairment | (3,076,191) | (3,130,521) |
| Total clients | 13,976,971 | 16,478,491 |

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The clients situation – invoices issued to be collected in an amount of 13,664,140 lei in balance on the 30 June 2017, is classified on period of time, as followings:

- Clients' receivables not exceeding the due payme date 11,604,465 lei
- Clients' receivables with exceeded due time between 1-30 days 43,289 lei
- Clients' receivables with exceeded due time more extended than 31 days 4,959 lei

The uncertain clients recorded on 30.06.2017 are in a total amount of **3,072,883 lei**. For uncertain clients, the company constituted regulations for the clients receivables impairment for the total amount VAT included.

In semester I 2017, the company recorded regulations fro clients receivables impairment, as followings:

| | Year ended on 30 June 2017 | Year ended on 30 June 2016 |
|--|-------------------------------|-------------------------------|
| Provision balance for impairment on the 1st January | 3,130,521 | 3,191,220 |
| Constitutions in year | 123,045 | 57,004 |
| Reversals in year | (177,375) | (117,703) |
| Provision balance from impairment at the period end | 3,076,191 | 3,130,521 |

21.Other receivables and expenses in advance

| | Year ended on 30 June 2017 | Year ended on 31 December 2016 |
|---|----------------------------------|--------------------------------------|
| Different debtors | 2,623,852 | 1,475,163 |
| Suppliers-debtors for services supplies | - | 681 |
| Expenses recorded in advance | 111,232 | 112,198 |
| Other receivables | 288,940 | 306,584 |
| Total other receivables | 3,024,024 | 1,894,626 |

Taxes and fees to be recovered

| | Year ended on 30 June 2017 | Year ended on 31 December 2016 |
|----------------------|-------------------------------|-----------------------------------|
| Tax on constructions | - | 1,035 |
| Tax company | 662 | - |
| Total | 662 | 1,035 |

22. Cash and cash equivalent

| | Year ended on 30 June 2017 | Year ended on 31 December 2016 |
|--|-------------------------------|--------------------------------------|
| Available in lei cash in banks' current accounts | 16,377,156 | 25,841,318 |
| Available in foreign currency in banks' current accounts | 99,819 | 130,765 |
| Cash Flows advances | 13,610 | 6,282 |
| Other values | 15,580 | 17,425 |
| Available in cash | 5,602 | 6,106 |
| Total cash and equivalents | 16,511,767 | 26,001,896 |

The are no restrictions on the monetary availability accounts

23. Social capital

| | Number of shares | Social capital |
|--------------------------|--------------------|-------------------|
| Statutory social capital | 582,430,250 | 58,243,025 |
| Total capital | 582,430,250 | 58,243,025 |

The social capital structure on the 30 June 2017 comparing to 30 March 2016, according to data submitted by Depozitarul Central, is the following:

| Shareholder 30.06.2017 | Total nominal | | |
|---|--------------------|-------------------|--------------|
| | Number of shares | value | Possession % |
| Romanian State through the Economy Ministry | 347,257,973 | 34,725,797 | 59.62 |
| Legal persons | 60,125,499 | 6,012,550 | 10.32 |
| Physical persons | 175,046,781 | 17,504,678 | 30.06 |
| Total capital | 582,430,253 | 58,243,025 | 100 |

| Shareholder 30.06.2016 | Total nominal | | |
|---|--------------------|-------------------|--------------|
| | Number of shares | value | Possession % |
| Romanian State through the Economy Ministry | 347,257,973 | 34,725,797 | 59.62 |
| Fondul Proprietatea SA | 36,796,026 | 3,679,603 | 6.32 |
| Legal persons | 96,279,527 | 9,627,953 | 16.53 |
| Physical persons | 102,096,727 | 10,209,673 | 17.53 |
| Total capital | 582,430,253 | 58,243,025 | 100 |

Romanian State represented by the Ministry of Economy is the main shareholder and owns 59.62% of the social capital.

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The subscribed and paid social capital through the Ministry of Economy is 58,243,025 lei divided in 582,430,253 shares with a nominal value of 0.10 lei/share, both on on the 31 June 2017 and on the 30 June 2016. Each share gives the right of a single vote to its owner.

OIL TERMINAL SA is a company quoted in Bucharest Stock Exchange. The shares were traded at 0.1335 lei/share on the 30 June 2017 and at 0.0948 lei/share on 30 June 2016.

The unpaid dividends value on the 30 June 2017 is 1,376,939 lei, representing the unpaid dividends from the previous years from which physical persons 1,339,053 lei and legal persons 37,886 lei.

24. Other elements of own capital

| | Year ended on 30 June 2017 | Year ended on 31 December 2016 |
|---|-------------------------------|-----------------------------------|
| Recognized postponed tax on own capitals | (2,714,938) | (2,714,938) |
| Other elements of own capitals | 3,034,941 | 3,034,941 |
| Total other elements of own capitals | 320,003 | 320,003 |

On 30 June 2017, the tax on postponed profit constituted on own capitals does not record alterations comparing to the previous year and is in an amount of (2,714,938) lei.

The tax on postponed profit constituted on own capitals in an amount of (2,714,938) lei in balance on 30 June 2017 is constituted of:

- recognized postponed tax on own capitals for the reserves from reevaluation transferred in reported result, representing surplus from ceased/out of work tangible assets re evaluation in an amount of (2,785,212) lei;
- Tax on postponed profit for fiscal facilities for 2012 in an amount of 70,274 lei.

On 30.06.2017, other elements of own capitals remain in balance, the counterparty of intangible asset recognition – oil agreement leasing, approved by GD 886/2002, in an amount of 3,034,941lei, unaltered balance comparing to the previous year.

25. Reserves from reevaluation

| | Year ended on 30 June 2017 | Year ended on 31 December 2016 |
|---|-------------------------------|-----------------------------------|
| Reserves from tangible and intangible assets reevaluation | 210,321,456 | 210,424,839 |

On 30.06.2017 and on 31.12.2015 the reserve from the tangible and intangible assets' reevaluation diminishes comparing to the previous year by the amount of 103,383 lei, representing the diminishing of the reserve from re evaluation previously constituted by the reserves from re evaluation' transfer in the reported result, representing achieved surplus from the reserve from re evaluation for the ceased/ out of work assets.

The total value of the reserves from reevaluation of 210,321,456 lei in balance on 30.06.2017 includes:

- reserve from reevaluation related to tangible assets of 209,818,500 lei
- reserve from reevaluation related to intangible assets, representing rights given by the Oil Agreement of leasing of the operation of shoretanks, crude oil and petroleum products transport pipelines activity, of pumping facilities and of other facilities and equipments related to these,

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concluded with National Agency for Mineral Resources, approved by GD 886/16.08.2002 of 403,231 lei.

- reserve from reevaluation related to intangible assets representing licenses of 99,725 lei

26. Reported result

a. Reported result representing the surplus achieved from reevaluation reserves:

| | Year ended on 30 June 2017 | Year ended on 31 December 2016 |
|--|-------------------------------|--------------------------------------|
| Reported result representing surplus achieved from reevaluation reserves | 4,784,246 | 4,680,864 |
| Total surplus achieved from reevaluation reserves | 4,784,246 | 4,680,864 |

Reevaluation surplus achieved from reevaluation reserves was constituted by passing to the reported result of the reevaluation difference related to tangible assets to their derecognition.

In 2017, no surplus from reevaluation was recorded, so that the reported result representing the achieved surplus from reserves from reevaluation in balance on 31st March 2017 of 4,680,864 lei is the same as the balance recorded the previous year.

b. Reported result arisen from IAS adoption for the first time, less IAS 29

| | Year ended on 30 June 2017 | Year ended on 31 December 2016 |
|---|-------------------------------|--------------------------------------|
| Reported result arisen from IAS adoption for the first time, less IAS 29 | 396,930 | 396,930 |
| Total reported result arisen from IAS adoption for the first time, less IAS 29 | 396,930 | 396,930 |

The reported result arisen from the adoption for the first time of IAS, less IAS 29, on 30 June 2017 is in an amount of 396,930 lei and has no alterations comparing to the previous year.

The amount of 396,930 lei represents retreatments from IAS adoption for the first time, less IAS 29, for 2000, according to Order no.94/2001 for approval of Accounting Regulations together with Directive IV of European Economic Communities and the Accounting International Standards.

For 2000, the balance sheets issued according to Finances Ministry no. 403/1999 to approve the of Accounting Regulations together with Directive IV of European Economic Communities and the Accounting International Standards were retreated, according to Order no.94/2001 for Accounting regulations approval together with Directive IV of European Economic Communities and the Accounting International Standards.

c. Reported result arisen from accountant errors correction

On 30.06.2017, the balance of the reported result arisen from accountant errors correction is as followings:

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| | 30 June 2017 | 31 December 2016 |
|---|---------------------|-------------------------|
| Reported result arisen from accountant errors correction | (25,839,366) | (25,839,366) |
| Total Reported result arisen from accountant errors correction | (25,839,366) | (25,839,366) |

The value of (25,839,366) lei recorded in reported result from the accountancy errors correction comes from the recording of postponed profit taxation in an amount of 25,839,366 lei, for the reserves from reevaluation for 2011-2013 on own capitals, by account ‘ reported result arisen from the accountant errors’ correction’, according to IAS 8 ‘Accountant policies, accountant estimations and errors’ alterations’, on 31st december 2014, as follows:

- for 2011 value (9,519,349) lei
- for 2012 value (8,242,884) lei
- for 2013 value (8,077,133) lei.

d. Reported result representing undistributed profit

On 30.06.20167 the balance of the reported result account representing undistributed profit is in an amount of 14,225,638 lei.

