Petrom Investor News

Bucharest
August 5, 2009
8.30 am
7.30 am [CET], 6.30 am [BST]

Results[1] for Q2 and January – June 2009 show resilient performance despite challenging environment

- **Q2/09 results reflect the lower oil prices and sales in commercial fuels and gas; net profit was supported by the positive hedging and FX results, with our hedging strategy extended to 2010**
- **5% reduction in oil and gas production volumes in Q2/09 against Q2/08 as gas market demand contracted significantly and due to minor technical issues**
- **Q2/09 retail sales volumes increased 19% over Q2/08, even under the actual adverse economical conditions, thanks to the optimum configuration of the filling stations network achieved through the sustained investments made in the past years**
- **Outlook for 2009: we expect a challenging market environment with persisting volatility of our key business drivers; we will continue to focus on securing the cash flow, further improving costs position and achieving the company's potential as an integrated energy player**

Mariana Gheorghe, CEO of Petrom: "Although the economic downturn significantly impacted our results, we currently enjoy a sound financial and competitive market position made possible by both our last years' restructuring efforts and investment programs coupled with our timely response to the crisis. In E&P, we registered a decrease in our domestic production levels due to lower gas demand and minor technical issues, while achieving an important milestone with the first oil production from the Komsomolskoe field in Kazakhstan. We further pursued our energy efficiency initiatives in Refining and strengthened our position in the retail fuels market despite the stagnant market conditions. Furthermore, we took measures to secure our cash flow by extending the hedging strategy into 2010 and entering long term financing commitments. We remain committed to strong financial discipline and tight cost management. By balancing short-term needs with long-term objectives and by staying committed to our strategic direction including the Brazi power plant greenfield project, we lay a solid foundation for our sustainable development and competitiveness in the energy market."

Q1/09	Q2/09	Q2/08	Δ%	Key performance indicators (RON mn)	6m/09	6m/08	Δ%	2008
180	275	838	(67)	EBIT	455	1,867	(76)	1,309
562	674	1,300	(48)	EBITDA	1,236	2,570	(52)	3,565
506	417	687	(39)	Net profit	923	1,664	(45)	1,022
3,037	2,889	4,555	(37)	Net turnover	5,926	8,274	(28)	16,751
1,172	866	1,338	(35)	Investments*	2,038	3,385	(40)	6,404
31,685	29,103	34,120	(15)	Employees at the end of the period	29,103	34,120	(15)	33,311

**Investments also include increases of Petrom share participations*

[1] *The financials are reviewed and prepared according to RAS; all the figures refer to Petrom SA unless otherwise stated; within the report, figures are expressed in millions and rounded to closest integer value, so minor differences may result upon reconciliation*

The Essence of Motion PETROM
Member of OMV Group

Significant events in Q2/09

On **April 28**, the General Shareholders' Meeting approved the investment budget for 2009 of RON 4.7 bn, as well as the management's proposal not to distribute dividends for the 2008 financial year. At the same time, the new members of the Supervisory Board of Petrom SA were elected, for a period of four years.

On **May 8**, Petrom announced having signed two unsecured corporate credits with the EIB and the EBRD, each for the amount of EUR 200 mn, with a 12 year maturity, thereby securing funding for the construction of the gas-fired power plant in Brazi, a project which amounts to around EUR 500 mn.

On **June 3**, Petrom began the actual construction of the Brazi gas fired power plant after having started preparatory work in 2008. The power plant in Brazi is a greenfield project developed in accordance with the European energy strategy and in observance with EU environmental compliance demands. Petrom will commence supply to the national energy system in the second half of 2011.

On **June 25**, Petrom announced that it started oil production at Komsomolskoe field located in the Mangistau region of western Kazakhstan. Initial production is approximately 1,000 bbl/d and will increase steadily as further wells are opened for flow; the plateau rate of 10,000 bbl/d is expected to be reached in 2010. The proved and probable reserves are estimated to be at 34 mn bbl.

Outlook 2009

For 2009 we expect the main market drivers (crude price, refining margins and the EUR-USD exchange rate) to remain highly volatile. We anticipate the oil price will recover during 2009 from the significant drop experienced at the end of last year, but to remain well below the 2008 average. The Brent-Urals spread should narrow compared to the 2008 average level.

The average EUR-USD exchange rate for 2009 is expected to remain volatile. We maintain our assumption of a weaker RON/EUR exchange rate compared to the 2008 average. In the short term, the RON is likely to depreciate against both EUR and USD. Refinery fuels margins are anticipated to weaken from the 2008 level and marketing margins are also expected to be lower than in 2008.

A deeper than expected economic contraction in Q1/09 has led to a reassessment of this year's negative forecast for Romanian GDP growth. The economy is now expected to decline by more than 4% in 2009. This raises the prospects for a renegotiation of the IMF agreement to revise the targets agreed initially. The continuing restructuring pressures on the private sector is likely to cause unemployment rate to rise well into 2010 within the context of a steep demand decline. This autumn's presidential elections could influence the Government's response to the current economic downfall and its ability to implement the necessary reform measures.

With our sound financial position, prudent financial leverage and a strong shareholder structure, supported by the strategic partnership with OMV, Petrom is well positioned to cope with the challenges and opportunities in the current market. Under the difficult market conditions, Petrom will stay focused on its strategic direction while reviewing the company's mid-term investment program. Specific targets might therefore be adjusted in order to ensure our development is sustainable while fully capturing the existing potential.

We are screening and prioritizing our planned investments in order to reduce CAPEX to levels appropriate to the current cash flow position and harsh environment. We will continue our sizeable investment program, however at a considerably reduced level compared to 2008, given the current unfavorable economic and industry conditions. As such, the investment budget for 2009 amounts to RON 4.7 bn.

As part of a larger financing program agreed in June 2008, Petrom secured external mid- and long-term financing, in order to support the company's development objectives. These financing measures include an agreement for a EUR 500 mn revolving financing facility with OMV at the beginning of 2009 and contracts to secure further long-term financing (up to EUR 700 mn in total) from international financial institutions and commercial banks to support our investment projects and corporate needs. The two loans amounting to a total of EUR 400 mn secured this May from the EBRD and the EIB effectively closed the financing program agreed in 2008, aimed at securing necessary financial resources required to achieve our objectives for 2009-2010.

To partly protect Petrom's cash flow from the negative impact of lower oil prices, derivative instruments have been used to hedge earnings in the E&P segment for approximately 40,000 bbl/d in 2009. To achieve this goal, put spreads were used. Should average oil prices per quarter remain below USD 65/bbl in 2009, the hedge would pay out USD 15/bbl to actual oil prices. Between USD 65/bbl and USD 80/bbl the hedge secures USD 80/bbl. The put spreads were financed via calls in order to avoid initial cash outlay (zero-cost structure), whereby the

Company foregoes any profit from oil prices above approximately USD 110/bbl in 2009 for the above stated volume. The gain/ loss effect from these hedging instruments will be recorded in the income statement in 2009.

To protect the company's cash flow in 2010, Petrom entered into crude oil hedges in Q2/09 for a volume of 38,000 bbl/d securing a price floor of USD 54/bbl via the sale of a price cap of USD 75/bbl (zero cost collar).

