

OMV Petrom and Expert Petroleum partnership for production enhancement

- ▶ Partnership entails production enhancement services for 13 small mature oil and gas fields in the Western part of Romania
- ▶ The contract targets significant increase of cumulative oil and gas production above estimated natural decline

OMV Petrom, the largest oil and gas producer in Southeastern Europe, signed a 15-year agreement with Expert Petroleum for production enhancement services on 13 small mature fields (currently producing around 2,400 boe/d), some of them exploited for more than 40 years, situated in the Western part of Romania, nearby Timisoara. Expert Petroleum is a Romanian company with international expertise in the oil and gas industry.

Johann Pleininger, member of the OMV Petrom Executive Board, responsible for Exploration and Production: "With this new partnership, we continue to optimize our E&P portfolio. The results obtained, thanks to the production enhancement contracts concluded during the past years are encouraging. These reservoirs require a customized approach, high investments and modern technologies to improve the recovery of oil and gas".

The new contract follows the model of the previous production enhancement contracts. Expert Petroleum will take over and finance the operations and, together with OMV Petrom, commits to their future development in order to maximize production while improving efficiency. The OMV Petrom employees engaged in these activities will be transferred to **Expert Petroleum**.

OMV Petrom will remain the sole titleholder of the concession contracts and the owner of the hydrocarbon production, the existing assets as well as of the rights and obligations as defined by the Petroleum Act. Also, OMV Petrom will supervise the operations and will remunerate Expert Petroleum based on a services fee, which will vary depending on the production level delivered.

The current production of the fields accounts for 1.5% of the daily production of OMV Petrom in Romania, with production costs substantially higher compared to the average production costs of the company.

Petrom Group

Petrom is the largest oil and gas group in Southeastern Europe, with activities in the business segments of Exploration and Production, Gas and Power as well as Refining and Marketing. 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 7.7 bn during the last seven years.

In Romania and Kazakhstan, the Group exploits proved oil and gas reserves of approximately 812 mn boe (thereof 786 mn boe in Romania) and has a maximum annual refining capacity of 4.2 mn t. Petrom is present in the distribution market for oil products in Romania, the Republic of Moldova, Bulgaria and Serbia 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 OMV Petrom.

For its sustainable development, Petrom has expanded the gas value chain into power. In this context, Petrom started commercial operations of the 860 MW gas fired power plant at Brazi and at the Dorobantu 45 MW wind park.

In 2011, the Group's turnover was EUR 5,336 mn, EBIT was EUR 1,165 mn.

OMV, one of Austria's largest listed industrial companies holds a 51.01% share in OMV Petrom. In Exploration and Production, OMV is active in two core countries Romania and Austria and holds a balanced international portfolio. In Gas and Power, OMV sold approximately 272 TWh of gas in 2011. In Refining and Marketing, OMV has an annual refining capacity of 22 mn t and as of the end of 2011, approximately 4,500 filling stations in 13 countries including Turkey.

The Ministry of Economy holds 20.64% of OMV Petrom shares, the Property Fund SA holds 20.11%, the European Bank for Reconstruction and Development 1.62% and 6.62% is free float on the Bucharest Stock Exchange.

Contact details

Sorana Baciú,
Strategy, Corporate Development & Investor Relations
Tel: 0040-372-429 082, Fax: 0040-372-868 518
e-mail: investor.relations.petrom@petrom.com