

**rompetrol**KazMunayGas  
Group  
Member

ROMPETROL WELL SERVICES

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**www.rompetrol.com****ROMPETROL WELL SERVICES S.A.****PRELIMINARY FINANCIAL RESULTS FOR YEAR 2016- NOT AUDITED  
STATEMENT OF THE FINANCIAL POSITION**

	- RON -	
	Date	Date
	31.12.2016	31.12.2015
<b>Assets</b>		
<b>Non-current assets</b>		
Tangible assets	31,433,070	37,912,300
Real estate investments	544,416	563,013
Intangible assets	12,832	17,441
Financial assets	6,524,856	6,524,856
Other financial assets	973,165	3,864,467
Deferred tax assets	-	-
<b>Total fixed assets</b>	<b>39,488,339</b>	<b>48,882,077</b>
<b>Current assets</b>		
Inventories	2,849,530	4,154,903
Trade and similar receivables	82,091,884	76,847,927
Profit tax receivable	2,370,643	2,370,643
Other current assets	-	190,778
Cash and deposits	6,573,982	3,817,211
<b>Current assets - total</b>	<b>93,886,039</b>	<b>87,381,462</b>
<b>Total assets</b>	<b>133,374,378</b>	<b>136,263,539</b>
<b>Capital and reserves</b>		
<b>Capital</b>		
Share capital, of which:	28,557,446	28,557,446
Subscribed and paid in share capital	27,819,090	27,819,090
Share capital adjustments	738,356	738,356
Legal reserves	5,563,818	5,563,818
Other reserves	73,680,797	103,303,437
Retained earnings	18,330,138	18,330,138
Current result	(3,757,271)	(29,622,639)
<b>Total equity</b>	<b>122,374,928</b>	<b>126,132,200</b>
<b>Long-term liabilities</b>		
Provisions	522,571	448,355
Employee benefits liabilities	122,885	350,714
Deferred tax liabilities	263,073	263,073
Other liabilities	6,664	2,829
<b>Total long-term liabilities</b>	<b>915,193</b>	<b>1,064,971</b>
<b>Current liabilities</b>		
Trade payables and similar liabilities	10,059,338	8,344,427
Provisions	24,919	721,941
<b>Total current liabilities</b>	<b>10,084,257</b>	<b>9,066,368</b>
<b>Total liabilities</b>	<b>10,999,450</b>	<b>10,131,339</b>
<b>Total equity and liabilities</b>	<b>133,374,378</b>	<b>136,263,539</b>



## STATEMENT OF PROFIT OR LOSS

For year ended 31 December 2016

	- RON -	
	Date 31.12.2016	Date 31.12.2015
<b>Turnover</b>	31,106,110	49,975,025
Services performed	31,024,396	49,917,461
Sales of goods	81,714	57,564
Other operating income	28,474	125,862
<b>OPERATING INCOME - TOTAL</b>	<b>31,134,584</b>	<b>50,100,887</b>
<b>Expenses with consumables</b>	<b>(7,314,108)</b>	<b>(10,440,518)</b>
Power and water expenses	(420,929)	(489,847)
Merchandise expenses	(48,095)	(40,464)
Payroll costs, out of which:	(15,791,610)	(21,205,208)
Salaries	(12,946,893)	(17,444,267)
Social security contributions	(2,844,717)	(3,760,941)
Fixed assets value adjustment, of which	(6,657,926)	(11,371,801)
Depreciation	(6,970,205)	(7,831,801)
Current assets value adjustment	(363,378)	(25,794,644)
Expenses for third-party services	(5,465,424)	(10,446,990)
Taxes, duties and similar expenses	(605,974)	(735,837)
Provision adjustments	974,770	2,286,832
Other operating expenses	(1,126,158)	(2,403,947)
<b>OPERATING EXPENSES - TOTAL</b>	<b>(36,818,832)</b>	<b>(80,642,424)</b>
<b>OPERATING RESULT</b>	<b>(5,684,248)</b>	<b>(30,541,537)</b>
Interest income	1,890,866	1,954,257
- of which, revenues from related parties	1,883,967	1,919,683
Other financial income	434,820	1,326,237
<b>FINANCIAL INCOME - TOTAL</b>	<b>2,325,686</b>	<b>3,280,494</b>
Value adjustment in respect of financial investments	-	43,508
Other financial expenses	(398,709)	(1,603,945)
<b>FINANCIAL EXPENSES - TOTAL</b>	<b>(398,709)</b>	<b>(1,560,437)</b>
<b>FINANCIAL RESULT</b>	<b>1,926,977</b>	<b>1,720,057</b>
<b>RESULT BEFORE TAX</b>	<b>(3,757,271)</b>	<b>(28,821,480)</b>
Income tax expense		(801,159)
<b>RESULT FOR THE YEAR</b>	<b>(3,757,271)</b>	<b>(29,622,639)</b>



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The operational activity of the company was affected by the global economic climate in the oil and gas industry, the determining factor being the drastic decrease in crude oil prices. The effects of the oil price decline - the postponement of major projects for exploration and production of hydrocarbons, conventional or unconventional, investment cut, the severe diminishing in demand for well services - were fully felt in the markets where the company is active. The collapse of the oil barrel price has generated domino effects, the main petroleum operators significantly reducing operational and investment budgets.

The analysis of the preliminary results will continue until the completion and audit of financial statements, in order to present on a prudent position a pertinent adjustment of all assets as of December 31<sup>st</sup>, 2016.

Attributes for the core activity of the company in 2016 are synthetically highlighted by the oil and gas industry crisis and by austerity of cost control measures.

General Manager,

Adrian Ion Stanescu

Chief Financial Officer,

Valerica Dumitru