In April 2017, according to Oil Terminal Shareholders General Assembly’ decision no. 4/26.04.2017, the amount of 14,225,638 lei, representing the undistributed profit for 2016 was distributed as dividends due to shareholders.

27. Legal reserves and other reserves

| | Year ended on 30 June 2017 | Year ended on 31 December 2016 |
|-----------------------|-----------------------------------|---------------------------------------|
| Legal reserves | 4,744,817 | 4,744,817 |
| Other reserves | 174,395,611 | 174,395,611 |
| Total reserves | 179,140,428 | 179,140,428 |

The legal reserves, in an amount of 4,744,817 lei in balance on 30 June 2017 did not record any alterations comparing to the previous year.

Other reserves in balance on 30 June 2017, unaltered comparing to the previous year are in an amount of 174,395,611 lei, representing:

- reserves constituted from the distributed for constituting its own financing source according to AGA’ decisions, in an amount of 21,552, 205 lei.
- Reserves from fiscal facilities in an amount of 764,542 lei;
- Fields recognized according to reserves for which propriety titles were got in 2011 in an amount of 151,789,000 lei, as follows:

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- field in a surface of 254,261.3 sqm, got in 2011, according to propriety title series MO3 no. 11703/02.02.2011, located in North Storage Farm, in an amount of 100,611,000 lei.
- field in a surface of 129,334.70 sqm, got in 2011, according to propriety title series MO3 no. 11704/02.02.2011, located in North Storage Farm, in an amount of 51,178,000 lei.

For these 2 fields the social capital increase is going on, provided by GD 834/1991.

- field in a surface of 5,494 sq.m. located in South Storage Farm, in an amount of 289,864 lei, representing the field difference arisen from the cadastral documentation updating made in 2015, for the field recorded according to propriety title MO3 no.3285/19.11.1996

28. Debts on long term

a. Loans on long term

| | Year ended on 30 June 2017 | Year ended on 31 December 2016 |
|--|-------------------------------|-----------------------------------|
| Loans on long term | - | 540,458 |
| Contract no. 40012/2011 Raiffeisen Bank | - | (540,458) |
| Minus current part | 7,968,750 | 8,606,250 |
| Contract no C12002013014745/05.09.2013 OTP Bank (investments credit) | | |
| Minus current part | (1,275,000) | (1,275,000) |
| Total loans on long term | 6,693,750 | 7,331,250 |

The reported loans on long term are generated by the following below-mentioned contracts:

| Creditor | Currency | Due date | Reimbursement | Interest | Guarantee | 31.12.2016 | 30.06.2017 |
|---|----------|------------|---------------|--------------------------------|---|------------|------------|
| 1.Contract no 40012/2011 Raiffeisen Bank* | lei | 25.03.2017 | Monthly rates | ROBOR at 1 month plus limit | Mortgage and real estate guarantee reala imobiliara | 540,458 | 0 |

*Additional Act no. 1/2012 of the credit facility contract on term no. 40012/2011

* Additional Act no. 2/2012 of the credit facility contract on term no. 40012/2011

* Additional Act no. 2/2012 of the credit facility contract on term no. 40012/2011

On 29.03.2011 the company signed with Raiffeisen Bank SA a credit facility contract on term, for financing a shoretank of 10,000 CM building in Port Storage Farm, in an amount of 8,067,135 lei, with reimbursement term until 25.03.2017.

The shoretank building was completed in 2012.

OIL TERMINAL SA constituted in Raiffeisen Bank SA' favour the following guarantees:

- a) Prime mortgage priority on the building on Oil Terminal' propriety, located in Constanta, no.2, Caraiman str., in a surface of 19,900 sqm and buildings C343, C346-C350, C353-C355, C357, C359, C360 in a total built surface of 9,625 sqm, with cadastral number 116119 registered in Constanta' Land Registrar with no. 160526.

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b) Pledge on present and future availabilities of Oil Terminal SA' accounts opened or to be opened at Raiffeisen Bank.

In 2012, it completed the withdrawal from the loan contracted with Raiffeisen Bank, this loan has been fully paid on 31.03.2017.

In March 2017, the loan contract no.40012/2011, signed with Raiffeisen Bank reached the payment dur term and the mortgage in Raiffeisen Bank' favour was radiated according to the decision no.42125/12.04.2017, issued by Constanta Cadastral Office and Real Estate Advertising.

| Creditor | Currency | Due date | Reimbursement | Interest | Guarantee | 31.12.2016 | 30.06.2017 |
|---|-----------------|-----------------|----------------------|---------------------------------|---|-------------------|-------------------|
| 2.Contract no. C12002013014745 of 05.09.2013 OTP Bank Romania* | lei | 01.09.2023 | Monthly rates | ROBOR on 3 months plus limit | Mortgage and real estate guarantee | 8,606,250 | 7,968,750 |

*Additional Act no. 1/2013/23.09.2013 of the investments credit contract no. C12002013014745

* Additional Act no. 2/2013/14.10.2013 of the investments credit contract no. C12002013014745

On 05.09.2013 the company signed with OTP Bank Romania an investment credit contract, to finance/refinance the expenses of upgrading shoretank 28 in South Storage Farm, being state public domain, according to Oil Agreement approved by HG 886/2002, in an amount of 10,200,000 lei with reimbursement term until 01.09.2023 and a grace period until 30.09.2015. The shoretank upgrading was completed in 2013.

OIL TERMINAL SA constituted in OTP Bank Romania the following guarantees:

a) Security mortgage on the accounts opened by client at bank

b) Mortgage on the building plot, category of use yards-buildings in a surface of 12,916 sqm, located in Constanta county, no.2, Caraiman str. Noth Storage Farm I, Constanta county parcel 3, identified with cadastral number 214855 registered at Constanta Land Registrar with number 214855, together with its buildings , in a total built surface of 913 sqm as follows:

- C 394 "Ghena" identified with cadastral umber 214855-C1

- C395 – "Administrative building" identified with cadastral number 214855-C2

- C 396 "Greenhouses" with cadastral number 214855-C3

- C397 " Greenhouses" with cadastral number 214855-C4 SC OIL TERMINAL SA propriety

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c) Mortgage on the building plot, category of use yards-buildings in a surface of 23,141 sqm, located in Constanta, no.2 Caraiman str., Constanta County, parcel 2, identified with cadastral number 211722 registered at Constanta Land Registrar with number 211722, together with its buildings, with a total built surface of 2,477 sqm, as follows:

- C1 "Shoretank" in a built surface of 830 sqm, identified with cadastral number 211722 – C1
- C3 "Shoretank" in a built surface of 748 sqm, identified with cadastral number 211722 – C2
- C5 "Shoretank" in a built surface of 849 sqm, identified with cadastral number 211722 – C3, in SC OIL TERMINAL SA' propriety

d) Mortgage on the building plot, category of use yards-buildings in a surface of 34,153 sqm, located in Constanta, no.2 Caraiman str., Constanta County, parcel 1/1, identified with cadastral number 238666 registered at Constanta Land Registrar with number 238666, together with its buildings, with a total built surface of 2,477 sqm, as follows:

- C6 "Shoretank" in a built surface of 855 sqm, identified with cadastral number 238666 – C6
- C7 "Shoretank" in a built surface of 804 sqm, identified with cadastral number 238666 – C7
- C8 "Shoretank" in a built surface of 855 sqm, identified with cadastral number 238666 – C8
- C9 "Shoretank" in a built surface of 854 sqm, identified with cadastral number 211722 – C9, in SC OIL TERMINAL SA' propriety

e) Mortgage on the building plot, category of use yards-buildings in a surface of 15,801 sqm, located in Constanta, no.2 Caraiman str., Constanta County, parcel 1/2/1, identified with cadastral number 238836 registered at Constanta Land Registrar with number 238836, together with its buildings, with a total built surface of 2,477 sqm, as follows:

- C2 "Shoretank" in a built surface of 856 sqm, identified with cadastral number 238836 – C2
- C4 "Shoretank" in a built surface of 855 sqm, identified with cadastral number 238836 – C4, , in SC OIL TERMINAL SA' propriety

In September 2013, the withdrawal from the loan contracted with OTP Bank was completed, the balance of this loan being 7,968,750 lei on 30.06.2017.

b. Debts regarding tax on postponed profit

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On 30 June 2017, the postponed profit tax constituted for the own capitals related to reserves from reevaluation is in an amount of 28,624,578 lei, and does not record any alterations comparing to 31.12.2016, being constituted as followings:

- On 31 December 2014, it recorded, according to "Accountant policies, alterations of accountant estimations and errors", tax on postponed profit in an amount of 25,839,366 lei, related to reevaluation reserves for 2011-2013 on own capitals, by account "reported result arisen from accountant errors correction".
- For 2014, tax on postponed profit was recorded on own capitals in an amount of 103,882 lei.
- For 2015, tax on postponed profit was recorded on own capitals in an amount of 2,779,767 lei
- For 2016, tax on postponed profit was recorded on own capitals in an amount of (98,437 lei)

The reconciliation of tax on postponed profit is as followings:

| | Year ended on 30 June 2017 | Year ended on 31 December 2016 |
|--|-------------------------------|-----------------------------------|
| Tax on postponed profit on 1 January | 28,624,578 | 28,723,015 |
| Tax on postponed profit on the period end | 28.624.578 | 28,624,578 |
| Variation of postponed tax | - | (98,437) |
| From which debt with tax with postponed recognized on own capitals | - | (98,437) |