In **E&P**, the focus will be on our ongoing key strategic projects. The E&P investment program will further advance in 2009, particularly with regards to the drilling of oil wells and high producing gas wells and development of the most promising major fields. The investment levels have been revised downwards due to both the financial crisis and international oil price volatility. Production is continuing its natural decline but new wells coming on stream and workovers program results are expected to largely offset this decline. The ongoing gas field development Mamu as well as the offshore oil field development Delta will make positive contributions to production towards the end of the year. The oil field Komsomolskoe in Kazakhstan started production at the end of June. Ramping up of production is ongoing albeit at a slower pace than planned due to requirements imposed by the authorities.

Romanian gas demand is significantly lower than last year due to reduced industrial consumption, particularly in the chemicals industry. To date, this has strongly impacted gas imports, which have reduced significantly, and had a marginal effect on our gas production level. However, an increase in the import levels in the second half of 2009 due to contractual commitments could have a further adverse impact on Petrom's gas production levels.

The integration of E&P and EPS, in order to increase the operational efficiency remains a key activity as well as a crucial cost reduction driver. The focus will continue to be on tight cost control and project prioritization within E&P to tackle the adverse market conditions.

In **Refining**, we aim to drive further incremental improvements in energy efficiency and yield development towards higher value products. Our refineries' utilization will be optimized to fit existing market conditions and to fulfill product demand. We continue to pursue our mid-term strategy focused on converting Romanian crude oil into high quality transport fuels for the South-East European market. However, adapting to the current economic situation, we are reviewing the optimization of our refining business, including the scope and schedule of our foreseen expansion and modernization program in Petrobrazi. The divestment process of the steam cracker and petrochemical activity within Arpechim is still ongoing.

In **Marketing**, the focus of this year's investments is the operations' optimization, efficiency increase and two terminals under construction, Jilava and Brazi. The new modernized storage Jilava will be operational until the end of the year.

In **G&P**, the focus will remain on expanding the gas value chain, by entering the power market. As such, the construction of the power plant at Brazi continues according to plan. The trend of declining gas consumption in Romania is expected to continue due to lower industrial demand. Petrom will continue to look for a qualified partner to take over Petrom Distributie Gaze in order to further develop this company. This process is currently suspended due to the financial crisis. As Doljchim's activity has been adversely impacted by the economic downturn, we are reviewing an optimum response to the current market conditions.

Exploration and Production (E&P)

Q1/09	Q2/09	Q2/08	Δ%	in RON mn	6m/09	6m/08	Δ%	2008
329	644	1,117	(42)	EBIT[1]	972	2,365	(59)	3,139
613	936	1,456	(36)	EBITDA[1]	1,549	2,877	(46)	4,401
672	556	876	(37)	Investments[2]	1,228	2,641	(53)	4,524

[1] Excluding intersegmental margin elimination; for reasons of comparability 2008 numbers are adjusted accordingly
[2] Investments also include increases of Petrom share participations and investments during the year in exploration wells that proved unsuccessful

Q1/09	Q2/09	Q2/08	Δ%	Key performance indicators	6m/09	6m/08	Δ%	2008
16.82	16.29	17.18	(5)	Total production (mn boe)	33.11	34.75	(5)	68.98
186,871	178,991	188,752	(5)	Total production (boe/day)	182,909	190,910	(4)	188,476
1,096	1,088	1,130	(4)	Crude and NGL production (kt)	2,184	2,264	(4)	4,541
7.89	7.82	8.13	(4)	Crude and NGL production (mn boe)	15.71	16.29	(4)	32.66
1,366	1,294	1,384	(7)	Gas production (mn cbm)	2,660	2,823	(6)	5,553
43.73	58.36	117.24	(50)	Average Urals price (USD/bbl)	50.99	105.22	(52)	94.77
38.94	52.09	105.31	(51)	Average realized crude price (USD/bbl)*	45.41	95.23	(52)	84.11
127.69	161.73	247.31	(35)	Average realized crude price (RON/bbl)*	144.42	228.59	(37)	211.95
150.97	160.67	211.71	(24)	Average gas price for domestic producers (USD/1,000 cbm)	155.63	204.49	(24)	195.59
14.36	14.03	18.73	(25)	Domestic production cost (USD/boe)	14.20	17.89	(21)	18.00
47.09	43.18	43.83	(1)	Domestic production cost (RON/boe)	45.16	42.95	5	45.35

**Realized price excluding hedge result*

Second quarter 2009 (Q2/09)

- **Q2/09 results were burdened by the lower oil price, compared to Q2/08**
- **Production level decreased against Q2/08 due to reduced gas demand, minor technical issues and delays in certain development projects**
- **First oil production from the Komsomolskoe field in Kazakhstan**
- **Production cost stable in RON despite the lower production due to cost reduction programs and well modernization program benefits**

The **domestic realized crude price** decreased by 51% compared to Q2/08, in line with lower oil prices. In RON terms, however, the domestic realized crude price decreased by only 35% compared to Q2/08, supported by the strengthening of the USD against the RON. The average gas price for domestic producers is treated under the G&P section of the report.

EBIT decreased by 42% compared to Q2/08, driven by significantly lower oil prices and increased depreciation. E&P EBIT does not include the positive hedging effect, which is reported in the financial result according to RAS. **Group oil and gas production** fell by 5% to 16.79 mn boe compared to Q2/08. **Oil and gas production in Romania** amounted to 16.29 mn boe in Q2/09, 5% lower than in Q2/08. **Group oil production** reached 8.25 mn boe, 4% lower than Q2/08, as a result of the lower level of oil production in Romania. In Q2/09, **domestic crude oil production** amounted to 7.82 mn boe. **Oil production** registered a decrease of 4% compared to Q2/08, as a result of minor technical issues due to bad weather conditions and lower additional production achieved from new wells and also from the reduction of workovers. The power shortages experienced during the storms that occurred in the second part of Q2/09 impaired the functioning of the wells, leading to a lower production. **Natural gas production** was 7% lower compared to Q2/08, mainly due to the reduction of demand (partial shutdown of the local fertilizer industry) and delays in certain development projects. Compared to Q2/08, higher additional production from new wells has partially offset the decline of old gas wells. **Oil and gas production in Kazakhstan** amounted to 504 thousand boe in Q2/09, 1% lower compared to Q2/08 due to slower implementation of development drilling activities.

Domestic production costs in RON/boe were effectively unchanged compared to Q2/08, despite the lower production volumes, as their effect was mitigated by the lower material and service costs. When expressed in USD/boe, domestic production costs registered a 25% decline due to the strengthening of the USD versus the RON.

E&P investments in Romania were 37% lower compared to the same period in the previous year. Investments focused mainly on the drilling program and development of the most promising fields. Petrom SA **exploration expenditures** amounted to RON 21 mn in Q2/09, of which RON 20 mn were expensed and RON 1 mn was capitalized. An additional 387 km of 2D seismic has been acquired in Q2/09.

In **Kazakhstan**, the **Komsomolskoe** field development progressed. Production of first oil started through the permanent facilities. The batch drilling of the horizontal wells continued and at the end of June, three wells were completed. Initial production is approximately 1,000 bbl/d and will increase steadily as further wells are opened for flow.

