SOLID OPERATIONAL RESULTS IN A COMPETITIVE ENVIRONMENT

Rompetrol Rafinare SA (symbols, Bucharest Stock Exchange: RRC, Reuters: ROMP.BX, Bloomberg: RRC RO) has released today its Second Quarter 2006 and First Half financial and operational results. 2006 figures include unaudited consolidated financial statements for these periods prepared by the company in accordance with International Financial Reporting Standards („IFRS"). The IFRS financial results differ in some respects with the Romanian Standards of Accounting.

Consolidated financial statements of Rompetrol Rafinare include the results of the parent company Rompetrol Rafinare and its subsidiaries Rompetrol Petrochemicals, Rom Oil, Rompetrol Downstream and Rompetrol Logistics (with its subsidiary Eurojet).

The document is posted on our website in the Investor Relations section: www.rompetrol.com

HIGHLIGHTS - CONSOLIDATED

		Q2 2006	Q2 2005	%	H1 2006	H1 2005	%
Financial							
Gross Revenues	USD	654,416,503	518,681,285	26%	1,158,554,939	989,430,850	17%
Net Revenues	USD	529,924,537	396,925,823	34%	937,268,085	766,798,823	22%
EBITDA	USD	48,221,658	45,328,244	6%	49,987,473	97,356,244	-49%
EBITDA margin	%	9.1%	11.4%		5.3%	12.7%	
EBIT	USD	35,135,280	37,605,249	-7%	24,092,629	77,695,249	-69%
Net profit / (loss)	USD	16,630,987	31,015,879	-46%	(6,461,652)	71,361,879	-109%
Net Profit / (loss) margin	%	3.1%	7.8%		-0.7%	9.3%	
Basic Earnings per share	USD	0.0008	0.0015	-46%	(0.0003)	0.0034	-109%
Basic Earnings per share	RON	0.0022	0.0042	-48%	(0.0009)	0.0096	-109%

Rompetrol Rafinare Group's EBITDA for Q2 was USD 48.2 million (+6% bigger than Q2 2005), recovering after modest results of Q1 2006.

Gross revenues are close to USD 1.16 billion supported mainly by increase of prices for oil products as a result of crude oil price increase.

Net loss for H1 of USD 6.4 million has as main cause the negative unrealized forex difference (USD 7 million) on EURO denominated debt compared to positive forex difference of USD 15 million realized in H1 2005.

2006 ENVIRONMENT

		Q2 2006	Q2 2005	%	H1 2006	H1 2005	%
Brent Dated	USD/bbl	69.57	51.60	35%	65.66	49.66	32%
Ural Med	USD/bbl	64.85	48.48	34%	61.55	45.90	34%
Brent-Ural Differential	USD/bbl	4.72	3.12	51%	4.12	3.76	9%
PVM Ural Cracking Margin	USD/bbl	8.46	6.27	28%	6.76	5.47	24%
Premium Unleaded 50 ppm FOB Med	USD/t	695.17	496.98	40%	623.47	463.21	35%
Diesel ULSD 50 ppm FOB Med	USD/t	641.22	522.86	23%	602.34	500.43	20%
RON/USD Average exchange rate		2.80	2.87	-3%	2.88	2.85	1%
RON/USD Closing exchange rate		2.86	2.99	-4%	2.86	2.99	-4%
RON/EURO Average exchange rate		3.52	3.62	-2%	3.54	3.66	-3%
RON/EURO Closing exchange rate		3.59	3.61	-1%	3.59	3.61	0%
USD/EURO Closing rate		1.25	1.21	3%	1.25	1.21	4%
Inflation in Romania		1.17%	2.41%		2.68%	4.16%	

Crude oil market continued its ascending trend during the entire Q2 with oil prices on international exchanges even surpassing threshold of $77.5/bbl in mid-July driven by escalation of violence between Israel and Lebanon. The main crude supply related events supporting crude prices were developments in Iran and Nigeria. Brent futures contract settled at the highest level since beginning-September 2005 in April, namely $77.58/bbl. The market for Mediterranean sour crude oil could not keep pace with this significant increase, reason for the relatively weaker performance being ample crude inflow of Middle Eastern grades into the region due to resumption of Iraqi exports from Kirkuk, plus rising supplies of Caspian crudes via the Baku-Tbilisi-Ceyhan (BTC) pipeline inaugurated in mid-July. Differentials to Brent (Dtd) remained rather wide, reaching a maximum of over $5.31/bbl end-June. A year-on-year comparison with the first six months of 2005 shows a dramatic increase in price levels for both crude oil (over 32%) and automotive fuels (around 35% for gasoline and 20% for ULSD) mainly due to geopolitical factors and disruptions caused by social unrest, rather than fundamental factors.