29. Debts regarding financial leasing obligations

The company doesn't record debts of financial leasing on 30.06.2017, or on 31.12.2016. Societatea concluded the following operational; leasing contracts:

1. Contract 33/126/23.04.2015 concluded with BCR Fleet Management having as object operational leasing for car Skoda Superb Elegance Business – 1 piece
The contract period is 24 months since the car' delivery
2. Contract 49/154/27.05.2015 concluded with CENTER TEA&CO SRL with object:
Operational leasing backhoe – 1 piece
Operational leasing crane – 1 piece
The contract period is 24 months since the cars' delivery
3. Contract 81/203/27.07.2015 concluded with CENTER TEA&CO SRL with object:
Operational leasing car Ford Mondeo Trend 2,0 TDCi – 2 pieces
Operational leasing tipper 18- MTMA-MAN– 1 piece
Operational leasing Ford Mondeo Wagon 2.0 TDCi – 1 piece
Operational leasing tipper 18- MTMA-MAN– 1 piece
The contract period is 36 months since the cars' delivery
4. Contract 357/146/09.12.2015 concluded with CENTER TEA&CO SRL with object:
Operational leasing car Dacia Logan MCV Laurete 1.5 DCI 90 CP- 1 piece
Operational leasing car Logan MCV Laurete 1.5 DCI 90 CP- 7 pieces
Operational leasing van Ford Transit V36 double cabin 350 L3 BASE RWD 2.2 TDCI 125 CP DPF- 1 piece
Contract period is 36 months since the cars' delivery
In 2016, Societatea concluded the following operational leasing contract:

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5. Contract no.100/171/16.06.2016 concluded with CENTER TEA&CO SRL with object:
 Operational leasing for excavator – 1 piece
 Height work platform – 1 piece
 Fire fighting truck – 1 piece
 Contract period is 36 months since the goods delivery
 There is the possibility that, Societatea becomes owner of the goods after having paid for the residual value, when the leasing period completion.
6. Contract no.68/97/27.03.2017 concluded with CENTER TEA & CO SRL having as object:
 Operational leasing for:
 Dacia Dokker Laureate SCI 90CP – 3 pieces
 Dacia Logan Laureate DCI 90-CP – 5 pieces
 Multivan HL KR 2.0 TDI 150 KW 4m DSG 204 CP/150 kw – 1 piece
 Tuareg supreme Plus V6 TDI BMT 262 CP/193 Kw AG8 SUV – 1 piece
 Contract period is 36 months since the goods delivery
 There is the possibility that Societatea becomes owner after having paid for the residual value, on the leasing period completion.

Societatea recognized as expenses in the profit and loss account in 2017, the payments for the operational leasing contracts, using the linear model for leasing period, in a total amount of 822,644 lei.

The minimum future leasing payments are settled up to the price agreed by contract and the rates number remained to be paid.

The situation of the minimum future leasing payments on 30.06.2017 is as follows:

| | Future payments up to 1 year | Future payments up to 2-5 years |
|--|---------------------------------|------------------------------------|
| Contract 49/154/27.05.2015 Center Tea &Co SRL | 24,988 | 0 |
| Contract 81/203/27.07.2015 Center Tea &Co SRL | 443,404 | 188,334 |
| | 134,977 | 74,788 |
| Contract 357/146/09.12.2015 Center Tea &Co SRL | | |
| Contract 100/171/16.06.2016 Center Tea &Co SRL | 523,080 | 728,546 |
| Contract 68/97/27.03.2017 Center Tea &Co SRL | 208,205 | 365,260 |
| Total | 1,334,654 | 1,356,928 |

30. Loans on short term – presentation of loans on short term

On 30 June 2017 and on 31 December 2016, the loans on short term have no balance.

| Creditor | Currency | Due date | Reimbursement | Interest | Value |
|----------|----------|----------|---------------|----------|-------|
|----------|----------|----------|---------------|----------|-------|

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| | | | | | |
|--|-----|------------|--------------------------------|------------------------------|-----------|
| 1. Credit contract (credit line) no. C12002013014744/05.09.2013 concluded with OTP Bank and Additional acts no.3/04.09.2014,no.4/03.09.2015 and no.5/02.09.2016 | lei | 01/09/2017 | Full reimbursement on due date | ROBOR on 3 months plus limit | 5,000,000 |
|--|-----|------------|--------------------------------|------------------------------|-----------|

On 04.09.2014, the additional act no.3/04.09.2014 to contract C12002013014744/05.09.2013, concluded with OTP Bank, by which the credit line to finance and/or refinance the current activity increases by 2,000,000 lei, becoming 5,000,000 lei, with payment due date on 04.09.2015.

On 03.09.2014, the additional act no.4/03.09.2014 to contract C12002013014744/05.09.2013, concluded with OTP Bank, by which the credit line to finance and/or refinance the current activity in an amount of 5,000,000 lei extends until 02.09.2016.

On 02.09.2014, the additional act no.5/02.09.2014 to contract C12002013014744/05.09.2013, concluded with OTP Bank, by which the credit line to finance and/or refinance the current activity in an amount of 5,000,000 lei extends until 01.09.2017.

The guarantees constituted in OTP Bank' favour remain the same as those initially constituted by signing the contract no. C12002013014744/05.09.2013.

| Creditor | Currency | Due date | Reimbursement | Interest | Value |
|--|----------|------------|--------------------------------|------------------------------|------------|
| 1. Credit contract no. 1403/27.11.2015 (Facility in order to issue a guarantee letter) concluded with Bancpost SA | lei | 24/11/2017 | Full reimbursement on due date | ROBOR on 3 months plus limit | 47,017,708 |

By Credit contract no.1403/27.11.2015, Bancpost gave Societatea Oil Terminal a facility in order to issue a guarantee letter in the National Agency of Fiscal Administration' favour, in view to get the fiscal warehouse authorization, in an amount of 22,193,000 lei, representing the equivalent in lei of the amount 5,000,000 Euros, calculated at Romanian National Bank' exchange rate (available on the contract signing date, namely 1 Euro = 4.4386 lei), for which the following guarantees were constituted:

a) mortgage on the field in a surface of 20,000 sq.m., recorded in the land registry no.244347 Constanta, identified by number 244347 and the constructions built on it:

- shoretank R36 identified by number 244347-C9 (inventory number 11223318), in a surface of 2,859 sq.m.

- shoretank R37 identified by number 244347-C10 (inventory number 11223319), in a surface of 2,859 sq.m.

b) mortgage on the receivables arisen from the contracts concluded with its main commercial partners

c) cession of debt rights arisen from the insurance policies concluded by the borrowed, having as object the real estate brought in guarantee' insurance.

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In 2015, Societatea Oil Terminal got the fiscal warehouse authorization. To get this authorization, it was necessary the constitution of a guarantee in an amount of 22,193,000 lei, representing the equivalent in lei of the amount 5,000,000 euro (calculated on BNR exchange rate available on the contract signing date namely 1 euro= 4.4386 lei) in the favour of National Agency of Fiscal Administration, according to provisions of art. 206 index 54 of Law 571/2003 regarding the Fiscal code, with further alterations and completions.

On 24.11.2016, the additional act no.1/24.11.2016 of contract 1403, concluded with Bancpost, by which the guarantee letter' availability extends until 27.11.2017.

On 25.04.2017, Additional act no.2 of the contract 1403 concluded with Bancpost is signed, by which the guarantee letter availability extends until 27.11.2017 and the facility value alters in order to issue a guarantee letter in the National Agency of Fiscal Administration' favour, in view to get the fiscal warehouse authorization, in an amount of 22,193,000 lei, in view to get the fiscal warehouse authorization, from the value of 22,193,000 lei to 47,017,708 lei.

On the Additional act no.2 to contract 1403' signing date, the Real estate contract no. 181/26.04.2017 and the Additional act no.1/25.04.2017 to the Real estate contract no. 1403/1/27.11.2015 (on the debt), by which the guarantees, related to mortgage on the real estate field in a surface of 20,000 sq.m., recorded in Land registry no.244347 Constanta, identified by number244347 and the constructions built on it, were kept, and the real estate mortgage on the debt was increased until the amount of 47,017,708 lei.

On 27.06.2017, the Additional Act no.3 of contract 1403/27.11.2015, by which the receivables cashing method changes.

31. Commercial debts

| | Year ended on 30 June 2017 | Year ended on 31 December 2016 |
|---|-------------------------------|-----------------------------------|
| Supplier obligations for goods and services | 8,395,191 | 10,781,108 |
| Contributors obligations | 3,772 | 4,242 |
| Suppliers unrarried invoices | 209,229 | 666,896 |
| Total commercial debts | 8,608,192 | 11,452,246 |

Suppliers in balance on 30 June 2017, in an amount of 8,395,191 lei are in due term, the company does no record outstanding suppliers on 30.06.2017.