In **Russia**, in the Saratov region, tests were started at two wells. Well Alexandrovskaya was plugged and abandoned as a dry hole. Well testing at Lugovaya -1 was still ongoing at the end of June.

Within the **turnaround program**, **Drilling Program** registered a total number of 14 new wells drilled in Q2/09 (56 in 6m/09), considerably lower compared to the previous year. Although drilling activity was reduced in Q2/09, its pace will be increased in H2/09 in order to meet our yearly target. **Development of the Mamu field** continued with the water shut off program at well 4335 Mamu. The well 4338 Mamu spud in April 2009 is currently finalized drilling and testing is in progress. **Development of the offshore discovery Delta** continued into Q2/09 with the drilling of the extended reach Delta 6 well. Currently, the total depth is reached, completion of the well is finished and testing is in progress. The full scale production is expected for H2/09. **Gas compressor station in the Hurezani Corbu** project continued in Q2/09 with basic engineering, which is close to completion. Detailed engineering continued in parallel with the completion of basic engineering.

In **Exploration and Production Services (EPS)**, the efficiency increase project started in Q1/09 was finalized. In addition, EPS implemented a streamlined organizational structure and using administrative synergies in the field. These two projects provided the basis for headcount reduction, with significant positive impact on personnel costs. A new efficiency increase concept (2009 - 2010) was developed and the project is currently under preparation. EPS started working on optimizing the service portfolio by further matching the service supply with E&P's demand; EPS drilling activities stopped while a heavy workover line, off-shore workover and well abandonment started.

Compared to Q1/09, the **domestic realized crude price** strengthened by 34%, in line with higher prevailing oil prices. In RON terms, the domestic realized crude price increased by only 27%, as the USD weakened against the RON. **EBIT** almost doubled compared to Q1/09, mainly due to the strengthening oil price environment and to the improved cost base. **Total oil and gas production in Romania** was 3% lower than in Q1/09. Crude oil production decreased by 1% and natural gas production by 5%. The decrease in production is related to the reduced gas demand (partial shutdown of the local fertilizer industry) and to minor technical issues due to bad weather conditions. **Oil and gas production in Kazakhstan** was 5% higher in comparison to the previous quarter due to the successful drilling and tie-in of a series of new wells in the Turkmenoi field and recover from reduced production in Q1/09 caused by pipeline restrictions. **Domestic production costs** in RON/boe are 8% lower than in Q1/09, mainly due to lower material and service costs. The decrease in domestic production costs expressed in USD/boe is only 2% compared to Q1/09, reflecting RON appreciation versus the USD. **E&P investments** in Romania decreased by 17% compared to Q1/09.

January - June 2009 (6m/09)

The **domestic realized crude price** fell by 52% to USD 45.41/bbl compared to 6m/08, due to lower oil prices. The domestic realized crude price in RON/bbl terms decreased by 37% from 6m/08, due to the strengthening of the USD against the RON. **EBIT** decreased by 59% compared to 6m/08, due to the significantly lower oil price environment and increased depreciation. **Group oil and gas production** decreased by 5% compared to 6m/08, to 34.09 mn boe (188,354 boe /day) as a consequence of lower domestic production. **Group oil production** was down by 3% compared to 6m/08, reaching 16.53 mn boe, due to the decrease of domestic oil production. **Total oil and gas production of Petrom SA in Romania** amounted to 33.11 mn boe, 5% lower over 6m/08. **Crude oil production of Petrom SA in Romania** was 15.71 mn boe, 4% lower than the level recorded in 6m/08 mainly due to the minor technical issues caused by bad weather conditions and the decreased contribution to production from workovers and new wells. **Natural gas production** reached 2,660 mn cbm, lower by 6% compared to 6m/08. The gas production level was mainly affected by the contraction of demand due to the weak economic environment, especially in the fertilizers industry and also by delays in certain development projects.

Domestic production costs were USD14.20/boe, 21% lower compared to 6m/08 due to the strong appreciation of the USD against the RON. Domestic production costs in RON/boe increased by 5% compared to 6m/08 due to lower production volumes, although partly offset by cost reduction measures. **Petrom SA exploration expenditure** totalled RON 72 mn in 6m/09. This amount includes RON 51 mn recognized directly in the profit and loss account and RON 21 mn that was initially capitalized and subsequently evaluated as not successful and therefore expensed. **E&P investments** in Romania were 53% lower compared to the same period of the previous year, mainly due to the fact that 6m/08 investments included the acquisition cost of the oil services business of Petromservice.

Refining and Marketing (R&M)

Q1/09	Q2/09	Q2/08	∆%	in RON mn	6m/09	6m/08	∆%	2008
(288)	(106)	(74)	n.m	EBIT	(394)	(192)	n.m	(1,895)
(229)	(41)	(10)	n.m	EBITDA	(270)	(86)	n.m	(1,055)
237	100	238	(58)	Investments	337	436	(23)	1,297

Q1/09	Q2/09	Q2/08	∆%	Key performance indicators	6m/09	6m/08	∆%	2008
1,313	1,328	1,505	(12)	Crude input (kt)	2,641	2,964	(11)	6,121
255	191	408	(53)	thereof imported crude (kt)	446	812	(45)	1,831
67	67	76	(12)	Utilization rate (%)	67	75	(11)	77
2.65	0.14	1.12	(88)	Refining margin indicator (USD/bbl)	1.42	0.90	58	1.43
1,262	1,168	1,329	(12)	Marketing sales (kt)	2,430	2,457	(1)	5,210
351	253	417	(39)	thereof export (kt)	604	849	(29)	1,649

Second quarter 2009 (Q2/09)

- **Low utilization rate at the refineries in response to the adverse market conditions**
- **Both refineries were equipped to produce bio-compliant fuels, in line with legislation regarding the promotion of biofuels – gasoline with a minimum 4% biofuel content**
- **Retail sales volumes increased 19% over Q2/08, despite a difficult economic environment, as a result of the investments in filling stations network optimization**

The R&M **EBIT** in Q2/09 was significantly lower compared to Q2/08, mainly driven by the lower valuation of the inventory holdings, resulting from the relatively lower crude price as compared to Q2/08. The results were further hit by low utilization of refining assets under the current market conditions. This negative impact was partly mitigated by the positive effects from restructuring efforts.

The total quantity of **crude processed** in Q2/09 amounted to 1,328 kt, 12% lower compared to Q2/08, of which imported crude oil represented 14%. The relatively low utilization rate of the refineries was mainly driven by overall weak market conditions. Arpechim refinery resumed operations on April 9, after the scheduled shut-down for crude unit inspection.

During Q2/09 the product cracks continued to deteriorate, driving **refining margins** down to a very low level, despite the relatively lower cost of own crude consumption as compared to Q2/08. The **refining margin indicator**[2] for Q2/09 was USD 0.14/bbl, 0.98 USD/bbl lower than the Q2/08 level. **Diesel cracks** were USD 82/t in Q2/09, that is USD 243/t lower than Q2/08. **Gasoline cracks** were USD 162/t in Q2/09, USD 34/t lower than Q2/08.

Petrochemical and special product sales dropped by 38% compared to the Q2/08 level, as the steam cracker unit in Arpechim remained offline in Q2/09.

