

Results¹ for Q3 and January - September 2009: good performance despite difficult environment

- ▶ Q3/09 results reflect lower oil prices and sales of commercial fuels and gas on a year-on-year comparison; EBIT was higher compared to Q3/08, which was burdened by the Arpechim impairment, while net profit was supported by the positive hedging result
- ▶ Oil and gas production was 4% lower compared to Q3/08, however oil production reversed its downward trend from Q2/09 as a result of production start ups; gas production was affected by limitations in the gas transmission system due to lower industrial demand
- ▶ Q3/09 retail fuels sales volumes rose 14% over Q3/08, in spite of adverse economic conditions; total marketing sales fell 5% compared to Q3/08, due to lower export and lower domestic commercial sales
- ▶ Outlook for 2009: we expect the market environment to remain challenging with persisting volatility of our key business drivers (crude price, FX, refining margins); we will continue to focus on securing cash flow, further improving our cost position and strengthening the company's potential as an integrated energy player

Mariana Gheorghe, CEO of Petrom: "Despite challenging economic conditions, we recorded good overall performance in the third quarter, as results were supported by the effects of our timely response to the deteriorating environment: crude oil hedges for 2009, adjustment of our cost base and operations and the financing secured for our key projects. We have started production at the recently drilled offshore wells Delta 6 and Lebada Vest 4, which has helped reverse the downward trend in production. We also reduced the production costs and further strengthened our position in the retail fuels market. However, our cumulative results for the first nine months were affected by lower crude price, difficult economic conditions and deteriorating margins, marked by the downturn in the commercial and industrial sectors. In the near-term, we expect the oil and energy sector and the Romanian macroeconomic environment to be marked by volatility. In response to the current challenging environment, we will stay focused on our strategic directions and continuous investments, while further reviewing our restructuring options and assessing our business opportunities."

Q2/09	Q3/09	Q3/08	Δ%	Key performance indicators (RON mn)	9m/09	9m/08	Δ%	2008
275	705	643	10	EBIT	1,160	2,509	(54)	1,309
674	1,139	1,660	(31)	EBITDA	2,375	4,230	(44)	3,565
417	615	626	(2)	Net profit	1,539	2,290	(33)	1,022
2,889	3,530	4,733	(25)	Net turnover	9,456	13,007	(27)	16,751
866	675	1,253	(46)	Investments*	2,713	4,638	(42)	6,404
29,103	28,215	33,656	(16)	Employees at the end of period	28,215	33,656	(16)	33,311

*Investments also include increases of participations in other companies

¹ The financials are unaudited and prepared according to RAS; all the figures refer to Petrom SA unless otherwise stated; within the report, figures are expressed in millions and rounded to closest integer value, so minor differences may result upon reconciliation



Significant events in Q3/2009

On **July 20**, Petrom announced the subscription of shares issued by Petrom Aviation as part of the capital increase of Petrom Aviation. Petrom subscribed 69,795,951 of newly issued Petrom Aviation shares for the issue price of RON 0.1/share. Following this transaction, Petrom currently holds 95.20% of the increased share capital of Petrom Aviation.

On **August 3**, Petrom announced its first exploration success in Russia, as both oil and gas discoveries were confirmed in the exploration well Lugovaya-1, located in the Kamenski district in the Saratov region. The first tests showed a flow of oil and gas from three layers at a combined rate of approximately 6,500 boe/d.

Outlook 2009

For the last quarter of 2009, we expect the main business drivers (crude price, refining margins and the EUR-USD-RON exchange rates) to remain volatile.

The weakness of the US dollar is expected to put upward pressure on oil prices. However, this will be mitigated to some extent by relatively lower global demand. Overall, the oil price is expected to remain well below the average of 2008. The Brent-Urals spread is likely to remain below the 2008 level.

We expect the average EUR-USD exchange rate for 2009 to remain volatile while anticipating a weaker USD versus EUR, overall. We maintain our assumption of a weaker RON/EUR exchange rate compared to the 2008 average. In the short term, the RON is likely to depreciate against both EUR and USD.

For the rest of 2009, the refinery fuels margins are anticipated to remain weak, thus putting heavy pressure on refining profitability. Overall fuels market in Romania is expected to be lower compared to previous year, on a yearly basis, with considerable decrease of the commercial sales while retail market is expected to have a slowly decreasing trend (slightly below 2008).

The decline in the Romanian economy is expected to slowdown in the last quarter of 2009. However, rising unemployment would pose both a social and economic challenge. These effects are likely to disappear as the economy recovers, possibly in the second part of 2010. The government's budget deficit gap would still require some additional EUR 3.5 bn by the end of the year. Any delay in the IMF disbursements is likely to augment further Romania's country risk and place upward pressure on the exchange rate.

With our sound financial position, prudent financial leverage and a strong shareholder structure, supported by our strategic partnership with OMV, Petrom is well positioned to cope with the challenges

On **August 10**, Petrom announced commencement of exploration activities in the Black Sea, Neptun Block. The initial work includes a 3D seismic acquisition program over an area of approximately 3,000 km² and is being conducted by Petrom and joint venture partner ExxonMobil Exploration and Production Romania Ltd, an affiliate of ExxonMobil Corporation.

On **September 14**, Petrom announced its first oil production from the recently drilled offshore wells Delta 6 and Lebada Vest 4, located in the offshore block Histria XVIII in the Black Sea. The first tests showed a combined flow rate of approximately 3,100 boe/d from the two wells.

and opportunities in the current market. Under these difficult market conditions, Petrom will stay focused on its strategic directions while reviewing the company's mid-term investment program. Specific strategic targets might therefore be adjusted in order to ensure our development is sustainable while fully capturing the existing potential.

We have been reviewing our planned investments for this year in order to adjust CAPEX to levels appropriate to the current cash flow position and challenging environment. We will stay within the approved budget of RON 4.7 bn while screening and prioritizing investments for next years. We have secured a good basis for our long term financing for our key strategic projects.

In order to partly protect Petrom's cash flow from the negative impact of lower oil prices, derivative instruments have been used to hedge earnings in the E&P segment for approximately 40,000 bbl/d in 2009. To achieve this goal, put spreads were used. Should average oil prices per quarter remain below USD 65/bbl in 2009, the hedge would pay out USD 15/bbl to actual oil prices. Between USD 65/bbl and USD 80/bbl the hedge secures USD 80/bbl. The put spreads were financed via calls in order to avoid initial cash outlay (zero-cost structure), whereby the Company foregoes any profit from oil prices above approximately USD 110/bbl in 2009 for the above stated volume. The gain/loss effect from these hedging instruments is recorded in the income statement in 2009.

To protect the company's cash flow in 2010, Petrom entered into crude oil hedges in Q2/09 for a volume of 38,000 bbl/d securing a price floor of USD 54/bbl via the sale of a price cap of USD 75/bbl (zero cost collar).