32. Debts regarding due taxes and fees

| | Year ended on 30 June 2017 | Year ended on 31 December 2016 |
|---|-------------------------------|-----------------------------------|
| Current obligations regarding oil royalty | 1,541,769 | 2,031,139 |
| Current obligations at social insurances budget | 1,963,646 | 1,873,646 |
| Current obligations at state budget | 1,465,428 | 1,822,887 |
| Current obligations at local budget | 285,921 | - |
| Total taxes and fee | 5,256,764 | 5,727,672 |

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33. Alte current debts

| | Year ended on 30 June 2017 | Year ended on 31 December 2016 |
|--------------------------|-------------------------------|-----------------------------------|
| Staff obligations | 1,853,079 | 1,808,580 |
| Dividends to be paid | 1,376,939 | 241,834 |
| Clients creditors | 64,941 | 75,900 |
| Different creditors | 140,508 | 139,049 |
| Received guarantees | 10,000 | 11,521 |
| Total other debts | 3,445,467 | 2,276,884 |

34. Provisions in balance in an amount of 2,150,035 lei, on the 30.06.2017, from which:

- a) provisions for litigations in an amount of 628,446 lei;
- b) provisions for employees' benefits in an amount of 1,521,589 lei;
- c) other provisions for the employees' participation to profit in an amount of 0 lei

a) Provisions for litigations

Societatea records provisions for litigations in an amount of 628,446 lei, on 30 June 2017.

| | Year ended on 30 June 2017 | Year ended on 31 December 2016 |
|--------------------------------|-------------------------------|-----------------------------------|
| Balance on the year start | 8,266,492 | 9,157,657 |
| Constitutions during the year | 6,110 | 44,818 |
| Reversals during the year | (7,644,156) | (935,983) |
| Balance on the year end | 628,446 | 8,266,492 |

Provisions for litigations in an amount of 628,446lei are constituted for the following files:

| Company | Explanation | Value (lei) |
|---|--|-------------|
| Byotech Prod General | File 1517/118/2012 | 246,970 |
| Elvimex Trans Group | File 2639/212/2013 | 69,716 |
| Ingapivet | File 14833/212/2013 | 11,516 |
| ANAF – Garda Financiara –Comisariat General | File 26855/212/2016 court expenses in File 9378/212/2012 | 9,639 |
| OMV Petrom | File 20875/P/2013 Decision no.415/09.12.2013 | 15,983 |
| CCH | File 14430/212/2013 | 1,600 |
| Eco Petroleum | File 7556/212/2014 | 15,595 |
| Oil Terminal Union | File 3164/118/2014 | 7,800 |
| Incasso JobS | File 2640/212/2013 | 720 |
| Iasar Ana SA | File 11403/212/2011 | 90,000 |
| SNTFC- CFR | Dosar 2884/245/2011 | 44,401 |
| AAAS | Dosar 22582/299/2013 | 7,440 |
| Oil Prod | File 2380/118/2013 | 2,200 |
| Wagner Silviu si Miu Vasile | File 6098/118/2014 | 7,145 |

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| | | |
|--|---|--------|
| Silk Road Petroleum | File 8944/212/2015 | 631 |
| Sali Adem | File 5855/212/2015 | 212 |
| Pavaluc Florin | File 5856/212/2015 | 88 |
| Rasid Aise | File 5857/212/2015 and execution file 227/2016 | 417 |
| Garda de Mediu | File 21600/212/2015 and file 21185/212/2015 | 10,000 |
| ION MIHAI | File 2503/118/2015 | 43,145 |
| INTERAGRO | File 4034/118/2015 and file 5409/118/2015 | 300 |
| INTERAGRO SRL | File 36095/3/2015 | 200 |
| MGI Ekoprod | File 3127/3/2015 | 200 |
| INTERAGRO | File 4010/87/2015 | 280 |
| SPITVBL | File 13223/118/2012 | 2,008 |
| BROADHURST INVESTMENTS LTD. | File 2184/118/2016 | 16,674 |
| Roll Oil | File 7601/212/2016 | 200 |
| Roll Oil | File 15372/212/2016 | 212 |
| MFP – Complaints and contestations resolution dept. | File 4106/118/2016 Report 0100918/30.12.2015 | 3,150 |
| Curtea de Conturi | File 3752/118/2016 | 150 |
| Roll Oil | File 30061/212/2016 | 200 |
| Garda Nationala de Mediu- Comisariatul General Serv. Com. Judetean Constanta | File 35420/212/2016 | 12,520 |
| POPESCU DAN CRISTIAN | File 11943/4/2016 | 1,549 |
| ANITEI MIHAI DANIEL | File 5689/212/2017 | 302 |
| FLOREA CRISTIAN | File 5690/212/2017 | 310 |
| CHEBAC MIHAI CRISTIAN | File 5669/212/2017 | 302 |
| COMSULEA CORIN | File 5670/212/2017 | 920 |
| CODESCU DAN | File 5671/212/2017 | 460 |
| GHERMAN ANCA MARIA | File 5667/212/2017 | 302 |
| STAAR RATING | File 5665/212/2017 | 2,443 |
| CRISAN DANIEL | File 5770/212/2017 | 174 |
| FONDUL PROPRIETATEA | File 7264/118/2016 | 50 |
| ANRSPS | File 17187/212/2017 | 315 |

The management periodically analyses the situation of litigations going on, after consulting its legal advisors, decides on the necessity to create provisions for the amounts involved or for their presentation in the financial reports.

Having in view the existent information, the company' management thinks that the outstanding litigations going on are the followings:

I.File no. 25976/212/2011 pending Constanta Court with object Contraventional claim against Observation protocol no.144/16.09.2011, concluded by Constanta Regional Customs Direction of Customs National Authority, by which we were punished for:

- Customs declarations and accompanying documents containing errors data regarding plus goods quantity deposit;
- Customs declarations and documents in which the products names proposed by the Customs central laboratory don't comply with that indicated by the depositary;
- Unachievement of Customs regime holder' obligation provided in the Customs warehouse authorization. For noncomplying with art. 653, letters f,h, art.652 letter m of GD 707/2006, for approval of Romanian Customs Code, the company was fined by 16,000 lei.

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In the file, evidence was administrated with the respondent examination, oral evidence, technical expertise evidence.

By decision no.3605/18.03.2016, the court gave the following solution: "it admits the contraventional complaint. It cancels the contraventions report no.144/16.09.2011 issued by Customs National Authority, through Constanta Customs Regional Direction.

Defendant' appeal: 14.12.2016

The appeal court rejected the appeal as groundless by the Civil sentence no.13/05.04.2017.

The civil sentence has not been communicated yet.

For this file, a provision of 4,239,695 was constituted, cancelled on 30 april 2017.

II. File no.1517/118/2012, creditor: Oil Terminal SA and debtor: SC Byotech Prod General, by which the defendant is obliged to pay the total amount of 251,185 lei.

By Civil sentence no. 16622/24.10.2012, Constanta Court admits the summons submitted by the claimant OIL TERMINAL SA, in contradictory with the defendant SC Byotech Prod General SRL. It obliges the defendant to pay the amount of 164,066 lei, to the claimant, representing the countervalue of VAT for the excise of 863,504 lei and the amount of 87,119 lei, representing delay penalties. It obliges the defendant to apy to the claimant court expenses in an amount of 8,255.70 lei.

Request of enforcement was submitted. The bailiff put garnishment to all the debtor' accounts. Until the present date, the debt hasn't been recovered due to funds' lack.

For this file, a provision of 246,970 lei was constituted

III. File no.3164/118/2014, pending Constanta Court, in contradictory with Union Oil Terminal, by which the claimant requests to the defendant the additional hours payment worked in 2013 and uncompensated by free time, and for those who received the compensation in 2014, to be paid the c/value of the benefits for these worked and not paid hours and the meal tickets for the additional hours worked in 2013 according to individual labour contract and the collective one for the company, available until 31.12.2013.

The first term was given for 19.09.2014, the court agreed the inscriptions evidence and the accountant expertise to be deposited.

On term of 17.02.2017, Court ordered the file' suspension according to provisions of art.411 paragraph 1 item 1 of the Civil procedure code, with appeal during suspension.

For this file, a provision of 7,800 lei was constituted.

IV. File no.11403/212/2011 pending on Constanta Court, by which the claimants Iasar Ana, Iasar Tair, Iasar Doina, Iasar Sevinci, Iasar Esan, Iasar Ghiulgean, Iasar Ssbria request the claimants Oil Terminal SA, Oil Prod SRL, Eco Petroleum SA to pay the materials damages in an amount of 30,000 lei and moral damages in an amount of 60,000 lei.

By Conclusion of 26.06.2013, the file will be suspended by its own, according to art.36 of Law no.85/2006, due to Oil Prod SRL' insolvency.

With appeal in the term provided by art. 244 index 1 paragraph 2 Code of civil procedure.

For this file, a provision of 90,000 lei was constituted.

V. File no.3752/118/2016 pending on Constanta court, in contradictory with Romania Audit Office with object: contestation against decision no. 35/19.05.2016 by which Oil Terminal SA asks for the cancellation of measures ordered by the control entity.

The action was submitted on 06.06.2016.

On term of 06.10.2016 a new term was given to communicate the mentions deposited by parties and the intervention request submitted by the manager Staar Rating SRL.

Solution shortly: " it rejects the main intervention request as inadmissible. With appeal in 5 days since it was given for the present parties and since communication for the absent parties. Given on 17.11.2016 in public meeting. Term for the file' matter 08.12.2016"

Appeal of Staar Rating SRL on 06.12.2016

Term: 08.12.2016- suspended until Staar Rating SRL' judgement

Staar Rating SRL appealed on 06.12.2016

By Civil sentence no.254/23.03.2017, Constanta Court of Appeal rejected the appeal as groundless.

The resolution is final.

On term of 15.06.2017, Court remained in judgement in the accessory intervention request submitted by Staar Rating SRL.

By decision of 15.06.2017, Constanta Court of Justice rejected the accessory intervention request as unacceptable.

On 14.07.2016, Constanta Court suspended the file until the judgement of appeal submitted by Staar Rating SRL against the decision of 15.06.2017, by which Constanta Court rejected its accessory intervention request.