[2] *The refining margin indicator is based on the international quotations for products [Augusta] and Urals crude and a standardized yield set typical for Petrom's refineries*

Total marketing sales decreased by 12% compared with Q2/08, due to the lower export sales. Exports diminished due to unfavorable international market conditions. **White product sales** on the domestic market were 4% above the Q2/08 level: **domestic gasoline sales** were up by 7% compared to Q2/08, **domestic diesel sales** increased by 2% and sales of **aviation fuels** recorded a 6% increase over Q2/08.

Retail sales increased in comparison with Q2/08 by 19% to 546 mn liters (442 kt equivalent), despite stagnant market conditions. The sustained investments in Petrom retail network between 2006 and 2008 ensured an optimum network that enabled us to achieve performance even under deteriorated economical conditions. **Total commercial and export sales** (726 kt) decreased by 24% due to lower demand for fuels in the domestic and external markets. **Commercial domestic sales** amounted to 473 kt, representing a decrease of 12% compared to Q2/08. In Q2/09, the commercial domestic sales of gasoline decreased by 14% compared to Q2/08 while diesel commercial sales in the domestic market recorded a fall of 17% over the same period of the previous year. HFO domestic sales registered a 7% increase compared to the same period of the last year. **Exported quantities** were 39% lower in Q2/09 compared to Q2/08, due to the 41% decrease in exported gasoline, 25% decrease in diesel and, notably, a 67% decrease in HFO exports. The decrease in exports is partly due to supplementary quantities placed on the domestic retail market.

Petrom's subsidiaries sold 359 mn liters of fuel to retail customers in Q2/09, 11% lower, compared to

Q2/08. International retail network sales represented 61% of total subsidiaries sales.

The non-oil business also registered an increase. The total turnover increased to RON 129 mn, 13% higher compared to Q2/08, due to portfolio and procurement optimization and more effective marketing.

At the end of Q2/09, Petrom SA had 457 filling stations, while Petrom Group operated a total of 829 filling stations, of which 561 are in Romania and another 268 abroad: 112 in the Republic of Moldova, 97 in Bulgaria and 59 in Serbia.

R&M investments amounted to RON 100 mn, down 58% compared to Q2/08 due to the reduced investment budget. In **Refining**, the gasoline in-line blending systems were finalized enabling both refineries to produce bio compliant fuels and further progress was made with the systematization and revamp works related to the storage capacities. **Marketing** investments were significantly lower compared with Q2/08, as the modernization of the filling stations network in Romania, a main focus throughout 2008, was completed leading to excellent results. Investments in supply and logistics, Marketing's investments main focus starting this year, are 32% higher over Q2/08 level.

Compared to Q1/09, EBIT improved from a negative RON 288 mn to a negative RON 106 mn; the main changes in Refining were driven by the relatively higher valuation of inventory holdings caused by the increased crude prices. Middle distillates cracks and the **refining margin** indicator continued to deteriorate while the refinery utilization rate remained flat as compared to the previous quarter, as weak economic conditions prevailed. Petrochemical and special product sales increased by 86% compared to Q1/09, mainly due to relatively higher volumes of coke (three times higher than Q1/09). **Total marketing sales** decreased by 7% compared to Q1/09, driven by lower commercial domestic and export sales, as many companies are facing difficulties.

January - June 2009 (6m/09)

The R&M **EBIT** recorded in the first half of 2009 showed twofold losses over the same period of the last year, mainly driven by the significantly reduced valuation of inventory holdings, compared to 6m/08. Despite the good operational performance over the period, the results were further impacted by the low utilization of our refining assets under current market conditions and only partly offset by improvements in the marketing business: higher retail sales and non-oil business, procurement optimization and reduced costs.

The total quantity of **crude processed** was 11% lower compared to 6m/08, with imported crude oil representing only 17% of the total quantity of crude processed in 6m/09 compared to 27% in 6m/08.

Overall, the **refining margin indicator** was slightly higher over 6m/08, mainly due to relative lower crude prices, which triggered a lower cost of own crude consumption. White product margins deteriorated against 6m/08, with diesel cracks at USD 102/t, which is USD 168/t lower than the 6m/08 level. At USD 133/t in 6m/09, gasoline cracks were USD 41/t below the comparable period of last year. During 6m/09, we maintained a low utilization rate of our refineries at 67%, optimizing the imports of expensive crude in the current margin environment.

Petrochemical and special product sales were 51% lower than in 6m/08.

Total marketing sales stood at 2,430 thousand tons, in line with the 6m/08 sales. **White product sales** on the domestic market were 8% above the 6m/08 level driven by the upgrade of the filling station network and improved retail station management. **Domestic gasoline sales** were up by 15% compared to 6m/08, while **domestic diesel sales** increased by 6% compared to 6m/08. **Aviation fuel sales** decreased by 9% compared to 6m/08.

Retail sales also increased in comparison with 6m/08 by 22% to 1,024 mn litres due to the aforementioned reason. **Commercial domestic sales** amounted to 998 thousand tons, 7% above the 6m/08 level, as **HFO sales** on the domestic market registered a 114% increase compared to 6m/08 due to the Russian-Ukrainian gas crisis at the beginning of the year that forced the district heating power plants to use HFO as substitute for gas. Excluding HFO sales, commercial domestic sales totalled 718 thousand tons, 10% below the 6m/08 level. **Exported quantities** were 29% lower in 6m/09 compared to 6m/08, mainly due to lower diesel and gasoline exports.

The non-oil business turnover increased 14% compared to 6m/08 due to portfolio and procurement optimization.

R&M investments decreased by 23% compared to 6m/08, due to the downsized investment level in 2009.

Gas and Power (G&P)

Q1/09	Q2/09	Q2/08	∆%	in RON mn	6m/09	6m/08	∆%	2008
55	(13)	(42)	n.m	EBIT	42	29	45	104
162	94	179	(47)	Investments	256	217	18	386

Q1/09	Q2/09	Q2/08	∆%	Key performance indicators	6m/09	6m/08	∆%	2008
1,480	884	1,213	(27)	Consolidated gas sales* (mn cbm)	2,364	2,794	(15)	5,297
1,470	858	1,127	(24)	thereof Gas sales Petrom SA (mn cbm)	2,328	2,580	(10)	4,944
150.97	160.67	211.71	(24)	Average gas price for domestic producers (USD/1,000 cbm)	155.63	204.49	(24)	195.59
495.00	495.00	495.00	-	Average gas price for domestic producers (RON/1,000 cbm)	495.00	490.83	1	492.90
480	370	370	-	Import gas price (USD/1,000 cbm)	425	370	15	440
88	85	129	(34)	Sales Doljchim (kt)	173	275	(37)	503

**Consolidated gas sales include the sales of Petrom SA, Petrom Gas SRL and Petrom Distributie Gaze as well as internal transfers to other segments*

Second quarter 2009 (Q2/09)

- **Lower consolidated gas sales volumes compared to Q2/08 mainly due to lower industrial demand**
- **Doljchim production adjusted to optimize Petrom's entire gas value chain**
- **First brick milestone for Brazi power plant**

G&P EBIT improved as compared to Q2/08, but was still negative due to the lower sales triggered by the lower demand.