In **E&P**, overall production is expected to increase in the fourth quarter of 2009, based on higher gas demand for heating purposes during this period. The oil production is expected to stabilize as the Delta 6 and Lebada Vest 4 offshore wells will make positive

contributions to overall production. The drilling pace is set to be increased in Q4/09. Mamu development is currently delayed while we address technical uncertainties. Construction work at **the future Hurezani Gas Compressor station** aimed at stabilizing gas deliveries into the National Transmission System is progressing as scheduled. Production ramp-up at the Komsomolskoe oil field in Kazakhstan (where production started at the end of June) is ongoing albeit at a slower pace than planned due to the complex commissioning and approval schedule. Romanian gas demand, on an annual basis, is expected to be significantly lower than last year due to reduced industrial consumption, particularly in the chemical industry. Furthermore, in case the import rate later in the year would be set up to higher levels, then an adverse effect on Petrom's gas production is to be expected. The further restructuring and integration of E&P and E&P Services division (EPS)², in order to increase the operational efficiency, remains a key activity as well as a crucial cost reduction driver. Overall, in E&P, the focus will continue to be on tight cost control and project prioritization to tackle the adverse market conditions. The cost saving measures and successful integration of EPS, together with the benefits of the well modernization program will have a positive impact on production cost.

In **Refining**, we aim to drive further incremental improvements in energy efficiency and yield development towards higher value products. Our refineries' utilization rates will be optimized to address prevailing market conditions and product demand and, consequently, we operated a temporary economic shut down of Arpechim Refinery during November 2009.

In the mid-term, we continue to pursue our strategy focused on converting Romanian crude oil into high quality transport fuels for the South-East European market. However, adapting to the current economic situation, we are reviewing the optimization of our refining business, including the scope and schedule of our foreseen expansion and modernization program in Petrobrazi. This review is expected to be completed by the end of the year. The divestment process of the Steam Cracker and petrochemical activity within Arpechim is still ongoing.

In **Marketing**, the focal points of this year's investments are the operations' optimization, efficiency increase and two terminals under construction, Jilava and Brazi. The new modernized storage facility at Jilava will be operational by the end of the year.

In **G&P**, the focus will remain on expanding the gas value chain, by entering the power market. As such, the construction of the power plant at Brazi continues according to plan. In the Gas business, we expect a strengthening of the marketing and trading results by the end of the year, given the start of the winter season. Petrom will continue to look for a qualified partner to take over Petrom Distribuție Gaze in order to further develop this company. This process is currently suspended due to the financial crisis. As Doljchim's activity has been adversely impacted by the economic downturn, we are reviewing an optimum response to the current market conditions.

²The E&P Services division (EPS) was created for the purpose of integrating the oil services business acquired in February 2008 from Petromservice

Exploration and Production (E&P)

Q2/09	Q3/09	Q3/08	Δ%	in RON mn	9m/09	9m/08	Δ%	2008
644	775	1,273	(39)	EBIT ¹	1,747	3,639	(52)	3,139
936	1,101	1,616	(32)	EBITDA ¹	2,650	4,492	(41)	4,401
556	514	893	(42)	Investments ²	1,742	3,534	(51)	4,524

¹Excluding intersegmental margin elimination; for reasons of comparability 2008 numbers are adjusted accordingly

²Investments also include increases of participations in other companies and investments during the year in exploration wells that proved unsuccessful

Q2/09	Q3/09	Q3/08	Δ%	Key performance indicators	9m/09	9m/08	Δ%	2008
16.29	16.43	17.15	(4)	Total production (mn boe)	49.54	51.89	(5)	68.98
178,991	178,630	186,399	(4)	Total production (boe/day)	181,467	189,396	(4)	188,476
1,088	1,100	1,138	(3)	Crude and NGL production (kt)	3,284	3,402	(3)	4,541
7.82	7.91	8.18	(3)	Crude and NGL production (mn bbl)	23.62	24.47	(3)	32.66
1,294	1,303	1,371	(5)	Gas production (mn cbm)	3,963	4,194	(6)	5,553
58.36	67.88	112.79	(40)	Average Urals price (USD/bbl)	56.77	108.07	(47)	94.77
52.09	61.47	104.10	(41)	Average realized crude price (USD/bbl)*	50.72	98.14	(48)	84.11
161.73	183.59	247.84	(26)	Average realized crude price (RON/bbl)*	157.38	234.89	(33)	211.95
160.67	167.48	207.88	(19)	Average gas price for domestic producers (USD/1,000 cbm)	159.53	205.64	(22)	195.59
14.03	14.64	19.16	(24)	Domestic production cost (USD/boe)	14.35	18.31	(22)	18.00
43.18	43.21	45.61	(5)	Domestic production cost (RON/boe)	44.52	43.83	2	45.35

*Realized price excluding hedge result

Third quarter 2009 (Q3/09)

- ▶ **Q3/09 results were burdened by the lower oil price, compared to Q3/08**
- ▶ **Despite lower volumes, Q3/09 production costs in RON/boe were down 5% compared to Q3/08, due to successful implementation of cost reduction initiatives**
- ▶ **Oil and gas production reversed its downward trend from Q2/09 as production started at the recently drilled offshore wells Delta 6 and Lebada Vest 4**

The **domestic realized crude price** decreased by 41% compared to Q3/08, in line with lower oil prices. In RON terms, however, the domestic realized crude price decreased by only 26% compared to Q3/08, supported by the strengthening of the USD against the RON. The average gas price for domestic producers is treated under the "Gas and Power" section of the report.

EBIT decreased by 39% compared to Q3/08 due to significantly lower oil prices and increased depreciation. E&P's EBIT does not include the positive hedging effect, which is reported in the financial result, according to Romanian Accounting Standards.

Group oil and gas production fell by 4% to 17.03 mn boe compared to Q3/08. **Oil and gas production in Romania** amounted to 16.43 mn boe in Q3/09, 4% lower than in Q3/08. **Group oil production** reached 8.42 mn bbl, 3% lower than Q3/08, as a result of the lower level of oil production in Romania. In Q3/09, **domestic oil production** amounted to 7.91 mn bbl and registered a decrease of 3% compared to Q3/08,

as a result of natural decline, and due to the reduced number of new wells being drilled and put in production. **Domestic natural gas production** was 5% lower compared to Q3/08, mainly due to the significant reduction of demand (as a result of partial shutdown of local fertilizer plants and other industrial consumers), which caused a high pressure in the transportation system, as well as due to delays in start of production from key wells in Mamu. **Oil and gas production in Kazakhstan** amounted to 596 thousand boe in Q3/09, 2% higher compared to Q3/08 mainly due to the start of production of the Komsomolskoe field.

Domestic production costs in RON/boe decreased by 5% compared to Q3/08, despite lower production volumes, as their effect was mitigated by the lower material and service costs, which were achieved due to cost saving measures. When expressed in USD/boe, domestic production costs registered a 24% decline caused by the strengthening of the USD versus the RON.

E&P investments in Romania were 42% lower compared to the same period in the previous year.