For this file, the amount of 146,763 lei was recorded in the account – Contingent assets

VI. File no.4106/118/2016 pending on Constanta court, in contradictory with MFP- Complaints and contestation resolution dept. with object: contestation against decision no.17/P/25.04.2016, by which the previous complaint submitted by Oil Terminal against Compulsory order no.4/13.01.2016 and the Economic financial inspection report no.47/13.01.2016 by which Oil Terminal asks for the control entity measures cancellation, was solve dup.

Action deposited on 23.06.2016.

By civil sentence no. 1438/28.10.2016 Constanta court gave the following solution: it rejects the contestation as groundless". The decision is final and can be appealed in 15 days since communication.

Civil sentence was communicated on 03.03.2017.

Appeal submitted by Oil Terminal SA on 17.03.2017.

By civil sentence no.492/29.05.2017, Constanta Court of Appeal rejected the appeal as groundless. The decision is final, all appeals having been exhausted. Civil sentence no.492/29.05.2017 has not been communicated yet.

For this file, a provision of 3,150 lei was constituted

VII. File 4010/87/2015, pending Teleorman court, in contradictory with Interagro SRL with object : insolvency. Oil Terminal SA submitted an recording request to statement of affairs for the amount of 1,557,336.05 lei.

By decision no.317/16.06.2016, court gave the following solution:

- 'it partly admits the call for abstention and replacement of legal administrator, submitted by ZRP Insolvency SPRL
- It orders the interim legal administrator replacement represented by legal administrators holding made of CITR Bucharest branch and ZRP Insolvency SPRL by the interim legal administrator CITR Bucharest branch SPRL.
- It rejects as groundless the exception of conexing inadmissibility submitted by the creditor Attorney Ciobanu Crina Ionela.
- It rejects as groundless the exception of conexing request lateness submitted by creditor SC AUTOCORA SRL
- It admits the conexing request
- It orders to submit the file no.4010/87/2015 and the associated files regarding the debtor SC INTERAGRO SRL to Bucharest court, section VII CIVIL, the firstly settled court to solve up the file no. 36095/3/2015 regarding the debtor SC INTERAGRO SA''

The decision is final and appealed in 7 days since communication.

- By decision no.1617/13.10.2016, Bucharest Court of appeal rejected the appeals submitted by SC AUTOCORA SRL and SC INTERAGRO SA, as groundless

The decision is final and has not been communicated yet.

By Resolution no. 204/02.02.2017, the court rejected the appeal as groundless. The decision is final. Civil sentence was communicated on 13.03.2017.

For this file, a regulation for the debt' depreciation in an amount of 1,557,336 lei was constituted.

VIII. File no.2380/118/2013 and File no.2380/118/2013/a7 pending Constanta court. Firstly a request to record to the statement of affairs with the amount of 242,498.99 lei was submitted.

On term 02.06.2014, it ordered the bankruptcy, information address of 04.06.2014.

Further, on term 19.08.2014- court remaining in pronouncing on the legal administrator' request for the company' bankruptcy. On 26.08.2017 the court gave the interim decision no.2201 and it orders the bankruptcy of debtor according to art.107 paragraph -1 letter a,c,b. As legal liquidator, Global Insolvency was appointed. Sentence was communicated on 15.09.2014.

Term for the debt recording 10.10.2014. On 07.10.2014 the company recorded to the statement of affairs for the amount of 1,291,599.10 lei.

Term:17.11.2014-bankruptcy

On 24.11.2014 legal liquidator is confirmed to be Spectrum Insolvency IPURL and his fee is approved.

On 29.01.2015, the liquidator communicated the recording to the statement of affairs with the amount of 1,068,322.18 lei.

The company deposits contestation for recording to the statement of affairs on 04.05.2015.

On 20.05.2015, the court orders: ,''it pends on again the file. It settles term for 15.06.2015, when the parties are cited with a copy of the present decision, the court discussing the administration of evidence with the legal accountant expertise to settle: 1. the debts value of creditor SC OIL TERMINAL SA arisen after the insolvency procedure opening and after the debtor' bankruptcy, arisen from hire contracts

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concluded with the debtor; 2. the value of payments effected by debtor SC OIL TERMINAL SA to the creditor further the insolvency procedure opening and further the debtor' bankruptcy; 3. value of debt owned by the creditor SC OIL TERMINAL SA, arisen after the insolvency procedure opening until the bankruptcy, by deducting the payments effected by the debtor after the insolvency procedure opening in two alternatives: 1. by deducting the payments effected by debtor, both from the debts value, arisen before the insolvency procedure opening - recorded in the final table of debtor' obligations and from the value of debts arisen after the insolvency procedure opening until the debtor' bankruptcy; 2. by deducting the payments effected by debtor only from the debts value arisen after the insolvency procedure opening until the debtor' bankruptcy'.

By decision no.303/08.02.2016, court partly admits the contestation submitted by the creditor SC OIL TERMINAL SA in contradictory with the defendant SPECTRUM INSOLVENCY IPURL, legal administrator of debtor SC OIL PROD SRL. It orders the recording in the final table consolidated of debtor' debts SC OIL PROD SRL of the debt in a total value of 1,199,000.71 lei of creditor SC OIL TERMINAL SA.

The civil sentence has not been communicated yet.

For these files, a regulation for the debt' depreciation in an amount of 1,304,907 lei was constituted.

b. Provisions for the employees' benefits

On 30 June 2017, the company recorded in the provisions for the employees' benefits the amounts of 1,521,589 lei.

| | Year ended on 30 June 2017 | Year ended on 31 December 2016 |
|---------------------------------|---------------------------------------|---|
| Balance on the year' start | 1,841,055 | 2,098,091 |
| Constitutions during the year | 0 | 235,510 |
| Reversals during the year | (319,466) | (492,546) |
| Balance of the year' end | 1,521,589 | 1,841,055 |

This provision was calculated according to Collective Labour Contract no.2029/28.12.2015, available in the period 01.01.2016 - 31.12.2017, by estimating the average salary, the salaries average number by the payment due for retirements, of the period in which they are paid and the contributions due by the employer for the gross calculated amounts.

In semester I 2017, amounts in a value of 319,466 lei from this provision were reversed, amounts representing salaries paid on retirement, employer' contributions included. Provisions account balance for the employees' benefits is 1,521,589 lei on 30.06.2017

c. Other provisions

| | Year ended on 30 June 2017 | Year ended on 31 December 2016 |
|---------------------------------|---------------------------------------|---|
| Balance on the year' start | 1,580,626 | 570,765 |
| Constitutions during the year | - | 1,580,626 |
| Reversals during the year | (1,580,626) | (570,765) |
| Balance of the year' end | 0 | 1,580,626 |

Societatea recorded a provision for the employees' participation to profit in an amount of 1,580,626 lei, on 31st December 2016, according to provisions of GD 64/2001 regarding the profit in commercial

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companies with fully or major state capital, with further alterations and completions, GD 312/06.05.2015 regarding the Budget of revenues and expenses for 2015 and OMFP 418/2005, regarding some accountant mentions applicable to the economic agents.

Societatea Oil Terminal SA Constanta can give the employees' participation to profit in limit of 10% from the net profit, but not more than the monthly average base salary achieved on the economic agent level, in the referred financial year, as it committed and settled the obligation of participation to profit, by the budget of revenues and expenses.

By Decision no.4/26.04.2017, Shareholders General Assembly approved the distribution from 2016'net profit of the amount – 1,580,626 lei, representing the employees' participation to profit.

In June 2017, Societatea recorded the payment obligation representing the employees' participation to profit for 2016, in the amount of 1,580,626 lei, according to the Shareholders General Assembly.

Therefore, the provision constituted for the employees' participation to profit was reversed for the amount of 1,580,626 lei, there is no balance on 30.06.2017.

35.Subventions

| | Year ended on 30 June 2017 | Year ended on 31 December 2016 |
|-------------------------------|---------------------------------------|---|
| Balance on the year start | 62,454 | 92,524 |
| Constitutions during the year | - | - |
| Consumed during the year | (4,569) | (30,070) |
| Total subventions | 57,885 | 62,454 |

The amount of 57,885 lei remained in balance on 30.06.2017 represents inventory plus of unimpaired assets.

36. Information regarding the cash flow

In semester I 2017, the cash flow from the operational activity is of 5,205,831 lei, decreasing comparing to semester I 2016 by 7,106,304 lei.

The cash flow from investments activity includes payments for investments in tangible and intangible assets in an amount of 1,507,371 lei and for semester I 2016, payments for investments in tangible and intangible assets in an amount of 10,029,538 lei.

Comparing to the previous year, the net cash flow used in investments activity decreases by 8,521,153 lei.

Cash flows from financing activity is represented by cash outputs representing loans payments on long term in an amount of 637,500 lei for semester I 2017 and of 1,042,843 lei for semester I 2016.. Payments for dividends were in an amount of 13,090,533 lei in semester I 2017 and of 2,621,515 lei in semester I 2016.

Comparing to the same period of the previous year, cash flow from financing activities decreases by 9,928,561 lei.

37. Management of risks

The company established and put in practice a risks management process in order to facilitate its objectives' efficient achievement, to lead to the risks' reduction, the most possible without affecting Societatea' activity' competitiveness and flexibility.

The company is exposed, by its operations to the following risks:

- capital risk
- credit risk
- currency exchange risk
- liquidity risk
- associated risks regarding the defined objectives' achievement
- price risk
- interest rate risk

Capital risk

Oil Terminal SA continuously manages to ensure the resources optimal valorification according to risks exposure and to determine a maximum earning for shareholders.

The structure of the engaged capital is made of own capitals including: social capital, other own capital elements, result reported representing surplus achieved from reevaluation reserves, reported result from IAS application for the first time, less IAS 29, legal reserves, reserves from reevaluation, other reserves and year result, according to presentation in Report of own capitals and debts alteration including loans on long term presented in notes 28 and 29.