Petrom's **consolidated gas sales** decreased in Q2/09 by 27% compared to Q2/08, mostly due to the decline by 33% of total gas consumption in Romania over the same period, which was largely caused by the shutdown of most of the fertilizer production capacity and a general decrease in industrial production. The reduction in natural gas consumption led to increased pressure in the transportation system that is negatively affecting gas logistics. **Petrom SA's sales** decreased by 24% compared to Q2/08. This decrease was lower than the general decrease of the market, as import quantities were mainly affected. Thus, the average import quota in Q2/09 was 18% in Romania, reaching a minimum value of 10% in June.

The total volume of natural **gas in storage** at the end of June 2009 was 381 mn cbm, compared to 174 mn cbm at the end of June 2008.

The **average gas price for domestic producers** in Q2/09 was USD 161/1,000 cbm (RON 495/1,000 cbm), 24% lower compared to Q2/08, due to the weakening of the RON compared to the USD. In RON terms, the average gas price for domestic producers in Q2/09 remained unchanged since February 2008.

While the Romanian Energy Regulatory Authority considered an unchanged import gas price of USD 370/1,000 cbm for the regulated basket price, the actual price of imported gas in USD decreased by 10% compared to Q2/08 (371 USD vs. 410 USD).

In Q2/09, the **Doljchim** result was affected by lower sales quantities for all products, except methanol and lower quotations for methanol and urea. Compared to Q2/08, Doljchim sales volumes decreased 34%, due to reduced demand, both domestically and internationally. Market prices for fertilizers and Methanol are very low at the moment, therefore the production was adjusted, by selectively producing based on market prices and input costs.

Investments in G&P in Q2/09 amounted to RON 94 mn, mainly relating to Brazi power plant (RON 92mn), consisting of payments for the lump sum turnkey contract signed with the General Electric - Metka consortium for the construction of the power plant.

In order to ensure the financing of the power plant, two loans of EUR 200 mn each were obtained from the EBRD and the EIB respectively. Works at the **Brazi power plant** continued in Q2/09 according to schedule, with site mobilization securely completed and excavation works started. On June 3, the first brick milestone was achieved as Petrom began the actual construction of the Brazi gas fired power plant after having started preparatory work already in 2008.

Compared to Q1/09, the G&P EBIT was lower, reflecting a seasonal decrease in Gas Business and lower demand and decreased prices for Doljchim. Petrom SA gas sales volumes were 42% lower compared to Q1/09, when quantities extracted from storage were added to sales. The decrease of natural gas consumption in Romania in Q2/09 as compared to Q1/09 was 59%. This decrease is partly due to typical seasonally reduced gas consumption during the spring-summer period, and to a large extent caused by lower industrial activity in Romania induced by the economic crisis.

January - June 2009 (6m/09)

In the first half of 2009, **Petrom SA gas sales** decreased by 10%, while total gas consumption in Romania decreased by 21.5% as compared to the first half of 2008.

EBIT generated by the G&P business of Petrom SA amounted to RON 42 mn, a 45% increase compared to the EBIT recorded in 6m/08.

The **gas price** for Romanian producers was USD 156/1,000 cbm (RON 495/1,000 cbm), down 24% compared to the first half of 2008 due to the FX effect (unchanged in RON terms since February 2008).

The regulated end-user gas price for households and industrial customers in Romania decreased by 3%, as of May 1st, 2009. However, this had no impact on the gas price for domestic producers.

Petrom injected 348 mn cbm into storage in the first half of 2009. The total volume of natural gas in storage at the end of June was 381 mn cbm.

EBIT recorded by Doljchim in 6m/09 was negative (RON - 37 mn), reflecting the low demand and prices as well as the lack of financing and subsidies for agriculture.

The volume of **Doljchim sales** decreased by 37% to 173 thousand tons. Sales on domestic as well as international markets dropped substantially due to the lack of demand and increasing difficulty of raising finance. Therefore, Doljchim was forced to first reduce and then temporarily close down production.

Export sales represented around 23% of total sales.

The compliance investments in Doljchim totalled RON 6 mn while Power related investments stood at RON 250 mn.

Financial highlights

Profit and loss account

Q1/09	Q2/09	Q2/08	∆%	in RON mn	6m/09	6m/08	∆%	2008
3,037	2,889	4,555	(37)	Net turnover	5,926	8,274	(28)	16,751
180	275	838	(67)	EBIT	455	1,867	(76)	1,309
329	644	1,117	(42)	thereof: EBIT E&P[1]	972	2,365	(59)	3,139
(288)	(106)	(74)	n.m	EBIT R&M	(394)	(192)	n.m	(1,895)
55	(13)	(42)	n.m	EBIT G&P	42	29	45	104
(28)	(30)	(38)	n.m	EBIT Corporate & other	(59)	(56)	n.m	(128)
112	(219)	(125)	n.m	EBIT Consolidation[2]	(107)	(279)	n.m	89
506	417	687	(39)	Net profit	923	1,664	(45)	1,022
1,172	866	1,338	(35)	Investments	2,038	3,385	(40)	6,404

[1] Excluding intersegmental margin elimination now shown in the new line "EBIT Consolidation"; for reasons of comparability 2008 numbers are adjusted accordingly
[2] EBIT Consolidation result represents the intersegmental margin elimination which was reported until 2008 under E&P result

Second quarter 2009 (Q2/09)

The Company **net turnover** in Q2/09 decreased by 37% to RON 2,889 mn compared to Q2/08, mainly driven by the decrease in fuel selling price but also due to a decrease in quantities sold.

Operating expenses in Q2/09 decreased by 25% compared to Q2/08, to RON 2,847 mn. The main drivers are the RON 615 mn decrease in value of raw materials resulting from the lower quantities and prices of imported crude oil as well as the reduction in the adjustments to provisions for risks and charges.

EBIT amounted to RON 275 mn, well below that of Q2/08 (RON 838 mn) mainly due to the unfavorable crude price environment, higher depreciation and lower sales of gas and commercial fuels, excluding HFO.

Beginning with the 2009, Petrom reports its segment results before taking into account the necessary margin elimination from intersegmental transfers. This margin elimination represents an unrealized profit for the oil and gas which was transferred internally by E&P but remains in the stocks of the other Petrom segments. Until the end of 2008, this adjustment was reflected in the E&P result. Starting in 2009, this is shown under the EBIT consolidation result. For purposes of comparability, 2008 figures have been adjusted accordingly.

The Company's **financial result** increased in Q2/09 to RON 190 mn from RON 76 mn in Q2/08, predominantly as a result of the realization of oil price hedging and higher income from dividends. Oil price hedging generated a financial gain of RON 164 mn as average oil prices in Q2/09 were below USD 65/bbl.

The **corporate tax charge** decreased by RON 178 mn in Q2/09 compared to Q2/08, reaching RON 48 mn, as a result of lower gross profits and lower non-deductible expenses mainly provisions.

Net profit dropped by 39% in Q2/09 compared with Q2/08 as a consequence of the reduced operating result.

Petrom contributed RON 1,709 mn to the State budget in Q2/09, 2% higher than in Q2/08. In Q2/09, profit taxes stood at RON 47 mn, royalties amounted to RON 128 mn and employer related social contributions totaled RON 234 mn. Petrom's contribution to the State budget via indirect taxes was mainly represented by excise (RON 939 mn), employee related taxes (RON 252 mn) and VAT (RON 68 mn).