Investments focused mainly on the drilling program and development of the most promising fields. Petrom SA **exploration expenditure** amounted to RON 68 mn in Q3/09, of which RON 61 mn was expensed and RON 7 mn was capitalized; additionally, RON 12 mn was expensed for wells that commenced drilling in 2008 but were evaluated as not successful.

In **Kazakhstan**, the **Komsomolskoe** field development made further progress with production approaching 5,000 boe/d by the end of Q3/09. During August, the batch drilling for the fourth horizontal producer was completed and the first oil sales via KazTransOil pipeline network commenced.

In **Russia**, in the Saratov region, well tests confirmed both oil and gas discoveries in exploration well Lugovaya-1. The evaluation of Lugovaya-1 results is ongoing.

The **Drilling Program** registered a total number of 19 new wells drilled in Q3/09 (75 in 9m/09), considerably lower compared to the same period of the previous year. In order to resolve geological uncertainties in the **development of the Mamu field**, the work over programs at wells 4335 and 4338 Mamu were continued. The capacity upgrade of the Madulari processing facilities is completed. **Initial production** of the offshore well Delta 6 started through the existing Petrom offshore facilities in the first part of Q3/09 at an initial rate of 530 boe/d. At the end of Q3/09, the well was producing approximately 2,650 boe/d. The newly drilled well, **Lebada Vest 4**, brought on stream at the end of August, was producing around 1,000 boe/d at the end of Q3/09. During Q3/09, the basic engineering for the **future Hurezani Gas Compressor station** was completed. Construction work at the compressor and metering stations, the up- and downstream pipelines was commenced. **Midia C3+ (propane) gas processing plant**, near

Constanta, was activated at the end of Q3/09. The new plant processes the entire offshore gas production of Petrom to sales gas specifications and achieved an efficiency of above 99% C3+ recovery.

Exploration and Production Services (EPS) division continued to implement projects contributing to increasing the service quality and efficiency, such as installing weight indicators and fuel consumption monitoring devices, scrapping of fixed assets etc. A new efficiency increase project was set-up for 2010 and implementation started with a field cluster activity/process analysis.

Compared to Q2/09, the **domestic realized crude price** strengthened by 18%, in line with higher prevailing oil prices. In RON terms, the domestic realized crude price increased by only 14%, as the USD weakened against the RON. **EBIT** increased by 20% compared to Q2/09, mainly due to the strengthening oil price environment and the improved cost base. **Total oil and gas production in Romania** slightly increased compared to Q2/09. Crude oil production increased by 1% and natural gas production close to 1%. The increase in production is mainly related to the production start of the key strategic wells (Delta 6 and Lebada Vest 4) which partially offsets the natural decline of the other oilfields. **Oil and gas production in Kazakhstan** was 18% higher in comparison to the previous quarter due to the additional quantity from the Komsomolskoe field and the successful drilling and tie-in of new wells in the Turkmenoi field. **Domestic production costs** in RON/boe stood at a similar level to Q2/09. When expressed in USD/boe, it increased by 4% against Q2/09, reflecting RON appreciation versus the USD. **E&P investments** in Romania decreased by 8% compared to Q2/09.

January - September 2009 (9m/09)

The **domestic realized crude price** fell by 48% to USD 50.72/bbl compared to 9m/08, due to lower oil prices. The domestic realized crude price in RON/bbl terms decreased by 33% from 9m/08, due to the strengthening of the USD against the RON.

EBIT decreased by 52% compared to 9m/08, due to the significantly lower oil price environment and increased depreciation.

Group oil and gas production decreased by 4% compared to 9m/08, to 51.12 mn boe (187,261 boe/d) as a consequence of lower domestic production. Group oil production was down by 3% compared to 9m/08, reaching 24.94 mn bbl, due to the decrease of domestic oil production. **Total oil and gas production of Petrom SA in Romania** amounted to 49.54 mn boe, 5% lower versus 9m/08. **Crude oil production of Petrom SA in Romania** was 23.62 mn bbl, 3% lower than the level recorded in 9m/08, mainly due to the reduced number of new wells drilled and the delay of key wells. **Domestic natural gas production** reached 3,963 mn cbm, lower by 6% compared to 9m/08. The gas production level was mainly affected by the

reduction of demand (partial shutdown of the local fertilizer and other industrial consumers), which caused a high pressure in the transportation system,, as well as due to delays in completion and production startup of key wells in Mamu.

Domestic production costs were USD 14.35/boe, 22% lower compared to 9m/08 due to the strong appreciation of the USD against the RON and successful cost reductions. Domestic production costs in RON/boe increased by 2% compared to 9m/08 due to lower production volumes, although partly offset by cost reduction measures. Petrom SA **exploration expenditures** amounted to RON 120 mn in 9m/09, of which RON 111 mn were expensed and RON 9 mn were capitalized; additionally, RON 33 mn were expensed for wells that commenced drilling in 2008 and evaluated as not successful.

E&P investments in Romania were 51% lower compared to 9m/08 as last year investments included the acquisition cost of the oil services business of Petromservice.

Refining and Marketing (R&M)

Q2/09	Q3/09	Q3/08	Δ%	in RON mn	9m/09	9m/08	Δ%	2008
(106)	(42)	(710)	n.m	EBIT	(436)	(902)	n.m	(1,895)
(41)	29	(65)	n.m	EBITDA	(241)	(152)	n.m	(1,055)
100	66	250	(74)	Investments	403	686	(41)	1,297

Q2/09	Q3/09	Q3/08	Δ%	Key performance indicators	9m/09	9m/08	Δ%	2008
1,328	1,348	1,605	(16)	Crude input (kt)	3,989	4,570	(13)	6,121
191	242	526	(54)	thereof imported crude (kt)	688	1,338	(49)	1,831
67	67	80	(16)	Utilization rate (%)	67	76	(12)	77
0.14	(0.92)	0.01	n.m	Refining margin indicator (USD/bbl)	0.61	0.59	4	1.43
1,168	1,301	1,365	(5)	Marketing sales (kt)	3,731	3,822	(2)	5,210
253	307	384	(20)	thereof export (kt)	911	1,233	(26)	1,649

Third quarter 2009 (Q3/09)

- ▶ **The trend of very low refining margins continued in Q3/09, driving reduced utilization rates of the refineries**
- ▶ **Total marketing sales decreased 5% compared to Q3/08, mainly driven by lower export sales as well as lower domestic commercial sales**
- ▶ **Retail sales volumes increased 14% over Q3/08, as a result of the investments in filling stations network optimization**

Despite adverse market conditions, the R&M EBIT in Q3/09 improved overall compared to Q3/08 (Q3/08 R&M EBIT was burdened by the impairment of Arpechim's net book value at the amount of RON 559 mn). The negative impact derived from negative refining margins and low utilization of refining assets under current market conditions was completely offset as a result of the positive effects from restructuring and cost control efforts and inventory holding gains triggered by the increased crude prices.

