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## Romp petrol Rafinare, completion of Petromidia refinery processing capacity increase to 5 million tons/year

### Main financial indicators

		Semester 1 2012	Semester 1 2011	%
Turnover	USD	2,269,253,743	2,421,839,260	-6%
EBITDA	USD	(29,085,088)	49,327,560	N/A
Net result	USD	(131,837,646)	(63,710,271)	N/A

Romp petrol Rafinare, a company member of The Rompetrol Group, registered in the first semester (S1) a consolidated turnover\* of approximately USD 2.3 billion, a drop by 6% as compared to the level obtained in the similar period of 2011\*\*.

Considering the lower demand for oil products on domestic and international market and consequently in the margins and volumes commercialized by the company, the company registered a decrease of its operating result (EBITDA), from a positive level of USD 49.3 million in the 1<sup>st</sup> semester of 2011 to a negative level of USD 29 million.

The financial results were also seriously affected by a series of factors independent from its activity, such as the significant decrease of the refining margin in S1 2012 (- 71%, from USD 51.1/ton in S1 2011 to USD 14.8 USD/ton), the foreign currency exchange rate (+14% for RON/USD, +5% for RON/EURO) or the costs necessary to ensure the working capital. Also, we have to add the impact of the international evolution of the crude oil, an increase by 4% and of the end products (+6% for EURO 5 gasoline and +3% for EURO 5 diesel fuel, the evolution of other petroleum products (LPG, coke, NAFTA) prices being reversed than the oil price trend.

The total value of exports achieved by Rompetrol Rafinare (Romp petrol Rafinare – Petromidia and Vega Refineries, Rompetrol Petrochemicals and Rompetrol Gas) between January and June reached the amount of USD 925 million.

In the first half of the year, the company continued to be an important taxpayer to the Romanian state budget, the total value of the contribution exceeding USD 578 million.

Refining segment		Semester 1 2012	Semester 1 2011	%
<b>Financial</b>				
Turnover	USD	2,087,609,361	2,160,302,383	-3%
EBITDA	USD	(34,468,631)	19,285,414	N/A
Net result	USD	(112,959,232)	(34,813,089)	N/A
<b>Operational</b>				
Processed raw materials	Kt	1,966	2,078	-5%
Fuel sales-domestic	Kt	682	702	-3%
Fuel sales export	Kt	684	718	-5%

The refining segment, Rompetrol Rafinare – Petromidia refinery and Vega Ploiesti branch – recorded in S1 a turnover of USD 2 billion, by 3% less as compared to Semester 1 2011, and a decrease of

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the operating result (EBIDTA) from a positive level of USD 19.3 million to a negative level of approximately USD 34.4 million.

In the 2<sup>nd</sup> quarter of 2012, the raw material quantity processed by Rompetrol Rafinare (Petromidia and Vega refineries) was 1.03 million tons, by 7% less as compared to the same period of the last year, given the unfavorable market conditions. Consequently, the total raw material quantity processed by Petromidia Refinery in the first 6 months of 2012 was 1.97 million tons, by 5% less than in Semester 1 2011.

The company's fuel sales between January and June exceeded 1.3 million tons, 50% of the commercialized fuels being delivered at export, both to the Group's companies (Rompetrol Moldova, Rompetrol Bulgaria, Rompetrol Ucraina, Rompetrol Georgia) and to other traditional partners from the Central and Eastern European region (Turkey, Serbia or Greece).

In Semester 1, the company completed the construction of a new installation, the hydrogen plant and it continued the works on another plant, Mild Hydro cracking Unit, which will be integrated in the technological flow in the 3<sup>rd</sup> quarter of 2012. Works continued also at the Sulfur Recovery plant—the last milestone to reach a refining capacity of 5 million tons of crude oil per year, the deadline estimated for its completion and commissioning being the last part of the 3<sup>rd</sup> quarter.

Rompetrol Rafinare's investment program amounts to USD 83 million this year, of which approximately 42% is dedicated to completion of the modernization and increasing Petromidia Refinery's processing capacity, from 3.8 to 5 million tons. This achievement will support The Rompetrol Group's intention to consolidate and develop its presence in the Central and Eastern European region, both in Romania, Bulgaria, Republic of Moldova, Ukraine and Georgia and in countries such as Turkey, Serbia or Greece.

<b>Distribution segment</b>		<b>Semester 1 2012</b>	<b>Semester 1 2011</b>	<b>%</b>
<b>Financial</b>				
Turnover	USD	1,229,088,963	1,316,277,522	-7%
EBITDA	USD	6,699,758	17,957,463	-63%
Net profit/(loss)	USD	(22,895,333)	(30,592,532)	N/A
<b>Operational</b>				
Sold quantities retail	Kt	314	322	-2%
Sold quantities wholesale	Kt	327	352	-7%

*Note: The distribution segment comprises the results of the subsidiaries Rom Oil, Rompetrol Downstream, Rompetrol Quality Control, Rompetrol Logistics and Rompetrol Gas.*

The turnover recorded by the distribution segment in S1 was USD 1.22 billion, a drop by 7% compared to the level reached in the similar period of 2011. In the same period, the operating result decreased by 63%, from USD 18 million to USD 6.7 million, considering the lower demand for oil products on the domestic and international market.

At company level, such evolution determined both a decrease by 5% of fuel sales, from 674,000 tons in S1 2011 to 641,000 tons and a commercial margin reduction by 29% on the retail segment and by 46% for wholesale and partners.

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To mitigate the impact on its activities, the measures adopted by the company focused on continuing the optimization the distribution and general administrative costs, with positive results, yet not sufficiently powerful to cancel the negative influence of the margins decrease.

Currently, Rompetrol Downstream operates at national level 746 fuel distribution points (own stations, Partener stations, Rompetrol Express stations, internal bases of 9 and 20 cubic meters). The Rompetrol Gas network is added to this, which consists of 220 LPG stations, 5,000 gas cylinder distribution points and 3 LPG bottling stations in Constanta, Arad and Bacau.

<b>Petrochemical segment</b>		<b>Semester 1 2012</b>	<b>Semester 1 2011</b>	<b>%</b>
<b>Financial</b>				
Gross turnover	USD	132,019,110	197,488,339	-33 %
EBITDA	USD	(4,775,780)	9,032,530	N/A
Net profit/(losses)	USD	(13,482,838)	359,517	N/A
<b>Operational</b>				
Processed propylene	Kt	58	65	-10%
Processed ethylene	Kt	33	59	-43%
Total sales	Kt	92	118	-22%

The petrochemical segment is represented by Rompetrol Petrochemicals, the sole producer of low- and high-density polypropylene and polyethylene in Romania. The company obtained in S1 a turnover of USD 132 million, down by 33% as compared to the indicator recorded in the same period of 2011.

At the same time, the company recorded a negative operating result (EBITDA) of USD 4.7 million, as compared to the positive level registered in S1 2011 – USD 9 million.

The results were influenced by the decrease by 23% of volumes sold as compared to S1 2011 and the unfavorable market circumstances. In addition, there was also the reduction by 26% of the processed raw material quantities, as a consequence of the temporary shutdown of the high-density polyethylene plant.

*\* The consolidated financial statements of Rompetrol Rafinare include the results of Rompetrol Rafinare S.A. and those of the subsidiaries Rompetrol Petrochemicals S.R.L., Rompetrol Quality Control 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.).*

*\*\* The results presented herein have not been audited and consolidated, and the reporting was carried out according to the International Financial Reporting Standards (IFRS).*

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