Compared to Q1/09, the Company's net turnover in Q2/09 decreased by 5% to RON 2,889 mn, driven by the decrease in fuels quantities, which was partially compensated by an increase in selling price. EBIT was RON 275 mn, higher compared to the previous quarter [Q1/09: RON 180 mn] mainly due to favorable crude price environment. The Company's financial result decreased in Q2/09 to RON 190 mn from RON 360 mn in Q1/09, mainly due to the foreign exchange loss compensated by higher dividend received. The corporate tax charge increased by RON 14 mn in Q2/09 compared to Q1/09, due to lower non-taxable revenues mainly coming from foreign exchange gains. Net profit decreased in Q2/09 compared with Q1/09 as a consequence of a negative impact from financial activity which was partly compensated by the positive impact from operating gains.

January - June 2009 (6m/09)

The Company's **net turnover** in 6m/09 declined by 28% to RON 5,926 mn compared to 6m/08 mainly driven by lower price levels.

Operating expenses decreased by 16% compared to 6m/08, to RON 5,566 mn, mainly due to a decrease in raw material costs caused by lower quantities of imported crude oil as well as the reduction in the provisions for risks and charges.

EBIT amounted to RON 455 mn, 76% below the RON 1,867 mn result in 6m/08 mainly due the unfavorable crude price environment, higher depreciation and lower sales of gas and commercial fuels, excluding HFO.

The Company's **financial result** improved in 6m/09 to RON 550 mn from RON 199 mn in 6m/08, mainly due to the realization of oil price hedging that generated a financial gain of RON 339 mn, as well as the higher dividends received from subsidiaries and foreign exchange gains.

As a consequence of a RON 1,062 mn decrease in gross profit in 6m/09 to RON 1,005 mn, the **corporate tax charge** also registered a decline.

As a result of the business activities, Petrom contributed RON 3,131 mn to the State budget, at almost the same level as in 6m/08. Income tax stood at RON 81 mn, royalties amounted to RON 253 mn and social contributions reached RON 346 mn. Petrom's contribution to the State budget via indirect taxes was mainly represented by excise (RON 1,784 mn) while employee related taxes (RON 370 mn) and VAT (RON 208 mn).

Net profit decreased by 45% in 6m/09 compared to 6m/08 mainly due to the fact that the decline in turnover is higher than the decline in costs. This development was partly compensated by a positive impact from the financial result.

Balance sheet

Total assets amounted to RON 26 bn as of June 30, 2009, up by 5% compared to the end of 2008 (RON 25 bn), mainly as a result of the investments realized in 2009.

Non-current assets increased by 9% to RON 22 bn, mainly driven by significant investments related to E&P for the development and modernization of wells, surface facilities and production equipment, as well as to R&M, Corporate and Power projects. In 6m/09, non-current assets also increased due to the loans given to subsidiaries.

Total current assets, including pre-payments, decreased by 9% to RON 4,637 mn compared to the end of 2008 (2008: RON 5,121 mn), mainly as a result of lower inventories and decrease of short term investments related to oil price hedging.

Inventories decreased compared with the previous year mainly due to lower quantities of crude oil and petroleum products and a lower value of closing inventories.

The adverse economic environment in 6m/09 brought a decrease in **receivables** compared to the end of 2008 mainly due to the decrease in gas sales. However, this was compensated by receivables from oil price hedging.

Total liabilities (including provisions and deferred income) increased by 5% to RON 12,298 mn as of June 30, 2009, mainly due to an increase in long-terms loans.

Shareholders' equity amounted to RON 13,906 mn as of June 30, 2009, increased by 2% from the end of 2008 (RON 13,569 mn), as a result of the net profit generated in the current year and was reduced by the fair value of the oil price hedging that is shown in the income statement when it is realized.

The competitive environment continues to be very challenging and an increase in efforts to generate cash led to an increased **indebtness[3] ratio** from 11.09% at the end of 2008 to 23.05% at the end of June 2009. The financing program ensured the necessary resources for strategic projects with a strong economic impact.

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[3] *Indebtness ratio is calculated as Long term debt/(equity) x 100, according to Romanian National Securities Commission's regulations in force*

Investments

Q1/09	Q2/09	Q2/08	Δ%	in RON mn	6m/09	6m/08	Δ%	2008
672	556	876	(37)	Exploration & Production	1,228	2,641	(54)	4,524
237	100	238	(58)	Refining & Marketing	337	436	(23)	1,297
162	94	179	(47)	Gas & Power	256	217	18	386
101	116	46	152	Corporate & others	217	92	136	197
1,172	**866**	**1,338**	**(35)**	**Total investments**	**2,038**	**3,385**	**(40)**	**6,404**

Second quarter (Q2/09)

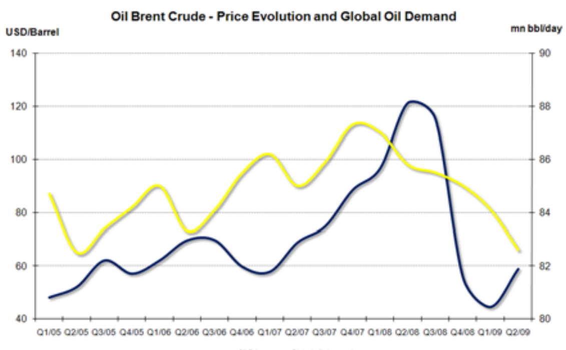
Total investments in Q2/09 were RON 866 mn, 35% down from Q2/08. Investments in E&P (37% lower than in Q2/08) represented 64% of the total for Q2/09 and were focused mainly on the drilling program and surface facility modernization. Approximately 12% of total investments were realized by R&M. In Refining, investments were mainly related to the systematization and revamp of the Refinery Tanks Farm. The marketing division investments focused on the reconstruction of the main oil products terminals. Investments in G&P were mainly allocated to the Brazi power plant. **Compared to Q1/09**, total investments in Q2/09 decreased by 26%.

January - June 2009 (6m/09)

The investments for Petrom SA in the first six months of 2009 amounted to RON 2,038 mn, a 40% decrease compared to the same period in 2008. Investments in E&P accounted for 60% of the total figure in the first six months of 2009, mainly due to the continued focus on field development and production drilling. Approximately 17% of the total investments were realized by R&M. In Refining, investments were mainly related to the DCS (Distributed Control System) implementation and the systematization and revamp of the Refinery Tanks Farm. The marketing division investments focused on the modernization of oil terminals. Investments in G&P mainly comprised investments in the Brazi power plant. Corporate investments more than doubled compared to 6m/08 mainly due to the construction works at Petrom City.

Business environment

Policymakers have continued their huge effort to counter the global financial crisis. However, although the prospects of the world economy appear to have somewhat improved recently, overall, global economic conditions were rather gloomy during the first semester of the year. While risk appetite has gradually returned to the financial markets, the real economy kept deteriorating with demand falling and unemployment rising. According to the latest IEA oil market, **world oil demand** fell further in 6m/09 to 83.8 mn bbl/d, down by 3.1 mn bbl/d or 3.6% year on year. US oil demand fell by nearly 6%, to its lowest level in a decade. The IEA now expects demand for crude to reach 83.3 mn bbl/d (-2.4 mn bbl/d) in 2009. The OECD is expected to represent the greater share of global decline in oil demand this year. Although a feeble recovery could take place in the second part of the year, oil demand in both Europe and Japan is expected to remain subdued until 2010.