The total quantity of **crude processed** in Q3/09 amounted to 1,348 kt, 16% lower compared to Q3/08. Imported crude oil represented 18% of total quantity of crude processed. The relatively low utilization rate of the refineries was driven by weak overall market conditions.

During Q3/09 the product cracks continued to deteriorate, driving **refining margins** down to a very low level, despite the relatively lower cost of own crude consumption as compared to Q3/08. The **refining margin indicator**³ deteriorated in Q3/09, turning negative to an average of USD -0.92/bbl. **Diesel cracks** dropped to USD 74/t in Q3/09, USD 184/t lower than Q3/08. **Gasoline cracks** deteriorated as well, standing at USD 152/t in Q3/09, USD 13/t lower than Q3/08.

Petrochemical and special product sales dropped by 33% compared to the Q3/08 level, as the steam cracker unit in Arpechim remained offline in Q3/09.

Total marketing sales decreased by 5% compared with Q3/08, due to lower export sales. Exports diminished due to unfavorable international market conditions. **White product sales** on the domestic market were 1% above the Q3/08 level: **domestic gasoline sales** were up by 7% compared to Q3/08, **domestic diesel sales** decreased by 1% and sales of **aviation fuels** recorded a 14% decrease over Q3/08.

Retail sales increased in comparison with Q3/08 by 14% to 609 mn liters (493 kt equivalent), despite stagnant market conditions. The sustained investments in the Petrom retail network between 2006 and 2008 ensured an optimum network that enabled us to achieve performance even under deteriorated economical conditions. **Total commercial and export sales** (807 kt) decreased by 14% due to lower demand for fuels in the domestic and external markets. **Commercial domestic sales** amounted to 501 kt, representing a decrease of 9% compared to Q3/08. In Q3/09, commercial domestic sales of gasoline decreased by 1% compared to Q3/08 while diesel commercial sales in the domestic market recorded a fall of 18% over the same period of the previous year. HFO domestic sales registered a 30% increase compared to the same period of the last year. **Exported quantities** were 20% lower in Q3/09 compared to Q3/08, driven by the 11% decrease in exported gasoline, a 25% decrease in diesel and, notably, a 48% decrease in HFO exports. The decrease in exports is partly due to supplementary quantities placed on the domestic market.

Petrom's subsidiaries sold 387 mn liters of fuel to retail customers in Q3/09, 3% lower compared to Q3/08. International retail network sales represented 61% of total subsidiaries sales.

³ The refining margin indicator is based on the international quotations for products [Augusta] and Urals crude and a standardized yield set typical for Petrom's refineries

The non-oil business also registered an increase. The total turnover increased to RON 147 mn, 6% higher compared to Q3/08, due to portfolio and procurement optimization and more effective marketing.

At the end of Q3/09, Petrom SA had 458 filling stations, while Petrom Group operated a total of 828 filling stations, of which 562 are in Romania and another 266 abroad: 112 in the Republic of Moldova, 95 in Bulgaria and 59 in Serbia.

R&M investments in Q3/09 were 74% lower compared to Q3/08. **Refining** continued only the ongoing operational investments as the revised modernization program is being reevaluated while Marketing investments focused almost entirely on Supply & Logistics investments.

January - September 2009 (9m/09)

The **R&M EBIT** recorded in the first nine months of 2009 was weaker compared to the R&M EBIT for 9m/08 when adjusted for the impairment of Arpechim's net book value at the amount of RON 559 mn (recorded in Q3/08). Despite the good operational performance for the period, the result was negatively impacted by the low utilization of our refining assets under current market conditions. The result was also affected by relatively lower inventory holding gains (due to the sharp crude price development last year). The above mentioned effects were only partly offset by improvements in the marketing business, namely higher retail sales and reduced costs.

The total quantity of **crude processed** was 13% lower compared to 9m/08, with imported crude oil representing only 17% of the total quantity of crude processed in 9m/09 compared to 29% in 9m/08.

White product margins deteriorated against 9m/08, with diesel cracks at USD 92/t, which is USD 174/t lower than the 9m/08 level. Gasoline cracks at USD 139/t were USD 31/t below the comparable period of last year. Overall, the **refining margin indicator** remained at about the same level as in 9m/08 (USD 0.61/bbl), supported only by the relatively low cost of own crude consumption within the lower crude pricing environment. During 9m/09, we decreased the utilization rate of our refineries at 67% (9m/08: 76%), optimizing the imports of expensive crude in the current margin environment.

Petrochemical and special product sales were 45% lower than in 9m/08, as the steam cracker unit in Arpechim remained offline throughout 2009.

Compared to Q2/09, R&M EBIT in Q3/09 significantly improved, primarily driven by the improved contribution from the marketing business, which was supported by the positive effect of the seasonal increase in demand. Middle distillates cracks and the **refining margin** indicator continued to deteriorate while the refinery utilization rate remained flat as compared to the previous quarter, due to weak market conditions. Petrochemical and special product sales have decreased by 5%. **Total marketing sales** increased by 11% compared to Q2/09, driven by the positive effect of the seasonal increase in demand.

Total marketing sales stood at 3,731 thousand tons, a 2% decrease compared to 9m/08 sales. **White product sales** in the domestic market were 5% above the 9m/08 level driven by the upgrade of the filling station network and improved retail station management. **Domestic gasoline sales** were up by 12% compared to 9m/08, while **domestic diesel sales** increased by 4% compared to 9m/08. **Aviation fuel sales** decreased by 11% compared to 9m/08.

Retail sales also increased in comparison with 9m/08 by 19% to 1,633 mn liters (1,321 kt equivalent) due to the aforementioned reason. **Commercial domestic sales** amounted to 1,499 thousand tons, 1% above the 9m/08 level, as HFO sales in the domestic market registered a 91% increase compared to 9m/08 due to the Russian-Ukrainian gas crisis at the beginning of the year that forced the district heating power plants to use HFO as substitute for gas. Excluding **HFO sales**, commercial domestic sales totaled 1,150 thousand tons, 11% below the 9m/08 level. **Exported quantities** were 26% lower in 9m/09 compared to 9m/08, mainly due to lower HFO and gasoline exports.

Non-oil business turnover increased 11% compared to 9m/08 due to portfolio and procurement optimization.

R&M investments were 41% lower compared to 9m/08. In Refining, investments were mainly related to the Fluid Catalytic Cracker (FCC) gasoline post-treater project, the DCS (Distributed Control System) implementation and the systematization and revamp of the Refinery Tanks Farm. The marketing division investments focused on the modernization of oil terminals.

