



ROMPETROL

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Contact: Bogdan Urzică
Tel: 021/305.77.45

Rompetrol Petrochemicals, investment of over USD 18 million for expanding the capacity of the HDPE installation

Rompetrol Petrochemicals, the petrochemical division of the Rompetrol Group, will increase the capacity of the high density polyethylene installation (HDPE) by more than 70% by March 2011, the total value of the investment being estimated to approximately USD 18 million. Stopped in 1996 due to the lack of raw material, the installation was modernized and restarted in 2007, following a total investment of over USD 14.5 million.

"Against the background of the reduction or shutting down of production capacities in Central and Eastern Europe, the company maintains its objective set in 2007 of becoming one of the main suppliers and producers of polymers in the region. The modernization program will allow an increase in the installation capacity - from 60,000 to 100,000 tons/year, a reduction of over 10% in the processing cost, a diversification of the range of products provided, as well as an increase in the operating safety" stated Cosmin Cocean, Chief Refining and Petrochemicals Officer, The Rompetrol Group.

The project will be carried out in partnership with Mitsui Chemical (the licensor of the HDPE installation) and Rominserv (the general contractor of the Rompetrol Group) and will have two major stages, the rehabilitation and modernization of the granulation tower in the installation by August and the increase in the processing capacity by the first quarter of next year.

Together with the increase in the production capacity, the company will also expand the range of products it provides with two new types designed for the production of gas transportation pipe/very thin foil and large volume containers.

The low- and high-density polyethylene installations currently have a nominal capacity of 60,000 tons/year and entered between 1996 – 2006 in conservation following the lack of raw material – ethylene. In order to modernize and restart them, as well as to build a liquefied gas sea terminal, Rompetrol Petrochemicals allocated over USD 30 million in 2006 (LDPE) and over USD 14.5 million in 2007 (HDPE).

Last year, Rompetrol Petrochemicals registered a turnover of more than USD 240 million* and a total volume of polymer sales of 240,000 tons, increasing by cu 2% as compared to the level reached in 2008. On the background of the international decrease in the prices of petrochemical products and the contraction of the specialized market in 2009, the company achieved a significant improvement of the financial results by diversifying the range of products provided and making current activities more efficient, from a net loss of USD 69.7 million in 2008 to only USD 8.2 million.

Rompetrol SA
Rompetrol Building
222 Calea Victoriei
010099 Bucharest
ROMANIA

J40/9709/2001
CUI 3347498 (R)
30 547 310 ROL HVB Bank Romania
Share capital: ROL 1.745.368.687.000

Tel.: + (40) 21 303 08 00
Tel.: + (40) 21 303 08 01
Fax: + (40) 21 312 24 90
Telex: 10155 RPG R
<http://www.rompetrol.com>
email: office@rompetrol.com



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At present, the company has a number of 531 employees and is the only domestic manufacturer of polypropylene.

The Mitsui company is one of the world leaders in the field of manufacturing high-density polyethylene and, since 1967, has built in Romania 3 more similar installations, the one in Midia (1987) being the latest and the most modern.

** The results shown are preliminary, non-audited and consolidated, and the reporting was made in compliance with the International Financial Reporting Standards (IFRS).*

Communication and Public Relations Department Rompétrol Group

**Rompétrol SA
Rompétrol Building
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010099 Bucharest
ROMANIA**

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