In 6m/09 **global oil production** stood at 84.4 mn bbl/d. Compared to a year ago, global oil supplies are now lower by 3.2 mn bbl/d. At its May meeting OPEC decided to keep its production unchanged. However, over the last couple of months OPEC crude production continued to rise slightly as its quota discipline appeared to slip. Iran and Angola alone accounted for more than half of the above-target output. Non-OPEC oil supply dropped marginally in the first half of the year. But, stronger than expected Russian production and increased North Sea output could reduce the annual fall in non-OPEC supply to only 100 kb/d, to 50.5 mn bbl/d.

The average **Brent price** was USD 51.68/bbl in 6m/09, 53% down compared to 6m/08 (USD 109.05/bbl). Oil prices strengthened in Q2/09 versus Q1/09 as hopes of a global economic recovery became stronger. Uncertainties over future inflation as well as a weak US dollar also played a part in driving oil prices higher. The average **Urals price** in 6m/09 was USD 50.99/bbl, 52% below 6m/08 level.

The Romanian economy contracted by 6.2% in Q1/09, worse than anticipated. With domestic market conditions unlikely to see a major improvement in the second quarter of the year, **Romanian GDP growth** forecasts for the year have been downgraded further. Now, according to Romanian government officials as well as international institutions, the economy is expected to shrink within a range of 4-8% in 2009. This could trigger a renegotiation of the objectives stipulated in the IMF agreement, especially those related to the size of the budget deficit.

Although **industrial** new orders were 19% down in May, compared to the same period last year, on a monthly basis these were up for a second consecutive month. The non-governmental **domestic credit growth** has continued to adjust sharply. Its annual nominal growth rate fell to 11% at the end of 6m/09, down from 64% a year ago. The severe drop in credit demand continues to have a negative impact on domestic consumption. This, in turn, has led to a drastic adjustment of the **trade balance**, as imports fell due to lower demand. The annual average growth rate of imports moved into negative territory reaching minus 8.3% at the end of May. At this rate, the size of the current deficit could be reduced below 6% of GDP by the end of the year. This could considerably reduce Romanian external financing requirements and also the perceived country risk related to the rollover of its external debt obligations.

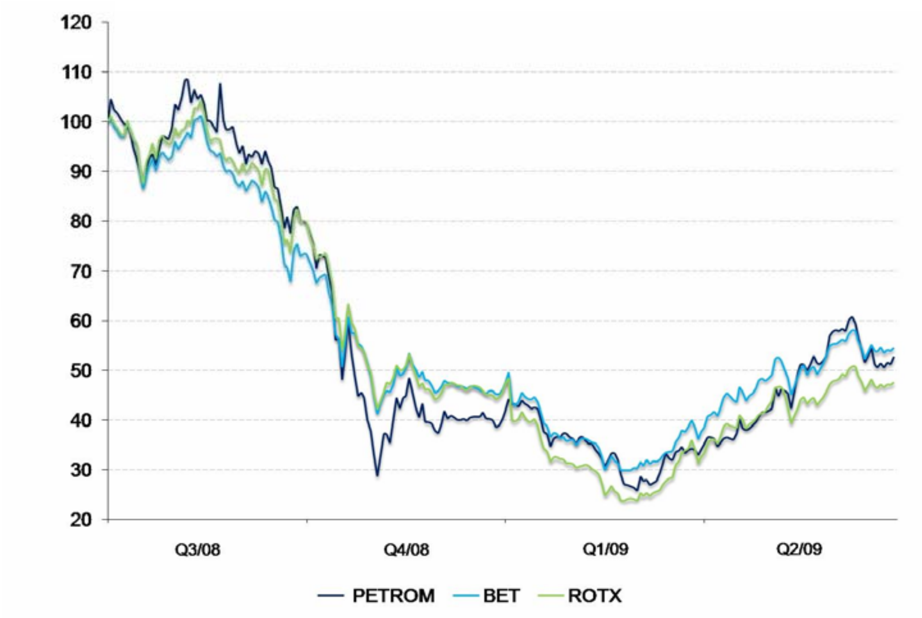
The Consumer Price Index (CPI) **inflation rate** continued to fall, albeit at a slower than anticipated rate. Annual inflation reached 5.9% at the end of 6m/09, the highest in the EU-27. The Producer Price Index (PPI) continued its plunge and moved dangerously close to the zero limit. Annual inflation, measured by the PPI, reached 1.2% in May, down from 7.3% at the beginning of the year.

In its latest meeting, on 30 June, the Monetary Policy Council reduced the NBR benchmark **interest rate** by another 50 basis points to 9%. In addition, the rate of minimum reserves – amounts which commercial banks have to hold at the NBR as a fraction of their assets – was considerably slashed. Overall, the NBR's actions improved market liquidity and are aimed at lowering the interest rates throughout the economy. During 6m/09, the RON depreciated against both the EUR and USD. The average **USD/RON** rate increased in 6m/09 by almost 33% compared to the average value recorded in the same period a year ago. The average **EUR/RON** rate appreciated at a slower rate, close to 15%, over the same period.

Q1/09	Q2/09	Q2/08	Δ%	Average FX-rates	6m/09	6m/08	Δ%	2008
4.268	4.196	3.652	15	Average EUR/RON FX-rate	4.233	3.670	15	3.683
3.279	3.081	2.338	32	Average USD/RON FX-rate	3.181	2.400	33	2.520
1.303	1.362	1.562	(13)	Average EUR/USD FX-rate	1.333	1.530	(13)	1.471

Stock watch

Evolution of Petrom share price, BET and ROTX indices
July 2008 – June 2009



Petrom shares rose 55% in Q2/09 compared to the end of Q1/09, in line with the market. Compared to the end of Q1/09, on June 30, the BET index was 45% higher and BET-NG [the energy sector index] was 42% higher. After reaching a 6 year low on March 3, when it closed at RON 0.1160/share, Petrom's share price steadily increased, closing at RON 0.2370/share on June 30, 2009.

ISIN: ROSNPPACNOR9	Market capitalization, June 30	RON 13.4 bn
Bucharest Stock Exchange: SNP	Market capitalization, June 30	EUR 3 bn
Reuters: SNPP.BX	Closing price, June 30 (RON/share)	0.2370
Bloomberg: SNP RO	Year's high, June 11 (RON/share)	0.2730
	Year's low, March 3 (RON/share)	0.1160
	Number of shares	56,644,108,335

Subsequent events

Starting **July 1, 2009**, the Romanian Energy Regulatory Authority (ANRE) decreased by 5% the regulated end-user gas price for households and industrial customers in Romania. However, this had no impact on the gas price for domestic producers.

On **August 3,** Petrom announced its first exploration success in Russia, as both oil and gas discoveries are confirmed at the exploration well Lugovaya-1 in the Kamenski license in the Saratov region. First tests show a flow of oil and gas from three layers at a combined rate of approximately 6,500 boe/d.

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Next release:

The next results announcement for January – September and Q3 2009 will be released on November 10, 2009.