Gas and Power (G&P)

Q2/09	Q3/09	Q3/08	Δ%	in RON mn	9m/09	9m/08	Δ%	2008
(13)	(2)	57	n.m	EBIT	40	85	(53)	104
94	28	80	(65)	Investments	284	297	(4)	386

Q2/09	Q3/09	Q3/08	Δ%	Key performance indicators	9m/09	9m/08	Δ%	2008
884	1,041	1,109	(6)	Consolidated gas sales (mn cbm)*	3,405	3,904	(13)	5,297
858	1,004	1,023	(2)	thereof Gas sales Petrom SA (mn cbm)	3,332	3,602	(7)	4,944
160.67	167.48	207.88	(19)	Average gas price for domestic producers (USD/1,000 cbm)	159.53	205.64	(22)	195.59
495.00	495.00	495.00	n.m	Average gas price for domestic producers (RON/1,000 cbm)	495.00	492.21	1	492.90
370	270	480	(44)	Import gas price (USD/1,000 cbm)	373	407	(8)	440
85	101	124	(19)	Sales Doljchim (kt)	274	399	(31)	503

*Consolidated gas sales include the sales of Petrom SA, Petrom Gas SRL and Petrom Distributie Gaze as well as internal transfers to other segments

Third quarter 2009 (Q3/09)

- ▶ Lower consolidated gas sales volumes compared to Q3/08 mainly due to lower industrial demand
- ▶ Doljchim production continuously adjusted to respond to worsening market conditions and to optimize Petrom's entire gas value chain
- ▶ Brazi power plant construction continues according to schedule

G&P EBIT dropped significantly as compared to Q3/08, due to lower gas and chemicals sales, triggered by reduced demand.

Petrom's **consolidated gas sales** decreased by 6% in Q3/09 compared to Q3/08, mostly due to the 17% decline in total gas consumption in Romania over the same period, which was largely caused by the shutdown of most of the fertilizer production capacity and a general decrease in industrial production. **Petrom SA's sales** decreased by 2% compared to Q3/08. This decrease was lower than the general decrease of the market, as import quantities were mainly affected.

The total volume of natural **gas in storage** at the end of September 2009 was 564 mn cbm, compared to 426 mn cbm at the end of September 2008.

The **average gas price for domestic producers** in Q3/09 was USD 167/1,000 cbm (RON 495/1,000 cbm), 19% lower compared to Q3/08, due to the weakening of the RON compared to the USD. In RON terms, the average gas price for domestic producers in Q3/09 remained unchanged since February 2008.

In Q3/09, the Doljchim result was burdened by lower demand and product prices for all products, driven by the economic downturn. Compared to Q3/08,

Doljchim sales volumes decreased by 19%, due to reduced demand, both domestically and internationally. Market prices for fertilizers and methanol are very low at the moment, therefore production was adjusted, by producing selectively based on market prices and input costs.

Investments in G&P in Q3/09 amounted to RON 28 mn and related to the Brazi power plant, representing payments for connection of CCPP Brazi to the National Grid. The construction of the **Brazi power plant** continued according to schedule.

Compared to Q2/09, the G&P EBIT improved supported by gas sales increase. Petrom SA gas sales volumes were 17% higher compared to Q2/09, while the estimated increase of natural gas consumption in Romania in Q3/09 as compared to Q2/09 was 14%. This increase was due to the facility granted to the interruptible consumers for July-October 2009, which offered them the option of supply from domestic production only. Interruptible consumers are those considered to contribute to securing the operation of the gas National Transmission System and distribution systems, by accepting reduction or even interruption in gas supply in order to protect supply to households.

January - September 2009 (9m/09)

In the first nine months of 2009, **Petrom SA gas sales** decreased by 7% (consolidated gas sales went down 13%), while the estimated decrease in total gas consumption in Romania as compared to the same period of 2008 was 21%.

EBIT generated by the G&P business of Petrom SA amounted to almost RON 40 mn, down 53% compared to the EBIT recorded in 9m/08.

The **gas price** for Romanian producers was USD 160/1,000 cbm (RON 495/1,000 cbm), down 22% compared to the first nine months of 2008 due to FX effects (unchanged in RON terms since February 2008).

The regulated end-user gas price for households and industrial customers in Romania decreased by 3%, as of May 1st, 2009 and by a further 5% as of July 1st, 2009. However, this had no impact on the gas price for domestic producers.

Petrom injected 530 mn cbm into storage in the first nine months of 2009. The total volume of natural gas in storage at the end of September was 564 mn cbm.

EBIT recorded by Doljchim in 9m/09 was negative (RON - 59 mn), reflecting the low demand and prices.

The volume of Doljchim sales decreased by 31% to 274 thousand tons. Sales in domestic as well as international markets dropped substantially due to the lack of demand and increasing difficulty of raising finance in the agricultural sector. Therefore, Doljchim was forced to first reduce and then temporarily close down production of fertilizers. Export sales represented around 29% of total sales.

Compliance investments in Doljchim totaled RON 7 mn while Power-related investments stood at RON 277 mn.

Financial highlights

Profit and loss account

Q2/09	Q3/09	Q3/08	Δ%	in RON mn	9m/09	9m/08	Δ%	2008
2,889	3,530	4,733	(25)	Net turnover	9,456	13,007	(27)	16,751
275	705	643	10	EBIT	1,160	2,509	(54)	1,309
644	775	1,273	(39)	thereof: EBIT E&P ¹	1,747	3,639	(52)	3,139
(106)	(42)	(710)	n.m	EBIT R&M	(436)	(902)	n.m	(1,895)
(13)	(2)	57	n.m	EBIT G&P	40	85	(53)	104
(30)	(33)	(36)	n.m	EBIT Corporate & other	(92)	(91)	n.m	(128)
(219)	8	58	(86)	EBIT Consolidation ²	(99)	(221)	n.m	89
417	615	626	(2)	Net profit	1,539	2,290	(33)	1,022
866	675	1,253	(46)	Investments	2,713	4,638	(42)	6,404

¹Excluding intersegmental margin elimination now shown in the new line "EBIT Consolidation"; for reasons of comparability 2008 numbers are adjusted accordingly

²EBIT Consolidation result represents the intersegmental margin elimination which was reported until 2008 under E&P result

Third quarter 2009 (Q3/09)

The Company **net turnover** in Q3/09 decreased by 25% to RON 3,530 mn compared to Q3/08, mainly due to the decrease in product prices and lower petrochemicals sales.

Operating expenses in Q3/09 decreased by 31% compared to Q3/08, to RON 2,979 mn. The main factor is a decrease in value of raw materials costs resulting from the lower prices and quantities of imported crude oil and also from Arpechim impairment booked in September 2008.

EBIT amounted to RON 705 mn, higher than that of Q3/08 (RON 643 mn) mainly due to the decrease in operating expenses, partly offset by the unfavorable crude oil price environment.

Beginning with 2009, Petrom reports its segment results before taking into account the necessary margin elimination from intersegmental transfers. This margin elimination represents an unrealized profit on the oil and gas which was transferred internally by E&P but remains in the stocks of the other Petrom segments. Until the end of 2008, this adjustment was reflected in the E&P result. Starting in 2009, this is shown under the EBIT consolidation result. For purposes of comparability, 2008 figures have been adjusted accordingly.