For Q3 market analysts expect additional non-OPEC supplies and lower demand mainly as a direct impact of constantly increasing oil prices to put a stop to this bullish race in the following months and somewhat restore market fundamentals importance, in the hope that geopolitical factors like the conflict between Israel and the Lebanon or production outages caused by social unrest like in Nigeria and Iraq will not affect current outlook.

Refiners and crude suppliers experienced during Q2 margins hovering at healthy levels, mainly receiving support from strong gasoline demand in the US during the summer driving season and concerns over sufficiency of stocks. Gas oil and diesel prices also remained strong based on consumption levels and specifications changes.

Oil products in the key regions had a mixed performance with gasoline firmly leading the market. Driven by supply concerns in the US, gasoline moved from strength to strength during Q2 in all significant markets with the product's crack against URALS hovering around $158 - $175/mt. In the Mediterranean, Urals cracking margins increased significantly to a quarterly average of $8.46/bbl, on higher outright values of crude oil but mostly based on better performances of naphtha, jet and the bottom of the barrel. At the same time, the diesel crack improved to $167.2/mt against URALS receiving support from increasing demand in the US due to tightening sulphur specifications which came into force starting May, 1st. Market analysts expect both diesel and jet/kerosene to remain strong during Q3 and subsequently, fall slightly towards the end of the year.

Summing up the developments of Q2 from a strictly oil-related point of view, gasoline-rich crudes experienced stronger support in the market during ongoing driving season. Furthermore, supply concerns and production outages in various parts of the world pushed prices additionally to record highs. By contrast, weak fuel oil cracks pressured the market for heavier fuel-oil rich crudes.

Looking ahead to Q3, with the summer driving season nearing its end, demand for gasoline is expected to decrease, pressuring the market for light sweet gasoline-rich crudes. Unfortunately, geopolitical issues remain a main factor in the international crude oil markets.

REFINING

		Q2 2006	Q2 2005	%	H1 2006	H1 2005	%
Financial							
Gross Revenues	USD	615,474,149	484,574,826	27%	1,088,091,642	932,694,120	17%
Net Revenues	USD	492,343,058	362,819,364	36%	871,407,332	710,062,093	23%
EBITDA	USD	37,302,793	33,412,004	12%	32,821,385	80,535,298	-59%
EBITDA margin	%	7.6%	9.2%		3.8%	11.3%	
EBIT	USD	29,231,277	28,846,196	1%	17,405,823	66,791,371	-74%
Net profit	USD	17,758,837	19,910,635	-11%	3,485,950	61,277,561	-94%
Net profit / (loss) margin	%	3.6%	5.5%		0.4%	8.6%	
Gross cash refinery margin/tone	USD/t	85.33	75.51	13%	62.19	80.86	-23%
Gross cash refinery margin/bbl	USD/b	11.75	10.40	13%	8.56	11.13	-23%
Net cash refinery margin/tone	USD/t	43.30	39.38	10%	20.77	46.88	-56%
Net cash refinery margin/bbl	USD/b	5.93	5.39	10%	2.85	6.42	-56%
Taxes paid to State Budget	USD	168,863,641	177,515,209	-5%	310,166,042	342,395,829	-9%
Operational							
Feedstock processed	Kt	855	938	-9%	1,697	1,810	-6%
Gasoline produced	Kt	285	272	5%	534	531	1%
Diesel & jet fuel produced	Kt	348	405	-14%	679	738	-8%
Motor fuels sales - domestic	Kt	294	300	-2%	522	572	6%
Motor fuels sales - export	Kt	341	297	15%	675	638	-9%
Export	%	54%	50%		56%	53%	
Domestic	%	46%	50%		44%	47%	

Refining segment comprises only the results of the refinery (parent company of Rompetrol Rafinare)

Rompetrol Rafinare computes Gross cash refinery margin as follows – (Oil Product Sales – Cost of Feedstock) / Quantity of Feedstock related to the sales. Net Cash Refinery margin is the EBITDA of the refinery divided by quantity of feedstock related to sales

Second quarter results are in line with the expectations and are supported mainly by good refining margins. The good Q2 results are confirming the fact that the majority of the factors which affected Q1 quarter performance as non-recurring. The main factors which contributed to the Q2 positive results are:

First, one of our competitive advantages, the ability to capture in full the Ural differential, was very strong in Q2 2006, at 4.72 USD/bbl compared to an average 3.76 USD/bbl for H1 2005.

