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The privatization had a major impact in the company's evolution and a positive economic impact for Romania

The privatization represents a moment of complex transformation of the company, of its repositioning in view of consolidating the domestic market and entering the international one.

At the moment of privatization, the situation in which the company was required a great deal of investments, new technologies and a modern business approach so that it should be able to develop its potential in terms of securing the oil and gas reserves of Romania. Before privatization, the lack of the necessary cash flow for investments determined the decline of the reserves replacement rate, not competitive costs and quality, out of date technologies that were causing environmental problems and no actual option for international expansion.

"What is important is Petrom. How the company performs is of utmost performance for Romania and for the Romanian economy. To put it in short: clearly OMV, as the main shareholder, has the same strong interest but it is more than that, it is an obligation. To the financial market, to our employees, to the shareholders, to Romania," states Wolfgang Rutenstorfer, Chairman of Petrom's Board of Directors.

The past years have shown that the impact of the privatization is a favorable one not only for the company but for Romania as well.

As a first step, immediately after the finalization of the privatization process, the operations, assets and procedures were very carefully evaluated within the company and based on this evaluation a clear development strategy was established.

The implementation of this strategy will be made based on investments of more than 3 bn euros until 2010, namely the double of the sum agreed in the privatization contract.

"All measures taken were focused on improving the activities and raising the competitiveness of the company by taking up international business standards, complying with the quality, environment and performance standards of the European Union", added Mariana Gheorghe, CEO of Petrom.

A series of objectives has been achieved in all business sectors. A new organizational structure was created, the working environment was improved, modern HSEQ standards were introduced, training and specialization courses for employees were held, the company's financial discipline was improved.

New lines of products were launched to Petrom customers' benefit and a new filling station concept will contribute to increasing the quality of services.



Modern technologies were introduced in Exploration and Production such as 3D seismic and modernization programs for refineries were started so that they should become more efficient in terms of energy consumption and products quality.

“The financial impact of the privatization is obvious. The company’s profitability has improved and Petrom continues to generate and to benefit from the necessary cash flow for investments which will secure the sustainable development of the company” said Mariana Gheorghe

The company’s market value has increased three times since the privatization and for 2005 the company granted dividends whose value exceeds the total amount of dividends from the past 7 years.

Petrom has increased its contribution and is the largest contributor to the state budget. Moreover, as shareholders of Petrom, the Romanian state and Property Fund benefit from approximately 40% of the company’s profit.

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