The Company's **financial result** decreased in Q3/09 to RON 36 mn from RON 139 mn in Q3/08, mainly as a result of foreign exchange losses and impairment of financial assets, partially compensated by the realization of oil price hedging. Hedging generated a financial gain of RON 126 mn as average oil prices in Q3/09 were below USD 80/bbl.

The **corporate tax charge** decreased by RON 29 mn in Q3/09 compared to Q3/08, reaching RON 126 mn, mainly as a result of lower provisions (non-deductible expenses).

Net profit dropped by 2% in Q3/09 compared with Q3/08, mainly coming from lower financial result that offset the improvement in EBIT.

Petrom contributed RON 1,828 mn to the State budget in Q3/09, 2% higher than in Q3/08. In Q3/09, profit taxes stood at RON 125 mn, royalties amounted to RON 146 mn and employer related social contributions totaled RON 120 mn. Petrom's contribution to the State budget via indirect taxes was mainly represented by excise (RON 1,029 mn), employee related taxes (RON 126 mn) and VAT (RON 230 mn).

Compared to Q2/09, the Company's net turnover in Q3/09 increased by 22% to RON 3,530 mn, mainly driven by the increase both in quantities and price for gasoline and diesel. EBIT was RON 705 mn, higher compared to the previous quarter (Q2/09: RON 275 mn) mainly due to the more favorable price environment. The Company's financial result decreased in Q3/09 to RON 36 mn from RON 190 mn in Q2/09, due to the dividends received in Q2. The corporate tax charge increased by RON 78 mn in Q3/09 compared to Q2/09, due to higher gross profit and lower use of provisions in Q3/09 (non-taxable revenues). Net profit increased in Q3/09 compared with Q2/09 as a consequence of the improved operating result.

January - September 2009 (9m/09)

The Company's **net turnover** in 9m/09 declined by 27% to RON 9,456 mn compared to 9m/08 mainly due to lower price levels.

Operating expenses decreased by 22% compared to 9m/08, to RON 8,544 mn, mainly due to lower quantities and prices for imported crude oil as well as due to the fact that operating expenses for 9m/08 were burdened by the impairment booked for Arpechim and provisions for litigations.

EBIT amounted to RON 1,160 mn, 54% below the RON 2,509 mn result in 9m/08, primarily as a result of the unfavorable price environment.

The Company's **financial result** improved in 9m/09 to RON 586 mn from RON 337 mn in 9m/08, mainly attributable to the positive impact of oil price hedging that generated a financial gain of RON 465 mn and

higher dividends received from subsidiaries, reduced by a negative foreign exchange result.

As a consequence of a decrease in gross profit from RON 2,847 mn in 9m/08 to RON 1,746 mn in 9m/09 accompanied by a decrease in provisions booked, the **corporate tax charge** also registered a decline.

As a result of its business activities, Petrom contributed RON 4,959 mn to the State budget, at almost the same level as in 9m/08. Income tax stood at RON 207 mn, royalties amounted to RON 399 mn and social contributions reached RON 465 mn. Petrom's contribution to the State budget via indirect taxes was mainly represented by excise (RON 2,813 mn) and also employee related taxes (RON 496 mn) and VAT (RON 438 mn).

Net profit decreased by only 33% in 9m/09 compared to 9m/08 mainly due to the positive impact of the financial result.

Balance sheet

Total assets amounted to RON 26 bn as of September 30, 2009, up by 6% compared to the end of 2008 (RON 25 bn), mainly as a result of investments realized in 2009.

Non-current assets increased by 10% to RON 22 bn, mainly driven by significant investments related to E&P for the development and modernization of wells, surface facilities and production equipment, as well as to R&M, Power and Corporate projects. In 9m/09, non-current assets increased also due to additional loans given to subsidiaries.

Total current assets, including pre-payments, decreased by 8% to RON 4,686 mn compared to the end of 2008 (2008: RON 5,121 mn), mainly as a result of lower short term investments related to oil price hedging, lower inventories and a positive impact from a stronger cash position. Inventories decreased compared with the previous year mainly due to lower quantities of crude oil and petroleum products and a lower value of closing inventories.

The decrease in **receivables** compared to the end of 2008 is mainly caused by the decrease in gas sales.

Total liabilities (including provisions and deferred income) increased by 5% to RON 11,946 mn as of September 30, 2009, mainly due to an increase in long-terms loans offset by a decrease in trade payables and provisions.

Shareholders' equity amounted to RON 14,538 mn as of September 30, 2009 and increased by 7% from the end of 2008 (RON 13,569 mn), as a result of the net profit generated in the current year and reduced by a decrease in the not realized portion of the oil price hedging.

The competitive environment continues to be very challenging and an increase in efforts to generate cash led to an increased **indebtedness ratio**⁴ from 11.09% at the end of 2008 to 22.34% at the end of September 2009. The financing program provided the necessary liquidity for strategic projects with a strong economic impact.

⁴ *Indebtedness ratio is calculated as Long term debt/(equity) x 100, according to Romanian National Securities Commission's regulations in force*

Investments

Q2/09	Q3/09	Q3/08	Δ%	in RON mn	9m/09	9m/08	Δ%	2008
556	514	893	(42)	Exploration & Production	1,742	3,534	(51)	4,524
100	66	250	(74)	Refining & Marketing	403	686	(41)	1,297
94	28	80	(65)	Gas & Power	284	297	(4)	386
116	67	29	131	Corporate & others (Co & O)	285	121	135	197
866	675	1,253	(46)	Total investments	2,713	4,638	(42)	6,404

Third quarter (Q3/09)

Total investments in Q3/09 were RON 675 mn, 46% down from Q3/08. Investments in E&P (42% lower than in Q3/08) represented 76% of the total for Q3/09 and were focused on the drilling program and surface facility modernization. Approximately 10% of total investments were realized by R&M, mainly represented by marketing division, where investments focused on the reconstruction of the

main oil products terminals. Investments in G&P were mostly allocated to the Brazi power plant. Co & O investments more than doubled compared to Q3/08 mainly due to investments in the new head office, "Petrom City", in Bucharest.

Compared to Q2/09, total investments in Q3/09 decreased by 22%.

January-September 2009 (9m/09)

The investments for Petrom SA in the first nine months of 2009 amounted to RON 2,713 mn, a 42% decrease compared to the same period in 2008. Investments in E&P accounted for 64% of the total figure in the first nine months of 2009, mainly due to the continued focus on field development and production drilling. Approximately 15% of total investments were realized by R&M. In Refining, investments were mainly related to the FCC gasoline

post-treater project, the DCS (Distributed Control System) implementation and the systematization and revamp of the Refinery Tanks Farm. The marketing division investments focused on the modernization of oil terminals. Investments in G&P mainly comprised investments in the Brazi power plant. Corporate investments more than doubled compared to 9m/08 mainly due to the construction works at Petrom City.