Capital risk management is part of the company business management and is reported to the permanent review of the company' indebtedness degree. In semester I 2017, the indebtedness degree as report between debts on short term/own capitals was of 0.042 and in semester I 2016 it was 0.040.

The company management regularly reviews the capital structure and reports of risks, covering capital cost and risks associated with each capital category included. The review covers the capital cost and risks associated with each capital class included.

Credit risk

Credit risk is the risk of financial loss for Societate arising when a client or a business partner doesn't succeed to achieve contractual obligations. Societatea is exposed mainly to credit risk arisen from the services supplied to the clients. Annually, the contracts content regarding the services supplies for all liquid petroleum products are approved by National Agency of mineral Resources' order. In these contracts, the commercial terms to fulfill the service supplied by the company to clients are presented:

- payment of services supplied in maximum 30 days;
- accessories calculation (penalties and delay interests) for the payment uneffectment in contractual terms by clients;
- in certain situations, well contractually stated, the revenues are cashed in advance;
- if the invoices are not paid in the term stipulated in contract, Societatea has the right to retain the transited cargo, until the amounts due by the clients payment.

Foreign currency risk

Currency risk occurs when Societatea concludes transactions expressed in another currency than those functional one.

It depends on decision factors outside the company, namely BNR policy regarding the currency evolution in a certain period of time.

The company' exposure to currency risk expressed in lei is as follows:

| 30 June 2017 | Lei value | Euro | USD | GBP |
|--|-----------|------|-----------|-----|
| Cash and cash equivalents | 99,819 | 310 | 24,618 | 28 |
| External clients | 4,836,983 | 0 | 1,211,821 | 0 |
| Net exposure in the financial position | 4,936,802 | 310 | 1,236,439 | 28 |

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Oil Terminal operates foreign currency for external clients and is exposed to American dollar and euro exchange rate alteration towards Romanian leu.

Liquidity risk

The risk of liquidity arises from the management of working capital and the financing expenses and main amount reimbursement for the company' credit instruments.

Oil Terminal' policy is to ensure that it always disposes enough cash to allow the financial obligations complying to third parties (materials, services suppliers, employees, banks, state financial institutions, etc) when these obligations are due for payment.

To achieve this objective, the company took the following measures:

- monitoring of cashings in contractual term;
- contractation of a credit line type work capital and its use only in situations when the current cash balance is not enough for the due payments effectment;
- keeping of a cash balance to satisfy the payments necessities;
- issuing of a cash flow, weekly.

By applying the above- mentioned measures, the company has enough liquid resources to achieve its obligations in all reasonable predicted situations.

The liquidity indicators provides the guarantee to cover the current debts from current assets. The current liquidity represents the ratio between the current assets and the current debts, recording in semester I 2017 the value of 1.85 than 2.08 in semester I 2016.

The immediate liquidity (acid test) represents a ratio between the diminished current assets by stocks and the current debts, this indicator' value being 1.80 in semester I 2017 than 2.04 in semester I 2016.

The debts balance on 30 June 2017, from which:

| | Net value | Contractual value | <12 months | 1-2 years | 2-5 years |
|--|-------------------|--------------------------|----------------------|------------------|------------------|
| Balance of debts on 30 June 2017 from which: | | | | | |
| Commercial debts and other current debts | 12,053,659 | | 12,053,659 | | |
| Debts regarding taxes and fees | 5,256,764 | | 5,256,764 | | |
| Loans | 7,968,750 | 10,200,000 | 1,275,000 | 1,275,000 | 5,418,750 |
| TOTAL | 25,279,173 | 10,200,000 | 18,585,423 | 1,275,000 | 5,418,750 |

Other debts:

| | | | | | |
|---------------------|------------|--|--|--|--|
| Debts regarding tax | 28,624,578 | | | | |
|---------------------|------------|--|--|--|--|

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| | | | | | |
|---------------------|-------------------|--|--|--|--|
| on postponed profit | | | | | |
| TOTAL | 28,624,578 | | | | |

Risks associated regarding the stated objectives achievement

On 30.06.2017, Societatea Oil Terminal SA Constanta went on the maintenance and development of internal/managerial control system, by actions directions of Program of internal/managerial control system for 2016, according to Order no.400/2015 provisions for approval of Code of internal/managerial control in public entities, with further alterations and additions and provisions of GO no.119/1999 regarding the internal/managerial control system and the preventive financial control, republished, with further alterations and additions.

For the risks' efficient management, together with the company' objectives associated and derived from the company' general objectives. Monitoring of the risks' management process was provided, by the Risks' registrar and the Plan of control measures implementation, by the Risks management team together with risks responsible persons appointed for each department by the company' management decision.

In evaluation achieved on 30.06.2017, comparing to the previous evaluation of 31.12.2016, 99 risks are monitored and managed, associated both with the specific objectives and with the company' departments specific activities/ processes, as follows:

- **87** risks of level „tolerable” – percentage 87.88%;
- **10** risks of level „high tolerance” – percentage 10.10%;
- **2** risks of level „low tolerance” – percentage 2.02%;
- **0** risks of level „intolerable” – percentage 0%.

From the critical analysis of Risks registrar, updated and centralized in the company on 30.06.2017, recorded under no. 50/17.07.2017, it remarks the fact that, on the current evaluation and reporting stage settled and recorded concluded on 31.12.2016, and according to the risk tolerance level approved by the company' management in order to provide risks' efficient control and monitoring, the risks' evolution to be managed on 30.06.2017 has the following tendency:

- increase of risks total risks identified, evaluated and managed by the Risks registrar , namely 99 risks on 30.06.2017 than 98 risks identified, evaluated and managed on 31.12.2016
- increase of risks classified as “tolerable” by abt. 1.15%
- increase of risks classified as “ high tolerance” (10 risks)
- constant maintenance of risks classified as “ low tolerance” (2 risks)
- there were no risks identified as being classified as “intolerable”

Evolution and tendency of exposure to the residual risk of 99 risks to be managed by the Risks registrar on 30.06.2017, comparing to the evolution of exposure to residual risk recorded on 31.12.2016, is as follows:

- 96 risks included in the Risks registrar on 30.06.2017 have constant exposure to residual risk comparing to the previous evaluation on 31.12.2016;
- for 2 risks included in the Risks registrar on 30.06.2017, it notices a decrease of residual risk exposure comparing to the previous evaluation of 31.12.2017

- 1 new risk was introduced and retained to be managed in the Risk' registrar on 30.06.2017.

For the good risks management, the company' departments' chiefs adopted the most appropriate, efficient risk strategies and intern control measures, according to the risk monitorings and evaluations, meant to lead to risks'causes elimination, their control or to prevent the risks' oocurrence and re occurrence that could lead to the final objectives unachievement and to be able to maintain the risks' level in the risk tolerance level approved by the company' management.

Price risk

The company' exposure to the proce risk is monitored by management accounting and the costs calculation activity, containing the following matters:

- the company way of expenses' organisation;
- expenses' classification and behaviour reporting to factors generating them and their particularity;
- presettlement of the costs' level and structure for each service supply and for the whole planned service supply;
- production expenses current analytical record on management periods and of indicators' calculation required by the calculation methods used in a period of time;
- production expenses' level and structure' compared analysis, for the decisions' optimization in the service supply' valoric side management process

The costs' calculation is according to the tariffs' settling and represents the main instrument in the company' internal reserves' prospection, identification and mobilization as:

1. costs calculation provides information on the service supply' valoric side achieved for the past expenses and for the present ones;
2. service supply' costs level is an economic criterion for the company' activity efficiency;
3. services supplies tariffs correct settling represents an important instrument for the company' management;
4. costs' calculation is an important instrument for the company' financial planning activity;
5. organising the management accounting on the company' level and for each service supply, the possibility to follow the costs in their dynamics occurs

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By following periodically the costs' dynamics per product ton it provides a balance between the average cost per product ton and the average revenue achieved per the same measure unit, so that the services supplies are efficient and bring a plus value.

Risk of interest rate

Operational cash flows are affected by interests rate variations, mainly due to loans contracted on long term. The company has significant long term loans, with variable interest, exposing it to a cash flow risk. In view to manage the interest rate risk, the company detes are permanently monitored for the due dates, by clients cashing policy providing the resources necessary for debts payment.

38. Extrabalance elements

On 30.06.2017, the company has recorded in accounts and besides the balance the followings:

- Crude oil, petroleum, chemical products, Oil Terminal'clients'propriety, pointed out as material values received to be kept and in custody;
- Stocks of inventory objects in use in a total value of 6,909,939 lei;
- Public goods received in administration, leasing, hired represent public goods according to Oil Agreement to lease the activity of shoretanks, transport pipelines for crude oil, oil products operation, of pumping facilities and other facilities and equipments related to them, concluded between National Agency of Mineral -Resources and Oil Terminal, value 22,575,918 lei.
- other values, besides the balance, representing fixed assets approved to be out of use, in a value of 444,834 lei;
- guarantees and warranties received representing good execution guarantees in a value of 1,724,712 lei
- hired assets 185,190 lei
- other values besides the balance (social fund) 28,646 lei
- other values besides the balance (Vodafone points) 2,460 lei
- royalties management locations, hires and other assimilated debts (operational leasing) 2,691,582 lei
- contingent assets in an amount of 2,096,015 lei
- guarantees and warranties given in an amount of 16,576,233 lei.

