



ROMPETROL

August 11th 2010

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Press release

Refining

- 25% turnover increase, as compared to the first half of 2009
- Continuing the investment program in order to increase processing capacity to 5 million tons of crude

Distribution

- optimisation of the fuel distribution network based on the market's current development
- 9% increase on wholesale and 4% sales decrease on retail segment

Petrochemicals

- 33% turnover increase
- Positive operational result (EBITDA) of USD 5.4 million

Romp Petrol Rafinare, a company member of the Rompetrol Group, recorded in the first half of 2010 a consolidated turnover* of USD 1.76 billion, with 24% increase as compared to the same period of 2009. At the same time, the operational result (EBITDA) and the net result were negative amounting USD 24,7 million and USD 119 million.

The results obtained by Rompetrol Rafinare were influenced by the significant evolution of the domestic and international conditions, but also by external factors, independent from refinery's activity. They include a 50% increase in oil assessments, which resulted an increase in working capital and related financing, differences of the exchange rate in the context of the depreciation of the national currency (18% for RON/USD and 4% for RON/EURO), and the international financial crisis.

In the first half of 2010, Rompetrol Rafinare together with its subsidiaries Rompetrol Petrochemicals and Rompetrol Gas recorded a total level of exports of USD 554 million, increasing by 15% as compared to the first half of 2009.

In the context of the international trends in raw materials and fuels, the refining segment, represented by the Petromidia refinery and by the subsidiary Vega Ploiești, recorded in the first half of 2010 a turnover increasing by 25%, up to a level of USD 1.5 billion. In the same period, the negative operating result amounting to approximately 29 million (from 5.5 million) was strongly influenced by domestic and external conditions (the company recorded a decrease by 35% of the refining margin, increased inventories and reduced demand).

Thus, the total sales of fuels for this segment were of more than 1.3 million tons, while the total processed raw materials reached 1.9 million tons, both dropping by approximately 9% as compared to the first half of 2009. As regards the retail market, the company recorded a decrease by 22% of the fuel exports, keeping the same sales level on the domestic market, of approximately 700 thousand tons.

The total level of investments in the first half of the year amounted to approximately USD 54 million and aimed at both operational efficiency of the Petromidia and Vega refineries, and at continuing the program to increase the refinery processing capacity in Petromidia, up to 5 million tonnes of raw materials. Thus, Rompetrol Rafinare completed in July the first phase of

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the modernization of the delayed cooking plant, the total value of the project is being estimated at \$ 50 million.

The distribution segment, comprising the following companies: Rompetrol Downstream, Rom Oil, Rompetrol Logistics and Rompetrol Gas, recorded in the first half an increase by 23% of the turnover, of more than USD 1 billion, but obtained a negative operating result (EBITDA) amounting to approximately USD 690 thousand.

With the increase of the international assessments of the finished products by 42 % and by 18% of the RON/USD exchange rate, in the first half of the year Rompetrol Downstream diminished the trade margins by 10% on the retail segment and by 27% on the wholesale segment, in the context in which the prices of gasoline and diesel Efix increased with only 6% and 14% respectively.

The company has opened in the first half a new Rompetrol gas station in Timisoara, thus the retail network has 797 distribution points, including 445 fuel distribution stations (own fuel stations, Partener Rompetrol stations, Expres fuel stations) and 352 in-company bases having a capacity of 9 sqm and 20 cubic meters, plus 258 auto LGP distribution stations and more than 6,000 point of sale of gas cylinders operated by Rompetrol Gas.

In addition, in July, Rompetrol Gas inaugurated the third LGP packaging terminal in Romania, in Bacau County, further to a total investment amounting to USD 11 million. The terminal has an annual packaging capacity of 20,000 tons of LGP and a storage capacity of 1,500 cubic meters.

Romp petrol Petrochemicals, the petrochemicals division of Rompetrol Group, recorded in the first half an increase by 33% of its turnover, up to a level of more than USD 146 million and a positive operating result (EBITDA) of approximately USD 5.4 million due to the improvement of the international quoted prices of petrochemicals as compared to the first half of 2009.

Romp petrol Petrochemicals will increase by over 70% the capacity of its high-density polyethylene equipment (HDPE) by March 2011, the total investment being estimated to be of USD 18 million. The upgrading program will facilitate an increase of the equipment's capacity from 60,000 tons to 100,000 tons/year, a decrease by more than 10% of the processing cost, the diversification of the range of products and also the increase of the operational safety.

In the context of reduction or closing down of certain operating facilities in Central and Eastern Europe, the company will keep its set objective to become one of the main suppliers and producers of polymers in the region. Rompetrol Petrochemicals is the sole manufacturer of polypropylene and polyethylene in Romania and thus it has succeeded in consolidating its market share.

Romp petrol Rafinare continued to be one of Romania's most important tax payers, and contributed in the first half of 2010 more than USD 484 million to the state budget.

** The consolidated financial statements of Rompetrol Rafinare include the results of Rompetrol Rafinare S.A. and the results of the subsidiaries Rompetrol Petrochemicals S.R.L., Rom Oil S.A., Rompetrol Downstream S.R.L. and Rompetrol Logistics S.R.L. (together with the subsidiary Rompetrol Gas S.R.L.).*

*** These results were not audited and are consolidated, reporting being made in compliance with the International Financial Reporting Standards (IFRS).*

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