Subsequent events

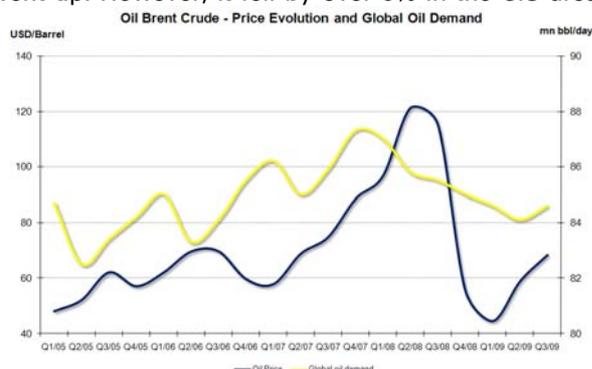
On **October 20**, an Extraordinary General Meeting of Petrom's Shareholders was held, which approved the amendments to the Articles of Association of the company. The approved amendments will come into force on January 1st, 2010.

On **October 29**, Petrom inaugurated a new gas processing plant at the oil terminal in Midia. With

more than twice as much capacity as the old installation, the plant can process the entire offshore gas production of Petrom to meet sales gas specifications, allowing for an improved recovery of 340 t/d of liquid natural gas products.

Business environment

The global economy has started to emerge from the deepest recession since World War II. While the US economy grew by 3.5% in the third quarter, the prospects for the EU economy also improved slightly, with GDP growth forecast at 0.75% in 2010 and 1.5% in 2011. According to the IEA oil market report, **world oil demand** fell further in 9m/09 to 84.4 mn bbl/d, down by 2.2 mn bbl/d or 2.6% year on year. Oil demand declined by 2.5 mn bbl/d or 5% in the OECD area, but rose by 0.3 mn bbl/d in the non-OECD countries. The latter was largely driven by the rebound of the Chinese economy. Oil demand in Asian countries, South America and the Middle East went up. However, it fell by over 6% in the CIS area.



In 9m/09, **global oil production** was down 2 mn bbl/d at 84.7 mn bbl/d, with crude inventory rising by 0.3 mn bbl/d over the same period. OPEC crude production declined by 9% to 28.6 mn bbl. South America and the CIS posted production increases of 5% and 2%, respectively, while OECD output was down by 1%.

The average **Brent price** was USD 57.32/bbl in 9m/09, 48% down compared to 9m/08 (USD 111.11/bbl). Oil prices rose in Q3/09 versus both Q1/09 and Q2/09 as global economic recovery started to take hold and uncertainties over US public finances drove the US dollar lower. The average **Urals price** in 9m/09 was USD 56.77/bbl, 47% below 9m/08 level.

The Romanian economy went deeper into recession during Q2/09, falling at an annual rate of 8.7%, worse than anticipated. Domestic market conditions continue to remain weak as both external demand and domestic consumption suffer. Data for the third quarter of the year is likely to confirm a subdued level of economic activity, with the private sector still struggling to adjust to the new global economic conditions. **Romanian GDP growth** consensus forecasts for the year have been maintained at around -8%. Political turbulence continues to hold the center stage as the November's presidential elections near.

This could jeopardize the country's chances of meeting the terms of its agreement with the IMF and might therefore delay the necessary loan disbursements. The terms of the IMF agreement have already been re-negotiated once as the economic contraction in the second quarter proved to be much deeper than expected. Further re-negotiations of these terms could result in a tougher stance from the IMF, leading to increasing external vulnerability.

Industrial production fell at an annualized rate of 5.3% over the first eight months of the year with manufacturing dropping by more than 7%. Consequently, total industrial turnover plunged at an annualized rate of 17%, highlighting the deepening of the recession. Non-governmental **domestic credit growth** has continued its downward adjustment trend. Its annual nominal growth rate fell to a meager 2.4% at the end of 9m/09, down from 40% a year ago. However, in real terms domestic credit contracted by 2.4% in September, the first time it did so in over eight years. Uncertainty concerning private sector earnings as well as banking sector risk aversion would continue to weigh down on non-governmental credit growth in the short term.

The **current account** deficit shrank dramatically as domestic demand for imported goods bottomed out. Imports of intermediate manufacturing products and raw materials also dropped leading to further contraction in the volume of imports. The current account deficit is now expected to be below 5.5% of GDP by the end of the year, down from -12.2% at the end of 2008.

The Consumer Price Index (CPI) **inflation rate** continued to fall, reaching 4.9% at the end of 9m/09. However, the overall rigidity of the Romanian economy has prevented a faster adjustment of the price level. The Producer Price Index (PPI) extended its drop and stayed for the third consecutive month in negative territory. Annual inflation, measured by the PPI, fell to -1.3% in August, down from 19% a year ago.

In its latest meeting, on 29 September, the Monetary Policy Council further reduced the NBR benchmark **interest rate** to 8%. Thus, the NBR continued to ease its monetary policy stance; since the beginning of the year it shove off 225 basis points from its benchmark interest rate. During 9m/09, the RON depreciated against both the EUR and USD. The average **USD/RON** rate rose during 9m/09 by almost 30% compared to the average value recorded in the same period a year ago. The average **EUR/RON** rate appreciated at a slower rate, slightly over 16%, over the same period.

Q2/09	Q3/09	Q3/08	Δ%	Average FX-rates	9m/09	9m/08	Δ%	2008
4.196	4.226	3.576	18	Average EUR/RON FX-rate	4.230	3.638	16	3.683
3.081	2.956	2.378	24	Average USD/RON FX-rate	3.104	2.394	30	2.520
1.362	1.430	1.504	(5)	Average EUR/USD FX-rate	1.367	1.522	(10)	1.471

Stock watch

Evolution of Petrom share price, BET and ROTX indices (October 2008 – September 2009)



Overall, Petrom's share price evolution during Q3/09 was in line with the BET-NG (energy sector index), but still underperformed the BET index. Petrom's closing price at September 30 was up 12% compared to the end of Q2/09. Over the same period, the BET-NG index rose by 19% while the BET index was up 28%. Petrom share price evolution tracked the Brent price, reflecting the decreasing trend until July 13, when it registered the quarterly low of RON 0.2270/share; this was followed by a rising tendency until August 25, when it reached its quarterly highest price of RON 0.2720/share.

ISIN: ROSNPPACNOR9	Market capitalization, September 30	RON 15 bn
Bucharest Stock Exchange: SNP	Market capitalization, September 30	EUR 3.6 bn
Reuters: SNPP.BX	Closing price, September 30 (RON/share)	0.2650
Bloomberg: SNP RO	Year's high, June 11 (RON/share)	0.2730
	Year's low, March 3 (RON/share)	0.1160
	Number of shares	56,644,108,335

Abbreviations

bbl	Barrel
boe	Barrel of oil equivalent
bn	Billion
CAPEX	Capital Expenditures
CIS	Commonwealth of Independent States
cbm	Cubic meters
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortization
E&P	Exploration and Production
EPS	Exploration and Production Services
FX	Foreign Exchange
G&P	Gas and Power
GDP	Gross Domestic Product
HFO	Heavy fuel oil
IEA	International Energy Agency
IMF	International Monetary Fund
kt	Thousand tons
mn	Million
NBR	National Bank of Romania
NGL	Natural Gas Liquids
n.m.	Not meaningful
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of Petroleum Exporting Countries
RAS	Romanian Accounting Standards
RON	New Romanian Lei
R&M	Refining and Marketing
t	Ton
VAT	Value added tax

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Next release:

The next results announcement for January – December and Q4 2009 will be released on February 25, 2010.

