

Bucharest
June 14, 2007

Petrom sets up a new petrochemical company

- **The company was established in order to transfer the petrochemical activities of Arpechim refinery**
- **Petrochemicals Arges will operate as a self sufficient company as of second half of 2007**

Petrom, the largest oil and gas producer in South Eastern Europe, intends to concentrate its petrochemical business of Arpechim into a separate legal entity.

Jeffrey Rinker, member of the Managing Committee of Petrom, responsible for Refining: "We have taken this step as part of the modernization process of Petrom. It follows the international oil companies' trends, to split the chemical business from the refinery. Moreover, by this decision, the management of the new company will be able to focus on the possibilities to develop and increase the efficiency of this activity".

The new petrochemical company, Petrochemicals Arges will include the steam cracker, aromatics extraction, LDPE units and several logistic facilities and will also operate the HDPE unit. The aromatics extraction unit has a capacity of 50,000 tons per year, while the steam cracker II can produce up to 200,000 tons ethylene and 95,000 tons propylene per year. In 2006, the petrochemicals sales were 393,300 tons, both to the domestic market and the international one – Turkey, Bulgaria, Hungary and Western Europe.

The employees operating the mentioned petrochemicals units will be transferred to the new company together with the above-mentioned facilities. Petrochemicals Argeş should start operating as an independent company in the fourth quarter of this year.

Petrochemicals Argeş will be a subsidiary of Petrom with Mr. Jeffrey Rinker being the shareholder's representative and Mr. Mihai Sorescu as General Manager of the company.

Contact details

Lacramioara Diaconu, M&A, Capital Market Relations
Tel: +40 (21) 406 01 01, Fax: +40 (21) 406 04 36,
e-mail address: investor.relations.petrom@petrom.com