39.Result per share

On 30.06.2017 and on 30.06.2016, the result per share is:

| | 30 June 2017 | 30 June 2016 |
|--|---------------------|---------------------|
| Financial year profit | 11.417.199 | 14.558.228 |
| Other elements of overall result: | | |
| Elements not being reclassified as profit and loss, | | |
| from which: | 103.382 | 53.873 |
| Earnings from real estates reevaluation | 103.382 | 53.873 |
| Overall result | 11.520.581 | 14.612.101 |
| Ordinary shares number on the period start and end (ordinary shares) | 582.430.253 | 582.430.253 |

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average number)

Main and diluted result per share (lei/share)

0,01978018

0,02508815

40. Contingent assets and debts

On 30 June 2017, Societatea has contingent assets in an amount of 2,096,015 lei, representing:

a) litigations pending in an amount of 78,077 lei

On the financial situations issuing date, Societatea is involved in 76 pending litigations, 53 ones in which it is a claimant or a contesting party, 23 ones in which it is defendant.

For 43 litigations, Societatea constituted provisions described in Note 34.

b) the amounts to be recovered from third parties acc. to Courts of Accounts' report no.1450/10.02.2016 in an amount of 146,763 lei, the employer's contribution included

c) debts to recover from the client Oltchim Ramnicu-Valcea in an amount of 1,871,175 lei acc. to Civil Sentences 617/30.01.2013 and 892/2015

On 30 June 2017, Societatea has no contingent debts.

41. Further events

1. By Shareholders General Extraordinary Assembly' decision no.10/19.03.2017, the followings were adopted:

Art. 1 With the shareholders' vote representing 59,72% from the social capital and 100% from the present shareholders/representatives, it approves to contract an investment credit in an amount of 26,770,050 lei, on long term, for the investments objectives' funding " Crude oil pipelines network aboveground laying (T1 and T2) port Storage Farm – South Storage Farm" and " R34/S shoretank' upgrading"

Art. 2 With the shareholders' vote representing 59,72% from the social capital and 100% from the present shareholders/representatives, it approves the empowerment of general director, economic director, chief of legal-litigations dept. to represent the company in relationship with the bank and to sign in the company name and behalf the additional acts to the credit contract, additional acts to movable/immovable mortgage contracts, Contract of immovable mortgage and any other inscriptions necessary for the contractual relationship with the bank for the investments credit.

Art. 3 With the shareholders' vote representing 59,72% from the social capital and 100% from the present shareholders/representatives, it approves the settling the date 07.07.2017 as registering date, according to legal provisions and settling of date 06.07.2017 as ex-date, according to legal provisions.

Art.4 With the shareholders' vote representing 59,72% from the social capital and 100% from the present shareholders/representatives, it approves the empowerment of the meeting' Chairman to sign the meeting' decisions.

2. By Decision no.11 of 19.06.2017, Societatea OIL TERMINAL SA' Shareholders General Extraordinary Assembly decided:

Art. 1 With the shareholders' vote representing 59,72% from the social capital and 100% from the present shareholders/representatives, it approves art.7 paragraph 3 of the company' constitutive act' alteration and addition as follows:

Art.7 Social capital

(1) Societatea OIL TERMINAL is a joint-stock company, of open type.

(2) The social capital is 58,243,025.30 RON, divided in 582,430,253 nominative shares in a nominal value of 0.10 RON each and is fully subscribed and paid out by shareholders.

(3) Shareholding and capital' structure is:

| Shareholders | Shares number | Percentage from social capital |
|--------------|---------------|--------------------------------|
|--------------|---------------|--------------------------------|

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| | | |
|----------------------------------|-------------|-------|
| Ministry of Energy | 347,257,973 | 59.62 |
| Other physical and legal persons | 235,172,280 | 40.38 |
| TOTAL | 582,430,253 | 100 |

Art. 2 With the shareholders' vote representing 59,72% from the social capital and 100% from the present shareholders/representatives, it approves the company' general director' empowerment to sign the necessary documents regarding the shareholders' general assembly' decisions at the Commerce Office by Constanta County of Constanta Court and to effect the formalities regarding these decisions' publishing.

Art. 3 With the shareholders' vote representing 59,72% from the social capital and 100% from the present shareholders/representatives, it approves the empowerment of the meeting' Chairman to sign the meeting' decisions.

3. By Decision no.12 of 19.06.2017, Societatea OIL TERMINAL SA' Shareholders General Extraordinary Assembly decided:

Art. 1 With the shareholders' vote representing 59,72% from the social capital and 100% from the present shareholders/representatives, it approves the settling the date 07.07.2017 as registering date, according to legal provisions and the settling of date 06.07.2017 as ex-date, according to legal provisions.

Art. 2 With the shareholders' vote representing 59,72% from the social capital and 100% from the present shareholders/representatives, it approves the company' general director' empowerment to sign the necessary documents regarding the shareholders' general assembly' decisions at the Commerce Office by Constanta County of Constanta Court and to effect the formalities regarding these decisions' publishing.

Art. 3 With the shareholders' vote representing 59,72% from the social capital and 100% from the present shareholders/representatives, it approves the empowerment of the meeting' Chairman to sign the meeting' decisions.

4. By Decision no.5 of 19.06.2017, Societatea OIL TERMINAL SA' Shareholders General Ordinary Assembly decided:

Art. 1 . With the shareholders' vote representing 59,73% from the social capital and 100% from the present shareholders/representatives, it approves the guarantees structure related to the investments credit, as follows:

a) field in a surface of 66,632 sq.m. (South Storage Farm Movila Sara)

Fixed assets located on the field in a surface of 66,632 sq.m.:

- shoretank (R22) capacity 31,500 CM located in South Storage Farm, inventory number 11222512
- shoretank (R24) capacity 31,500 CM located in South Storage Farm, inventory number 11222860
- shoretank (R26) capacity 31,500 CM located in South Storage Farm, inventory number 11222873
- Foam house at shoretank 31,500 CM located in South Storage Farm, inventory number 11210589
- Foam house at shoretank 31,500 CM located in South Storage Farm, inventory number 11210590
- Foam house at shoretank 31,500 CM located in South Storage Farm, inventory number 11210591

b) mortgage on the current accounts to be opened in the creditor bank

Art. 2 With the shareholders' vote representing 59,73% from the social capital and 100% from the present shareholders/representatives, it approves the empowerment of general director, economic director, chief of legal-litigations dept. to represent the company in relationship with the bank and to sign in the company name and behalf the additional acts to the credit contract, additional acts to movable/immovable mortgage contracts, contract of immovable mortgage and any other inscriptions necessary for the contractual relationship with the bank for the investments credit.

Art. 3 With the shareholders' vote representing 59,73% from the social capital and 100% from the present shareholders/representatives, it approves the company' general director' empowerment to sign the necessary documents regarding the shareholders' general assembly' decisions at the Commerce Office by Constanta County and to effect the formalities regarding these decisions' publishing.

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Art. 4 With the shareholders' vote representing 59,73% from the social capital and 100% from the present shareholders/representatives, it approves the settling the date 07.07.2017, as register date, according to legal provisions and settling of date 06.07.2017 as ex-date, according to legal provisions.

5. By Decision no.6 of 19.06.2017, Societatea OIL TERMINAL SA' Shareholders General Ordinary Assembly decided:

Art. 1 With the shareholders' vote representing 59,73% from the social capital and 100% from the present shareholders/representatives, it approves the recalling of SC ROMAR – CO AUDIT SRL from the company' statutory financial auditor position, following the service supplies contract no.220/12.19.08.2015' expiry.

Art. 2 With the shareholders' vote representing 59,73% from the social capital and 100% from the present shareholders/representatives, it approves the appointment of SC ROMAR – CO AUDIT SRL from the company' statutory financial auditor position, for a 3-year contract.

Art. 3 With the shareholders' vote representing 59,73% from the social capital and 100% from the present shareholders/representatives, it approves the company' general director' empowerment to sign the necessary documents regarding the shareholders' general assembly' decisions at the Commerce Office by Constanta County and to effect the formalities regarding these decisions' publishing.

Art. 4 With the shareholders' vote representing 59,73% from the social capital and 100% from the present shareholders/representatives, it approves the settling of the date 07.07.2017, as register date, according to legal provisions and settling of date 06.07.2017 as ex-date, according to legal provisions.

6. By Decision no.7 of 19.06.2017, Societatea OIL TERMINAL SA' Shareholders General Ordinary Assembly decided:

Art. 1 With the shareholders' vote representing 59,73% from the social capital and 100% from the present shareholders/representatives, it takes note of the information on the approval of the credit line of 5,000,000 Ron' extension for a 12-month period.

Art. 2 With the shareholders' vote representing 59,73% from the social capital and 100% from the present shareholders/representatives, it approves the maintenance of guarantees structure related to the credit line in an amount of 5,000,000 lei' extension, for a 12-month period, as it was approved by Shareholders General Ordinary Assembly' decision no.4/11.08.2016.

Art. 3 With the shareholders' vote representing 59,73% from the social capital and 100% from the present shareholders/representatives, it approves the empowerment of general director, economic director, chief of legal-litigations dept. to represent the company in relationship with the bank and to sign in the company name and behalf the additional acts to the credit contract, additional acts to movable/immovable mortgage contracts, Contract of immovable mortgage and any other inscriptions necessary for the contractual relationship with the bank for the given loans related to the credit line' extension.

Art. 4 With the shareholders' vote representing 59,73% from the social capital and 100% from the present shareholders/representatives, it approves the company' general director' empowerment to sign the necessary documents regarding the shareholders' general assembly' decisions at the Commerce Office by Constanta County and to effect the formalities regarding these decisions' publishing.