The financial statements for the first half 2009 have been prepared in accordance with the Romanian Accounting Standards and offer a fair and appropriate image with the situation of Petrom's assets, liabilities, financial positioning and profit and statements of operations, whilst the information presented in this report reflects fairly and completely the company's activity.

Mariana Gheorghe
Chief Executive Officer

PETROM S.A.
PETROM
București - România

Reinhard Pichler
Chief Financial Officer

Abbreviations

bbl	Barrel
boe	Barrel of oil equivalent
bn	Billion
CAPEX	Capital Expenditures
cbm	Cubic meters
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortization
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
E&P	Exploration and Production
EPS	Exploration and Production Services
FX	Foreign Exchange
G&P	Gas and Power
GDP	Gross Domestic Product
HFO	Heavy fuel oil
IEA	International Energy Agency
IMF	International Monetary Fund
kt	Thousand tons
mn	Million
NBR	National Bank of Romania
NGL	Natural Gas Liquids
n.m.	Not meaningful
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of Petroleum Exporting Countries
RAS	Romanian Accounting Standards
RON	New Romanian Lei
R&M	Refining and Marketing
t	Ton
VAT	Value added tax

Profit and Loss Account as of June 30, 2009

(Figures for Petrom SA only, according to Romanian Accounting Standards)

RON	June 30, 2008	June 30, 2009
1. Net turnover	8,273,569,492	5,926,208,422
Sales of production	6,948,184,483	5,198,519,758
Sales of merchandise	1,325,385,009	727,688,664
Interest income- from lease companies	-	-
Interest from subsidies related to net turnover	-	-
2. Movements in stocks of finished goods		
Credit balance	57,804,435	-
Debit balance	-	119,125,582
3. Own work capitalized	57,694,628	93,012,013
4. Other operating revenues	91,200,962	120,254,082
TOTAL OPERATING REVENUES	**8,480,269,517**	**6,020,348,935**
5. a) Raw materials and consumables expenses	2,151,387,944	1,193,903,237
Other materials expenses	32,409,123	26,802,010
b) Other utilities expenses (energy and water)	255,740,936	260,916,241
c) Purchase of goods for resale	379,334,297	566,356,939
6. Salary expenses, of which:	1,082,934,277	1,347,568,011
a) Salaries	812,410,852	1,007,358,216
b) Social security contributions	270,523,425	340,209,795
7 a) Adjusting the value of tangible and intangible assets	702,975,832	781,033,900
a.1) Expenses	711,443,510	818,041,686
a.2) Revenues	8,467,678	37,007,786
b) Adjusting the value of current assets	3,579,316	(5,084,499)
b.1) Expenses	34,162,811	91,847,762
b.2) Revenues	30,583,495	96,932,261
8. Other operating expenses	1,833,200,797	1,975,476,251
8.1 Third parties services	1,205,939,891	1,400,797,563
8.2 Other taxes, duties and similar expenses	413,865,409	320,795,006
8.3 Other operating expenses	213,395,497	253,883,682
Interest related to refinancing activities	-	-
Adjustments for provisions for risks and charges	172,086,699	(581,281,976)
Expenses	485,649,920	55,842,551
Revenues	313,563,221	637,124,527
TOTAL OPERATING EXPENSES	**6,613,649,221**	**5,565,690,114**
OPERATING RESULT:		
- Profit	**1,866,620,296**	**454,658,821**
- Loss	-	
9. Income from investments	97,666,069	183,833,433
- out of which, within the group	96,133,558	183,833,433
10. Income from other financial investments and receivables, part of financial assets	-	-
- out of which, within the group	-	-
11. Income from interest	70,141,873	62,665,170
- out of which, within the group	39,678,266	48,528,982
Other financial revenues including forex gain	1,271,713,792	617,433,682
TOTAL FINANCIAL REVENUES	**1,439,521,734**	**863,932,285**
12. Adjustment of financial assets and investments held	13,446,928	37,524,315
Expenses	19,179,057	38,468,734
Revenues	5,732,129	944,419

RON	June 30, 2008	June 30, 2009
13. Interest expenses	533,265	36,093,072
- out of which, within the group	-	6,939,880
Other financial expenses including forex loss	1,226,816,130	240,316,437
TOTAL FINANCIAL EXPENSES	**1,240,796,323**	**313,933,824**
FINANCIAL RESULT		
- Profit	198,725,411	549,998,461
- Loss	-	-
14 Current result:		
- Profit	**2,065,345,707**	**1,004,657,282**
- Loss	-	-
15. Extraordinary revenues	-	-
16. Extraordinary expenses	-	-
17. Extraordinary result:	-	-
- Profit		
- Loss		
TOTAL REVENUES	**9,919,791,251**	**6,884,281,220**
TOTAL EXPENSES	**7,854,445,544**	**5,879,623,938**
Profit before tax:		
- Profit	**2,065,345,707**	**1,004,657,282**
- Loss	-	-
18. Tax on profit	**401,214,337**	**81,394,352**
19. Other tax expenses not shown above	-	-
20. NET RESULT OF FINANCIAL YEAR:		
- Profit	1,664,131,370	923,262,930
- Loss	-	-

Balance Sheet as of June 30, 2009

(Figures for Petrom SA only, according to Romanian Accounting Standards)

RON	31/12/2008	30/06/2009
A. Non current assets		
I Intangible assets	1,129,715,521	1,009,676,572
II Tangible assets	13,655,674,197	14,970,147,711
III Financial assets	5,021,081,500	5,587,391,972
Total non current Assets	**19,806,471,218**	**21,567,216,255**
B. Current assets		
I. Inventories	2,394,434,361	2,203,415,110
II. Receivables	1,704,211,989	1,526,240,479
III. Short term investments	724,024,630	413,505,976
IV. Cash and bank accounts	261,438,312	401,089,854
Total Current Assets	**5,084,109,292**	**4,544,251,419**
C. Prepayments	36,865,667	92,817,324
D. Payables within one year	**3,446,027,370**	**2,977,064,088**
o/w Interests bearing liabilities	300,526,268	308,092,372
E. Current assets, less current liabilities	1,546,602,219	1,548,232,554
F. Total assets less current liabilities	21,353,073,437	23,115,448,809
G. Payables in more than one year	**1,504,095,402**	**3,361,400,362**
o/w Interests bearing liabilities	1,486,003,422	3,205,530,658
H. Provisions for risks and charges	6,262,466,399	5,833,470,297
I. Deferred income	146,258,559	126,090,999
1. Investments subsidies	17,913,189	14,318,898
2. Deferred income	128,345,370	111,772,101
J. Share capital and reserves		
I. Share capital	5,664,410,834	5,664,410,834
Out of which:		
- subscribed and paid in share capital	5,664,410,834	5,664,410,834
- subscribed and not paid in share capital	-	-
- patrimony	-	-
II. Premium related to capital	-	-
III. Revaluation reserves	50,904,252	48,979,576
IV. Reserves	6,315,308,717	5,731,631,265
V. Retained earnings		
Credit balance	587,632,269	1,537,974,647
Debit balance	-	-
VI. Profit for the period		
Credit balance	1,022,387,463	923,262,930
Debit balance	-	-
Profit appropriation	72,045,088	-
Total Shareholders' Equity	**13,568,598,447**	**13,906,259,252**
Public patrimony	-	-
Total equity	**13,568,598,447**	**13,906,259,252**