Second, our gross cash refining margin has increases significantly in Q2 2006 reaching 11.75 USD/bbl supported by very good prices both for domestic market and export.

Third, Q2 of 2006 the domestic retail market has adjusted for the increased international crude oil quotations, thus correcting the Q1 negative effects on the gross refinery margin earned in Romania . In addition, Romanian RON continued to appreciate against USD, increasing the realized margins in real terms.

Starting 2006, the refinery embarked into a restructuring program aiming to reduce the conversion costs toward a higher net refinery margin, as well as into a careful review of general and administrative costs. This exercise is necessary to mitigate de effects of increased utilities costs, especially natural gases, and the coming effect of EU integration on Romanian staff costs. Also on the utilities front, Rompetrol continues to pursue the acquisition of Midia power plant and is in advanced discussion to operate its own pipe to Romanian gas network in order to cut de additional distribution tariffs.

The refinery continued to be an important contributor to Romania’s fiscal budget with USD 310 million paid during the first six months of 2006 accounting for more than 5% of the central state budget revenues.

MARKETING

		Q2 2006	Q2 2005	%	H1 2006	H1 2005	%
Financial							
Gross Revenues	USD	317,932,027	262,756,831	21%	541,661,659	468,498,874	16%
EBITDA	USD	9,442,721	9,271,455	2%	14,457,186	14,245,844	1%
EBIT	USD	5,975,190	8,384,874	-29%	7,900,511	12,482,566	-37%
Net profit / (loss)	USD	1,163,978	9,645,746	-88%	(5,195,757)	9,705,008	N/A
Operational							
Quantities sold in retail	Kt	68	50	36%	120	91	32%
Quantities sold in wholesale	Kt	148	182	-19%	280	338	-17%
Retail Gross Margin	USD/t	134	157	-14%	134	146	-9%
Wholesale Gross Margin	USD/t	41	31	33%	33	28	17%

Marketing segment include the results of Rom Oil, Rompetrol Downstream and Rompetrol Logistics subsidiaries

Good operational results realized in the second quarter of 2006 were driven by the retail expansion of Rompetrol Downstream. Rompetrol network operates now 96 own stations and has under contract 135 franchises (83 and 45 for H1 2005, respectively) to a combined 32% year-over-year growth on quantities of fuel sold. This continues the positive effect of several strategic directions followed starting 2004-2005:

a) Build or acquire additional retail sites up to a total of 200 COCO[1] stations by the end of 2007,
b) Develop a franchise network of 200 DODO[2] stations by the end of 2006,
c) Innovate and capture the emerging market of large corporate fleets via Fill & Go system, and
d) Increase the non-petroleum sales contribution with the new concept of Hei shops.

We are satisfied to observe the continuing growth of Romanian auto market – 5.1% year on year according to APIA (Romanian Car Import and Manufacturing Companies' Association) encouraged by the relative low cars per capita ratio, increase of average income and affordable interest rates.

The LPG market served by Rompetrol Logistics is thriving in the high gasoline prices environment, following the successful model of diesel in the recent past. Rompetrol is following these new opportunities with increased interest and it is our intention to develop a retail distribution network build on strong fundamentals.

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[1] Company owned, Company operated stations
[2] Dealer owned, Dealer operated stations

The wholesale distribution channel is behind last year comparatives mostly due to the dislocation of OMV network in favor of competition refineries. This downside was compensated by the increased quantities successfully pushed into corporate fleets channel at higher margins. In addition, starting 2006 Rompetrol initiated a distinct marketing effort directed to the wholesale market.

In H1 the distribution margins stayed at comparable levels compared with the similar period of 2005 with slight decrease for retail and slight increase for wholesale.

PETROCHEMICALS

		Q2 2006	Q2 2005	%	H1 2006	H1 2005	%
Financial							
Revenues	USD	37,509,225	27,757,635	35%	68,712,992	54,870,210	25%
EBITDA	USD	2,385,787	86,515	N/A	3,774,331	1,705,416	121%
EBIT	USD	1,449,986	(521,178)	N/A	1,955,139	590,687	231%
Net profit / (loss)	USD	(160,564)	(220,032)	-27%	(942,851)	351,709	N/A
Operational							
Propylene processed	kt	27	10	172%	47	35	35%
Sold from own production	kt	24	16	50%	44	33	35%
Sold from trading	kt	7	12	-39%	15	20	-23%
Total sold		31	28	12%	60	53	13%
Export	%	49%	29%		46%	31%	
Domestic	%	51%	71%		54%	69%	

Petrochemicals segment include the results of Rompetrol Petrochemicals subsidiary

Petrochemicals turnover increased by 35% during Q2 as compared to Q2 2005 upon continuing consolidation of Rompetrol share from Romanian and regional markets. The growth is based mostly on the increase of monomer traded quantities as well as of sold production quantities – as a direct consequence of rise in daily production output up to 260 mt, as compared to certified production capacity of 240 mt/ day as a result of increasing capacity in 2005.