Art. 5 With the shareholders' vote representing 59,73% from the social capital and 100% from the present shareholders/representatives, it approves the settling the date 07.07.2017, as register date, according to legal provisions and the settling of date 06.07.2017 as ex-date, according to legal provisions.

7. By Decision no.8 of 19.06.2017, Societatea OIL TERMINAL SA' Shareholders General Ordinary Assembly decided:

Art. 1 With the shareholders' vote representing 59,73% from the social capital and 99.99% from the present shareholders/representatives, it rejects the extension of the management contracts period extends until some managers appointment according to EGO 109/2011 provisions but not later than 09.03.2021

Art. 2 With the shareholders' vote representing 59,73% from the social capital and 99.99% from the present shareholders/representatives, it rejects the approval of

the performance indicators and criteria, calculation method and target values for the company' managers for 2017, annex to the management contracts.

Art. 3 With the shareholders' vote representing 59,73% from the social capital and 99.99% from the present shareholders/representatives, it rejects the conclusion of an additional act to the management contracts, approved by Shareholders General Ordinary Assembly' decision no.1/10.03.2017 with the following articles:

- Art.1 It extends the management contract period extends until some managers appointment according to EGO 109/2011 provisions but not later than 09.03.2021.
- Art. 2 The manager will exercise all the necessary acts in order to achieve the performance objectives and criteria settled in annex no.3 of the present management contract together with the other members of the Board of Directors

Art. 4 With the shareholders' vote representing 59,73% from the social capital and 99.99% from the present shareholders/representatives, it rejects the empowerment of Mrs. Aura Gabriela Dumitru, as the major shareholder – Ministry of Energy' representative, to sign the additional acts to managers management contracts, managers appointed by the Shareholders General Ordinary Assembly' decision no.1/10.03.2017.

Art. 5 With the shareholders' vote representing 59,73% from the social capital and 99.99% from the present shareholders/representatives, it rejects the approval of the insurance annual premium for the general director' and the company' managers' civil liability in an amount of 5500 Euros for 1 million lei liability limit.

Art. 6 With the shareholders' vote representing 59,73% from the social capital and 99.99% from the present shareholders/representatives, it approves the Chairman' empowerment to sign the meeting' documents.

Art. 7 With the shareholders' vote representing 59,73% from the social capital and 99.99% from the present shareholders/representatives, it approves the empowerment of the company' general director' empowerment to sign the necessary documents regarding the shareholders' general assembly' decisions at the Commerce Office by Constanta County and to effect the formalities regarding these decisions' publishing.

8. By Decision no.9 of 19.06.2017, Societatea OIL TERMINAL SA' Shareholders General Ordinary Assembly decided:

Art. 1 With the shareholders' vote representing 59,73% from the social capital and 100% from the present shareholders/representatives, it approves the settling of the date 07.07.2017, as register date, according to legal provisions and settling of date 06.07.2017 as ex-date, according to legal provisions.

Art. 2 With the shareholders' vote representing 59,73% from the social capital and 100% from the present shareholders/representatives, it approves the Chairman' empowerment to sign the meeting' documents.

Art. 3 With the shareholders' vote representing 59,73% from the social capital and 100% from the present shareholders/representatives, it approves the company' general director' empowerment to sign the necessary documents regarding the shareholders' general assembly' decisions at the Commerce Office by Constanta County and to effect the formalities regarding these decisions' publishing.

9. By Decision no.10 of 19.06.2017, Societatea OIL TERMINAL SA' Shareholders General Ordinary Assembly decided:

Art. 1 With the shareholders' vote representing 59,73% from the social capital and 100% from the present shareholders/representatives, it approves the recalling, since 11.07.2017, further the mandate' ceasing, of Societatea OIL TERMINAL SA' Board of Directors' interim managers, appointed by Societatea' Shareholders General Ordinary Assembly decision no.1/10.03.2017, as follows:

1. Mr. Costreie Toma Bogdan
2. Mr. Gheorghe Cristian Florin
3. Mr. Barbu Ionut
4. Mrs. Bectemir Hermina
5. SC STAAR RATING SRL
6. Mr. Andrei Ovidiu Aurelian
7. Mrs. Moise Nicoleta Mariana

Art. 2 With the shareholders' vote representing 59,73% from the social capital and 100% from the present shareholders/representatives, it approves the appointment of Mr. Costreie Toma Bogdan, as Societatea OIL TERMINAL SA' Board of Directors' interim manager, since 11.07.2017.

Art. 3 With the shareholders' vote representing 59,73% from the social capital and 100% from the present shareholders/representatives, it approves the appointment of Mr. Gheorghe Cristian Florin, as Societatea OIL TERMINAL SA' Board of Directors' interim manager, since 11.07.2017.

Art. 4 With the shareholders' vote representing 59,73% from the social capital and 100% from the present shareholders/representatives, it approves the appointment of Mrs Bectemir Hermina, as Societatea OIL TERMINAL SA' Board of Directors' interim manager, since 11.07.2017.

Art. 5 With the shareholders' vote representing 59,73% from the social capital and 100% from the present shareholders/representatives, it approves the appointment of Mr. Andrei Ovidiu Aurelian, as Societatea OIL TERMINAL SA' Board of Directors' interim manager, since 11.07.2017.

10. The Board of Directors, met on 17.07.2017 appointed Mr. Gheorghe Cristian Florin, as the Board of Directors' Chairman, according to Decision no.67/17.07.2017. The Board of Directors' Chairman' mandate period is of 4 months or until managers' appointment by the Shareholders General Assembly, according to terms provided in EGO 109/2011, if this occurs before the 4-month term achievement.

The notes numbered from 1 to 41 are part of the simplified interim financial situations on 30.06.2017, they were issued by the company on 04.08.2017 and signed in its name by:

**Board of Directors' Chairman,
Gheorghe Cristian Florin**

**General Director,
Ciutoreanu Viorel-Sorin**

**Economic Director,
Frangu Adriana**

**Chief of Accounting Dept.,
Popovici Cecilia**



STATEMENT

according to provisions of art. 113 of CNVM Regulation no.1/2006

The undersigned: Gheorghe Cristian Florin, as the Board of Directors' Chairman and Ciutoreanu Viorel-Sorin as General Director confirm that:

- a) as per our knowledge, the financial accountant situation on 30 June 2017, issued according to applicable accountant standards, namely Order of Public Finances Ministry no.2844/2016 for approval of Accountant Regulations according to International Standards of financial report, applicable to the commercial companies which securities are allowed to be traded on a regulated market and to the International Standards of Financial Report, provides a correct and according to reality image of assets, obligations, financial position, profit and loss account of Societatea Oil Terminal SA;
- b) the Board of Directors' report presents correctly and fully the information about Societatea Oil Terminal SA.

**Chairman of Board of Directors,
Gheorghe Cristian Florin**

**General Director,
Ciutoreanu Viorel – Sorin**

Romar – Co Audit
No. 470 / 27.07.2017

REPORT OF INTERIM FINANCIAL REVISION REVIEW

To: OIL TERMINAL S.A. Constanta' Board of Directors and Shareholders

Introduction

1. We revised Societatea OIL TERMINAL S.A.' annexed simplified interim financial situations, on 30 June 2017, containing: Situation of financial position, situation of overall result, Situation of cash flows, Situation of own capitals alteration and notes of simplified interim financial situations

The company' management is in charge with the accurate issue and presentation of these interim financial situations according to Public Finances Minister Order no.2844/2016 for approval of Accountant regulations complying with International Standards of financial reporting, applicable to commercial companies which securities are allowed to be traded on a regulated market, with all further alterations and completions and with International Accountant Standard IAS 34 "Interim financial reporting".

Our responsibility is to express a conclusion regarding the interim financial information issued on 30 June 2017, according to our review.

The review field of applicability

1. We effected the review according to International Standard for Review Missions 2410 "Review of interim financial information, effected by the entity' independent auditor".
A review of interim financial information consists of interviews, especially of persons in charge with the financial and accountant matters and with analytical and other review procedures' application. The field of a review application is, substantially more reduced than an audit one, effected according to International Audit Standards, therefore it does not allow to get the insurance that we found all the outstanding matters that could be identified during an audit. Therefore, we don't express an audit opinion.

Conclusion

1. According to our review, we noticed no matter that makes us believe that, Societatea OIL TERMINAL S.A' simplified interim financial information doesn't provide a correct and accurate image of the entity' financial position on 30 June 2017 of the overall result, cash flows situation, own capitals alteration situation, according to Public Finances Minister Order no.2844/2016 for approval of Accountant regulations complying with International Standards of financial reporting, applicable to commercial companies which securities are allowed to be traded on a regulated market, with all further alterations and completions and with International Accountant Standard IAS 34 "Interim financial reporting".

Other aspects

4. This report is exclusively designed to the company' shareholders, as an overall. Our review was effected to be able to report to the company' shareholders those aspects we must communicate in a review report and not for other purposes. According to law, we accept and

take the responsibility only towards the company and its shareholders, for our review or the stated conclusion.

5. The annexed interim accountant reports are not meant to present the company' position and the operations result according to regulations and political principles accepted in countries and jurisdictions other than Romania. The annexed interim accountant reports are not issued for persons' use not knowing Romanian accountant and legal regulations, Public Finances Minister Order no.2844/2016' provisions to approve the accountant regulations complying with the International standards of financial reporting.

ROMAR-CO AUDIT SRL

Romania Financial Auditors Chamber' Authorization under number 186/2001

Financial auditor Dr.ec. Rusu Gheorghe

Recorded in Romania Financial Auditors Chamber under number 886/2001

Constanta, 27.07.2017