Profit and Loss Account as of September 30, 2009

(Figures for Petrom SA only, according to Romanian Accounting Standards)

RON	September 30, 2008	September 30, 2009
1. Net turnover	13,006,819,663	9,455,825,788
Sales of production	11,109,860,746	8,379,805,309
Sales of merchandise	1,896,958,917	1,076,020,479
Interest income- from lease companies	-	-
Interest from subsidies related to net turnover	-	-
2. Movements in stocks of finished goods		
Credit balance	242,841,320	-
Debit balance		40,379,355
3. Own work capitalized	97,934,394	139,975,968
4. Other operating revenues	121,358,660	148,754,082
TOTAL OPERATING REVENUES	13,468,954,037	9,704,176,483
5. a) Raw materials and consumables expenses	3,678,425,595	1,959,741,336
Other materials expenses	45,394,040	34,076,210
b) Other utilities expenses (energy and water)	387,201,033	380,178,580
c) Purchase of goods for resale	612,999,624	866,857,809
6. Salary expenses, of which:	1,776,641,849	1,877,549,868
a) Salaries	1,394,939,848	1,450,745,413
b) Social security contributions	381,702,001	426,804,455
7 a) Adjusting the value of tangible and intangible assets	1,720,114,643	1,215,146,054
a.1) Expenses	1,731,707,036	1,253,371,665
a.2) Revenues	11,592,393	38,225,611
b) Adjusting the value of current assets	6,817,410	36,132,950
b.1) Expenses	146,140,424	140,247,475
b.2) Revenues	139,323,014	104,114,525
8. Other operating expenses	2,874,287,088	2,888,362,820
8.1 Third parties services	1,898,610,963	2,028,033,463
8.2 Other taxes, duties and similar expenses	630,484,835	495,858,057
8.3 Other operating expenses	345,191,290	364,471,300
Interest related to refinancing activities	-	-
Adjustments for provisions for risks and charges	(142,339,629)	(713,640,989)
Expenses	490,153,604	69,261,271
Revenues	632,493,233	782,902,260
TOTAL OPERATING EXPENSES	10,959,541,653	8,544,404,638
OPERATING RESULT:		
- Profit	2,509,412,384	1,159,771,845
- Loss	-	-
9. Income from investments	98,244,892	183,833,432
- out of which, within the group	-	183,833,432
10. Income from other financial investments and receivables , part of financial assets	-	-
- out of which, within the group	-	-
11. Income from interest	99,701,101	91,611,524
- out of which, within the group	-	68,478,952
Other financial revenues including forex gain	1,413,592,348	703,926,340
TOTAL FINANCIAL REVENUES	1,611,538,341	979,371,296
12. Adjustment of financial assets and investments held	19,601,535	67,345,498
Expenses	22,571,409	68,595,138
Revenues	2,969,874	1,249,640
13. Interest expenses	2,238,586	51,664,895
- out of which, within the group	-	11,490,867
Other financial expenses including forex loss	1,252,364,374	274,568,718
TOTAL FINANCIAL EXPENSES	1,274,204,495	393,579,111

RON	September 30, 2008	September 30, 2009
FINANCIAL RESULT		
- Profit	337,333,846	585,792,185
- Loss	-	-
14 Current result:		
- Profit	2,846,746,230	1,745,564,030
- Loss	-	-
15. Extraordinary revenues	-	-
16. Extraordinary expenses	-	-
17. Extraordinary result:		
- Profit	-	-
- Loss	-	-
TOTAL REVENUES	15,080,492,378	10,683,547,779
TOTAL EXPENSES	12,233,746,148	8,937,983,749
Profit before tax:		
- Profit	2,846,746,230	1,745,564,030
- Loss	-	-
18. Tax on profit	556,327,702	206,914,479
19. Other tax expenses not shown above	-	-
20. NET RESULT OF FINANCIAL YEAR:		
- Profit	2,290,418,528	1,538,649,551
- Loss	-	-

Balance Sheet as of September 30, 2009

(Figures for Petrom SA only, according to Romanian Accounting Standards)

RON	31/12/2008	30/09/2009
A. Non current assets		
I Intangible assets	1,129,715,521	962,504,912
II Tangible assets	13,655,674,197	15,243,505,902
III Financial assets	5,021,081,500	5,591,997,659
Total non current assets	19,806,471,218	21,798,008,473
B. Current assets		
I. Inventories	2,394,434,361	2,114,557,655
II. Receivables	1,704,211,989	1,589,229,068
III. Short term investments	724,024,630	116,873,650
IV. Cash and bank accounts	261,438,312	782,234,556
Total Current Assets	5,084,109,292	4,602,894,929
C. Prepayments	36,865,667	83,065,397
D. Payables within one year	3,446,027,370	2,707,358,002
o/w Interests bearing liabilities	300,526,268	233,995,076
E. Current assets, less current liabilities	1,546,602,219	1,892,121,150
F. Total assets less current liabilities	21,353,073,437	23,690,129,622
G. Payables in more than one year	1,504,095,402	3,308,198,373
o/w Interests bearing liabilities	1,486,003,422	3,247,659,852
H. Provisions for risks and charges	6,262,466,399	5,832,096,577
I. Deferred income	146,258,559	98,377,007
1. Investments subsidies	17,913,189	11,895,833
2. Deferred income	128,345,370	86,481,174
J. Share capital and reserves		
I. Share capital	5,664,410,834	5,664,410,834
Out of which:		
- subscribed and paid in share capital	5,664,410,834	5,664,410,834
- subscribed and not paid in share capital	-	-
- patrimony	-	-
II. Premium related to capital	-	-
III. Revaluation reserves	50,904,252	48,750,226
IV. Reserves	6,315,308,717	5,748,153,582
V. Retained earnings		
Credit balance	587,632,269	1,537,974,647
Debit balance	-	-
VI. Profit for the period		
Credit balance	1,022,387,463	1,538,649,551
Debit balance	-	-
Profit appropriation	72,045,088	-
Total Shareholders' Equity	13,568,598,447	14,537,938,840
Public patrimony	-	-
Total equity	13,568,598,447	14,537,938,840

Financial Ratios (computed in accordance with National Securities Commission Instruction No. 1/2006)

Financial Ratio	Formula	Value
Current ratio	Current Assets / Current Liabilities	1.7
Gearing Ratio	Long term debt/Equity*100	22.34%
	Long term debt/ Capital employed*100	18.26%
Days in receivables	Receivables average balance / Turnover*270	30.85
Fixed assets turnover	Turnover / Fixed assets	0.43