The operating result – EBITDA has doubled in H1 showing even better when compared to Q2 2005, mainly due to lost of production margin on polypropylene in the period April – May 2005, when The Polypropylene Plant experienced a major revamp & modernization process.

APPENDIX 1 – CONSOLIDATED INCOME STATEMENT Q2 AND H1 2006 AND 2005, UNAUDITED

	Q2 2006	Q2 2005	%	H1 2006	H1 2005	%
Gross Revenues	654,416,503	518,681,285	26%	1,158,554,939	989,430,850	17%
Sales taxes	(124,491,966)	(121,755,462)	2%	(221,286,854)	(222,632,027)	-1%
Net revenues	**529,924,537**	**396,925,823**	**34%**	**937,268,085**	**766,798,823**	**22%**
Cost of sales	(458,333,606)	(332,531,589)	38%	(846,703,067)	(639,374,589)	32%
Gross margin	**71,590,931**	**64,394,234**	**11%**	**90,565,018**	**127,424,234**	**-29%**
Selling, general and administration	(36,141,993)	(23,555,493)	53%	(65,642,866)	(46,428,493)	41%
Other expenses, net	(313,658)	(3,233,492)	-90%	(829,523)	(3,300,492)	-75%
EBIT	**35,135,280**	**37,605,249**	**-7%**	**24,092,629**	**77,695,249**	**-69%**
Finance, net	(12,439,234)	(11,518,020)	8%	(22,761,952)	(20,659,349)	10%
Forex	(5,868,600)	5,275,000	N/A	(6,747,511)	14,936,329	-145%
EBT	**16,827,446**	**31,362,229**	**-46%**	**(5,416,834)**	**71,972,229**	**-108%**
Income tax	(196,459)	(346,350)	-43%	(1,044,818)	(610,350)	71%
Net result	**16,630,987**	**31,015,879**	**-46%**	**(6,461,652)**	**71,361,879**	
EBITDA	**48,221,658**	**45,328,244**	**6%**	**49,987,473**	**97,356,244**	**-49%**

APPENDIX 2 – CONSOLIDATED BALANCE SHEET JUNE 30, 2006, UNAUDITED AND DECEMBER 31, 2005 AUDITED

	June 30, 2006	December 31, 2005	%
Assets			
Non-current assets			
Intangible assets	5,352,963	5,567,945	-4%
Goodwill	100,355,787	100,355,787	0%
Property, plant and equipment	679,389,436	656,674,059	3%
Financial assets	1,678,804	1,255,579	34%
Total Non Current Assets	**786,776,990**	**763,853,370**	**3%**
Current assets			
Inventories	185,347,044	163,832,874	13%
Trade and other receivables	535,792,189	423,848,898	26%
Cash and cash equivalents	31,797,239	16,890,877	88%
Total current assets	**752,936,472**	**604,572,649**	**25%**
Total assets	**1,539,713,462**	**1,368,426,019**	**13%**
Equity and liabilities			
Equity			
Share capital	735,554,456	735,554,456	0%
Reserves	30,034,784	(42,397,613)	-171%
Net result of the period	(8,263,172)	72,432,397	-111%
Minority interest	7,703,100	6,295,851	22%
Total Equity	**765,029,168**	**771,885,091**	**-1%**
Non-current liabilities			
Hybrid instrument - long-term portion	84,088,680	79,387,130	6%
Long-term debt	57,623,831	38,422,702	50%
Other	10,984,359	10,433,217	5%
Total non-current liabilities	**152,696,870**	**128,243,049**	**19%**
Current Liabilities			
Trade and other payables	402,658,292	291,313,985	38%
Hybrid instrument - current portion	24,273,167	17,613,587	38%
Short-term debt	195,055,965	159,370,307	22%
Total curent liabilities	**621,987,424**	**468,297,879**	**33%**
Total equity and liabilities	**1,539,713,462**	**1,368,426,019**	**13%**

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The projections, estimates and beliefs contained in such forward looking statements necessarily involve known and unknown risks and uncertainties which may cause the Company's actual performance and financial results in future periods to differ materially from any estimates or projections.

The financial figures are extracted from Company's IFRS financial reports