

Petrom Investor News

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Petrom guarantees heavy fuel supply for cogeneration power plants

- ▶ Petrom is prepared to supply approximately 70,000 – 75,000 tons of heavy fuel for cogeneration power plants by the end of January
- ▶ The heavy fuel supply to cogeneration power plants will be done in a responsible and transparent manner
- ▶ Contracts signing are expected to materialize this week

Petrom, the largest oil and gas producer in South-Eastern Europe, is currently having talks concerning the heavy fuel supply to cogeneration power plants (CET's). Based on the priority list presented by the Commission for Emergency Situations, Petrom is having discussions with ElectroCentrale Bucureşti, ElectroCentrale Constanţa, CET Galaţi, Termoelectrica, Termoficare Piteşti, Romanian Authority for Nuclear Activities and Dalkia Ploieşti.

Mariana Gheorghe, CEO Petrom: "The fact that emergency situation was invoked means that the acquisition of alternative fuels, which otherwise would have to follow the tendering procedure, is optimized, in terms of reducing the contracting period. We are in discussions with several companies for the heavy fuel supply and these are carried in a responsible and transparent manner. Basically, we are considering either the continuation of the existing contracts with these companies, namely the increase of quantities we are to supply, or the signing of new contracts. The contractual terms are in accordance with the international practice, respectively the price formula is based on the international quotations of the heavy fuel and follow the commercial principles as previous contracts. In the second half of last year, the heavy fuel price went down significantly while at the beginning of this year it follows an increasing trend."

Petrom is prepared to supply around 70,000-75,000 tons of heavy fuel by the end of January and the same quantity during February.

Discussions with the representatives of the companies interested in purchasing heavy fuel from Petrom are underway and it is estimated that the signing of the contracts might take place by the end of the week. Petrom is in contractual relations with some of the mentioned companies, contracts that were signed based on tender processes.

Petrom is one of the most important heavy fuel producers in Romania. In 2007, the heavy fuel production of Petrom amounted to 737,000 tons.

In 2008, the heavy fuel demand in Romania is estimated at approximately 480,000 tons and the market share of Petrom at around 50%.

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