

Neptun Block exploration enters new phase

Petrom, the largest oil and gas producer in Southeastern Europe, confirmed today its decision to enter a new exploration phase of the Neptun block in Romania, following Government decision to amend the Neptun concession agreement to extend the time allowed for exploration of the block. The work program to be executed in partnership with ExxonMobil Exploration and Production Romania Ltd includes the drilling of the first deep water exploration well in the Romanian waters of the Black Sea by the end of this year – beginning of 2012. To maximize the chance of a commercially viable discovery, it is important to have sufficient time to thoroughly explore the block.

Johann Pleininger, member of Petrom Executive Board responsible for Exploration and Production: "Entering a new phase of the Neptun block exploration is a very important step and confirms our commitment to unlock the exploration and production potential of Romania. We have to take into account the fact that the Romanian deep water area of the Black Sea is unexplored and deep water exploration activities carry a high investment risk. Generally, deep water exploration and development costs are many times higher than onshore."

Petrom and ExxonMobil Exploration and Production Romania Limited signed a farm-out agreement in 2008 by which ExxonMobil acquired a 50% interest in the Neptun Block. Since then, the two companies have been working closely together to acquire 3D seismic and evaluate the exploration potential of the block. The partnership between ExxonMobil and Petrom in the Neptun project is built upon ExxonMobil's experience as a leader in deepwater exploration and Petrom's technical and regional expertise.

Petrom Group

Petrom Group is the largest oil and gas group in Southeastern Europe, with activities in the business segments of Exploration and Production, Refining and Marketing as well as Gas and Power. The Group consolidated its position on the oil market in Southeastern Europe following a far-reaching modernization and efficiency increase process whereas investments accounted for more than EUR 6.6 bn during the last six years.

In Romania and Kazakhstan, the Group exploits proved oil and gas reserves of approximately 832 mn boe (in Romania 805 mn boe) and has a maximum annual refining capacity of 4.5 mn tons.

Petrom Group is present in the distribution market for oil products through a network of approximately 800 filling stations, operated under two brands, Petrom and OMV. In Romania, this activity is performed through OMV Petrom Marketing, 100% owned by Petrom. OMV Petrom Marketing operates 546 filling stations, out of which 389 are Petrom and 157 OMV. The Group also owns an international network of approximately 250 filling stations, located in the Republic of Moldova, Bulgaria and Serbia.

For the Group's sustainable development, its strategy includes business diversification by approaching the power market. In this context, Petrom is building a 860 MW gas fired power plant at Brazi and has acquired the project for the construction of a 45 MW wind park.

In 2010, the Group's turnover was EUR 4,421 mn, EBIT was EUR 709 mn.

OMV, one of Austria's largest listed industrial companies holds a 51.01% share in Petrom. OMV is active in 13 countries in its Refining and Marketing business segment, while in Exploration and Production it is active in two core countries, Romania and Austria, and holds a balanced international portfolio. The Ministry of Economy holds 20.64% of Petrom shares, the Property Fund SA holds 20.11%, the European Bank for Reconstruction and Development 2.03% and 6.21% is free float on the Bucharest Stock Exchange.

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