

Bucharest
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Petrom reconfirms the strategy for 2010

- ▶ **Petrom will become an OMV hub for South Eastern Europe**
- ▶ **Reconfiguration of the refineries in order to fulfill the market requests**
- ▶ **Possible activities on power sector**
- ▶ **Development of strategies with regards to carbon management and biofuels**

Yesterday the 17th of October, the Petrom Board of Directors has reconfirmed the development strategy for 2010. The overall strategic goal remains as approved in 2005, namely to become the leading integrated oil and gas company in South Eastern Europe. Petrom will continue the international development thus positioning itself as an OMV hub for the region.

“Petrom is the largest Romanian company and has a great potential of international development; our 2010 strategy is based on Petrom strength to transform itself from a national oil company into a regional leader in South Eastern Europe. The news from the strategy refers mainly to the actions we will undertake in order to support Romania’s accession to European Union and take into account the company’s development as well as the market dynamics”, stated Mariana Gheorghe, the CEO of Petrom.

In Exploration & Production, significant investments together with a comprehensive transformation program is expected to lead to the production stabilization in Romania at 210,000 boe/d, the increase of international production to 70,000 boe/day, the reduction of production costs to \$9/boe as well as a reserve replacement ratio of 70%. Petrom will pursue further growth of E&P activities in Caspian area and Russia, the core areas for the development of upstream operations outside Romania.

In Refining, the strategy is based on a reconfiguration of the refineries which will benefit from large investment programs in order to improve the efficiency and to comply with EU product standards. Petrom will invest EUR 1 billion in Petrobrazi until 2011 and the capacity will be expanded from 4.5 mn tons/year to 6 mn tons/year. The refinery will target 94% capacity utilization while the diesel output



should increase three-fold to 2.1 mn tons in line with market demand. In Arpechim, the investments will be directed to improvements of energy efficiency, product yield.

Petrom is to remain the market leader in Romania where it aims reaching 35% market share¹, by further increasing the number of the flagship PetromV filling stations as well as by providing enhanced services and products. The international growth of the company is also reflected by the objective of expanding the retail network in South Eastern Europe and Black Sea region.

The gas business will further develop in the same time with the expected liberalization of the market. The company intends to capitalize the gas and power convergence as well as the benefits of a clean energy and is considering a future diversification of its activities on power sector.

In light of the future EU accession of Romania, the strategy includes specific actions allowing the company to comply with the requirements regarding the biofuels and carbon management.

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